

# Federal Grain, Limited

## *Third Annual Report of the Directors*

YEAR ENDED 31st JULY, 1932

### TO THE SHAREHOLDERS :

Your Directors submit herewith the Third Annual Report of the Company for the year ended 31st July, 1932, together with the financial statements certified by your auditors, Messrs. George A. Touche & Company.

After providing Bond Interest of \$243,540.00, together with U.S. Exchange premium of \$36,406.02 thereon, the balance of operating profit for the year was \$485,245.70. The sum of \$432,708.99 has been set aside for Depreciation. After meeting other charges of \$68,519.45, Surplus Account has been reduced by \$15,982.74, leaving the credit balance carried forward \$466,607.05.

Substantial economies in operating costs were effected. Your elevators in drought areas remained closed throughout the season and others in poor crop districts were opened for only a short period. Volume of grain handled through the Company's country elevators, due to the short crop, was less than the previous year.

Provision for Depreciation is greater than last year by an amount of \$211,327.64. In view of reduced building costs since formation of the Company, your Directors deem it advisable to substantially increase the Company's Depreciation Reserve Account. Properties have been well maintained. The Company now has a well developed grain handling system with country elevators of a total storage capacity of 10,000,000 bushels at 384 stations throughout Manitoba, Saskatchewan and Alberta, and terminal elevators at the Head of the Great Lakes having a storage capacity of 7,500,000 bushels.

Working Capital position was improved during the year by \$292,222.99 after having retired, in accordance with sinking fund provisions, \$100,000.00 of the Company's outstanding First Mortgage Sinking Fund Gold Bonds.

The loyal and efficient services of all officers, agents and employees of the Company made possible the satisfactory progress recorded in this report in a period in which grain yields were greatly reduced over a large area due to drought conditions prevailing throughout the 1931 season.

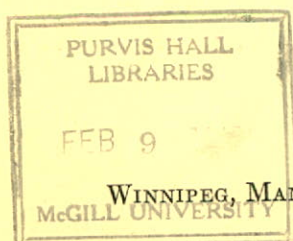
The crop now being harvested in the West is the largest since incorporation of your Company and a greater volume of business should materialize in the ensuing year.

All your Directors retire at the ensuing Annual General Meeting and are eligible for re-election.

On behalf of the Board of Directors,

H. E. SELLERS,

President.



WINNIPEG, MANITOBA, 12th September, 1932.

# FEDERAL GRAIN BALANCE SHEET

## ASSETS

CASH IN TRANSIT AND WITH PAYING AGENTS, ETC.....	\$ 32,918.13
ACCOUNTS RECEIVABLE:	
General Accounts Receivable.....	\$ 32,087.78
Saskatchewan Relief Commission.....	40,877.34
Terminal Accounts.....	7,604.41
Agents' Cottage Loans.....	9,692.63
Employees' Accounts.....	3,726.01
	93,988.17
ADVANCES SECURED BY GRAIN.....	48,651.96
STOCKS ON HAND, AS CERTIFIED BY RESPONSIBLE OFFICIALS:	
Grain, less Stored Grain.....	\$2,376,364.53
Coal and Flour.....	9,557.02
	2,385,921.55
ACCRUED EARNINGS.....	111,702.34
PREPAID EXPENSES.....	24,991.85
INVESTMENTS:	
Sundry Stocks and Bonds, as valued at 31st July, 1930, with subsequent additions at cost.....	141,371.98
Bonds of the Company purchased in anticipation of Sinking Fund —Par \$149,500.00—cost.....	105,107.50
MEMBERSHIPS, AT COST.....	85,400.00
PROPERTIES:	
Terminal and Country Elevators, Coal Sheds, Dwellings, Flour Sheds, Automobiles, Furniture and Miscellaneous Equip- ment, at cost.....	\$8,606,131.55
Less Reserve for Depreciation.....	645,280.91
	7,960,850.64
DEFERRED CHARGES:	
Organization Expenses, less proportion written off.....	50,861.31

*Approved on behalf of the Board.*

H. E. SELLERS, *Director.*

T. H. RATHJEN, *Director.*

\$11,041,765.43

AUDITORS'

TO THE SHAREHOLDERS:

Federal Grain, Limited,  
Winnipeg, Manitoba.

We have examined the foregoing Balance Sheet of Federal Grain, Limited, at 31st July, 1932, with explanations we have required.

We further report that in our opinion the Balance Sheet is properly drawn up so as to exhibit a true explanation given to us, and as shown by the books of the Company.

Winnipeg, 7th September, 1932.



# AIN, LIMITED

STATEMENT I.

at 31st July, 1932

## LIABILITIES AND CAPITAL

BANK LOANS AND OVERDRAFTS (SECURED).....		\$ 1,419,539.91
SUNDRY CREDITORS.....		830,690.36
		<u>\$ 2,250,230.27</u>
FIRST MORTGAGE SINKING FUND GOLD BONDS:		
Authorized.....	\$6,000,000.00	
Issued Series A 6%, maturing 1st August, 1949 .....	\$4,250,000.00	
Less Redeemed through Sinking Fund.....	191,000.00	
		<u>4,059,000.00</u>
GENERAL MORTGAGE 6% DEBENTURES:		
Authorized.....	\$1,000,000.00	
Issued to Banks as collateral, repayable on demand.....	\$1,000,000.00	
		<u>15,928.11</u>
BOND REDEMPTION RESERVE.....		
CAPITAL:		
Authorized—		
40,000 6½% Cumulative Preference Shares of \$100.00 each,		
redeemable at the option of the Company.....		
160,000 Class A Common Shares of No Par Value.....		
40,000 Class B Common Shares of No Par Value.....		
Issued and fully paid—		
30,000 Preference Shares.....	\$3,000,000.00	
200,000 Common Shares		
Amount apportioned as Capital.....	1,250,000.00	
		<u>4,250,000.00</u>
SURPLUS:		
Per Statement II (subject to Income Taxes).....		466,607.05
CONTINGENT LIABILITIES:		
In respect of guarantee of Bank Loan of Lake Shippers' Clear-		
ance Association.....	\$ 11,000.00	
In respect of shares subscribed for by the Company and unpaid..	12,100.00	
	<u>\$ 23,100.00</u>	
Cumulative Preferred Dividends not paid since 1st February, 1931.		
		<u>\$11,041,765.43</u>

## REPORT

the books and vouchers relating thereto, and we report that we have obtained all the information and  
and correct view of the state of the Company's affairs, according to the best of our information and the

GEORGE A. TOUCHE & CO.,  
Chartered Accountants,  
Auditors.

# Federal Grain, Limited

## STATEMENT OF SURPLUS

For the Year Ended 31st July, 1932.

Balance brought forward at 31st July, 1931.....	\$482,589.79
Operating Profit.....	\$765,191.72
Deduct Bond Interest and U.S. Exchange thereon.....	279,946.02
	<hr/> 485,245.70
	<hr/> \$967,835.49
Less Depreciation.....	\$432,708.99
Cost of wrecking and rebuilding elevators and losses on realization of assets, etc.....	55,388.55
Dominion Income Tax paid on 1930-31 profits.....	4,177.13
Proportion of Organization Expenses written off, less adjustment.....	8,953.77
	<hr/> 501,228.44
BALANCE at 31st July, 1932 (subject to Income Taxes).....	<hr/> \$466,607.05

## DIRECTORS

H. E. SELLERS, *President and Managing Director.*

A. THOMSON, *Vice-President.*

H. J. SYMINGTON

J. H. McDONALD

A. H. WILLIAMSON

J. R. MURRAY

W. A. ANDERSON

T. H. RATHJEN

F. E. TOPPER

*Secretary:* E. W. NEVILLE

*Treasurer:* T. H. RATHJEN

ASST. TREASURER: R. C. GAGE

*Registrar* . . . THE ROYAL TRUST COMPANY, Toronto, Montreal and Winnipeg.

*Transfer Agents* . { THE MONTREAL TRUST COMPANY, Toronto and Montreal;  
THE NORTHERN TRUSTS Co., Winnipeg.

*Auditors* . . . GEORGE A. TOUCHE & COMPANY.

*Solicitors* . . . HUDSON, ORMOND, SWIFT & McLEOD