

**CANADA MALTING CO.  
LIMITED**



*Annual Report*



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FOR THE YEAR ENDING DECEMBER 31, 1941

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### **Board of Directors**

GEO. BAILEY	JOHN P. HEIGHTON
ERIC S. CLARKE	WALTER C. LAIDLAW
J. E. GRANT	ARNOLD C. MATTHEWS
H. C. HATCH	L. M. McCARTHY
C. H. S. MICHIE	



### **Executive Officers**

ARNOLD C. MATTHEWS	- - - - -	President
H. C. HATCH	- - - - -	Vice-President
ERIC S. CLARKE	- - - - -	Managing-Director
JOHN P. HEIGHTON	- - - - -	Secretary and Treasurer

**Report of the Directors to the Shareholders of**  
**CANADA MALTING CO., LIMITED**

**For the Fiscal Year ending December 31, 1941**

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Your Directors herewith submit the Balance Sheet and Profit and Loss Statement, as certified by your Company's Auditors, Messrs. Price, Waterhouse & Co., for the year ended December 31, 1941.

Final net profit was \$608,404.53, or \$3.05 per share, compared with \$2.63 per share in 1940 and \$3.27 in 1939.

A reserve, at Government rates, amounting to \$317,441.21, has been set aside for depreciation of properties. This is somewhat greater than previous years, due to the substantial increase in Capital Assets and the fact that all your properties were operating 100% during the period.

The provision for Dominion Income and Excess Profits Taxes equals \$493,260.00, or \$2.47 per share. No provision has been made for Provincial Profits Tax for 1941, as it is hoped such tax is abolished for the duration of the war.

It will be recalled that a substantial addition to the productive capacity of your Company was completed during the latter months of 1940. A ready market was found for this increased production in 1941, in both the export and domestic field—consequently, the volume of sales in the period under review was the largest in the history of the Company.

In recent months, the domestic demand for our products has been increasing rapidly, due, to a great extent, to certain war orders of our customers, and, as it is necessary to adequately supply our Canadian Trade, notwithstanding the persistent enquiry and higher prices available from foreign markets, export sales have ceased.

All of your properties have been maintained in a satisfactory state of repair. Capital expenditures, amounting to \$42,401.37, were made in 1941.

The net working capital is approximately \$3,815,000.00—with a ratio of current assets to liabilities of nearly 6 to 1.

Your Directors wish to express again their appreciation of the loyal and efficient support rendered by the officers, staff and employees of the Company throughout the year.

Submitted on behalf of the Board.

ARNOLD C. MATTHEWS,  
President.

# CANADA MALTING CO., LIMITED

*Balance Sheet, December 31st, 1941*

<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>CURRENT ASSETS:</b>		<b>CURRENT LIABILITIES:</b>	
Cash on hand and in bank .....	\$ 263,879.37	Accounts payable and accrued liabilities .....	\$ 307,722.13
Investment in marketable securities, at cost .....	1,163,306.97	Reserve for Dominion and Provincial income taxes, excess profits tax, etc. ....	465,419.21
(Market value \$1,026,207.00)			<u>\$ 773,141.34</u>
Accounts receivable, less reserve	570,507.24	<b>CAPITAL AND SURPLUS:</b>	
Inventories, as determined and certified to by responsible officers of the company:		Capital Stock—	
Malt, barley, etc.—on the basis of approximate cost, less reserve .....	\$2,505,372.93	Represented by 198,972 shares without nominal or par value .....	\$4,441,960.00
Coal, bags, etc.—on the basis of cost .....	85,077.16	(Authorized 200,000 shares)	
	2,590,450.09	Capital Surplus (no change during the year) .....	797,676.01
	<u>\$4,588,143.67</u>		<u>\$5,239,636.01</u>
<b>DOMINION OF CANADA BONDS</b> , at cost: Deposited with Department of National Revenue .....	4,338.75	Earned Surplus (as per statement attached) .....	1,757,528.38
<b>GRAIN EXCHANGE SEATS AND MEMBERSHIP IN CLEARING HOUSE</b> , at cost .....	16,700.00		<u>6,997,164.39</u>
<b>DEFERRED CHARGES:</b>		Approved on behalf of the Board:	
Prepaid taxes, insurance, etc. ....	\$ 29,325.69	ERIC S. CLARKE, Director.	
Machinery repair parts and office supplies .....	9,000.00	JOHN P. HEIGHTON, Director.	
	<u>38,325.69</u>		
<b>FIXED ASSETS</b> , based on appraised depreciated values as reported by Canadian Appraisal Company Limited as at June 25, 1927, plus subsequent additions at cost:			
Land .....	\$ 242,532.81		
Buildings .....	\$2,996,483.32		
Plant and equipment .....	2,425,291.30		
	<u>\$5,421,774.62</u>		
<b>Less—Reserve for depreciation</b> .....	2,541,509.81		
	<u>2,880,264.81</u>		
	3,122,797.62		
	<u><u>\$7,770,305.73</u></u>		<u><u>\$7,770,305.73</u></u>

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

We have examined the books and accounts of Canada Malting Co., Limited, for the year ending December 31, 1941, and have been furnished with all the information and explanations which we have required; and we report that, in our opinion, the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs as at December 31, 1941, according to the best of our information and the explanations given to us, and as shown by the books of the company.

TORONTO, February 20, 1942.

PRICE, WATERHOUSE & CO.,  
Chartered Accountants.

# CANADA MALTING CO., LIMITED

## Statement of Profit and Loss and Earned Surplus For the Year Ending December 31, 1941



### PROFIT AND LOSS

Particulars	Amount
Profit from operations for the year after charging all manufacturing, selling and general expenses, but before providing for the under-noted charges	\$1,409,836.76
<b>Deduct—</b>	
Directors' fees	\$ 2,500.00
Total amount paid or provided as counsel and solicitors' fees, and remuneration and fees of executive officers and directors who hold salaried positions in the company	57,161.13
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<b>Operating Profit</b> for the year, before providing for depreciation and income taxes	\$1,350,175.63
<b>Deduct—</b> Provision for depreciation	317,441.21
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	\$1,032,734.42
<b>Deduct—</b> Provision for Dominion income and excess profits taxes	493,260.00
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	\$ 539,474.42
<b>Add—</b> Income from investments, bank balances, etc.	68,930.11
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<b>Net Profit for year ending December 31, 1941, carried to Earned Surplus</b>	<u>\$ 608,404.53</u>
<b>EARNED SURPLUS</b>	
Balance as at December 31, 1940	\$1,646,553.85
<b>Add—</b>	
Net profit for the year ending December 31, 1941	\$608,404.53
<b>Deduct—</b> Dividends paid	497,430.00
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	110,974.53
<b>Balance as at December 31, 1941</b>	<u><u>\$1,757,528.38</u></u>

