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CANADA MALTING CO.
LIMITED

Annual Report



For the Year Ending December 31, 1945

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CANADA MALTING CO., LIMITED

Board of Directors

GEO. BAILEY	CARR HATCH
ERIC S. CLARKE	JOHN P. HEIGHTON
J. E. GRANT	WALTER C. LAIDLAW
H. C. HATCH	LEIGH M. MCCARTHY

C. H. S. MICHIE

Executive Officers

ERIC S. CLARKE	PRESIDENT AND MANAGING-DIRECTOR
H. C. HATCH	VICE-PRESIDENT
JOHN P. HEIGHTON	SECRETARY AND TREASURER

Transfer Agent

TORONTO GENERAL TRUSTS CORP.
TORONTO, ONT. - - MONTREAL, QUE.

Registrar

MONTREAL TRUST CO.
TORONTO, ONT. - - MONTREAL, QUE.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS OF
CANADA MALTING CO., LIMITED

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1945

Your Board of Directors submits herewith Balance Sheet and Profit and Loss Statement for the twelve months ended December 31, 1945, with the Report of your Auditors, Messrs. Price, Waterhouse & Co.

The operations of your Company for the year 1945 resulted in a profit of \$479,534.76, after charging all manufacturing and administrative expenses as well as income and excess profits taxes (including refundable portion of excess profits tax amounting to \$131,784.97) and setting aside a reserve of \$267,580.42 for depreciation.

Income from investments and profit arising from sales of investments amounted to \$102,219.57, making the final net profit \$581,754.33, or approximately \$2.92 per share as compared with \$2.75 per share in 1944.

The demand for malt continued through the year, and the volume of business done was the greatest in your Company's history. Your plants and properties have been maintained in good order.

In the death of Mr. Arnold C. Matthews, your Company sustained a great loss. Successively as Managing-Director, President and Chairman of the Board, the value of his sound judgment and guidance over the past seventeen years can best be gauged by the Company's progress during that period. The loss is shared by all employees of the Company, as Mr. Matthews' interest in their welfare was recognized by all who worked under him, and he held both their confidence and respect.

The year under review saw the cessation of hostilities and the achievement of victory. Your Board acknowledges the contribution made by those employees in the Armed Forces, and extends its sympathies to the families and friends of those who gave their lives in the conflict. We welcome those who have returned, and look forward to having with us again those still serving with the Navy, Army and Air Force.

During the past six years, despite the difficulties encountered in effecting repairs and replacements, your Company has suffered no loss in production. This has only been accomplished through the combined efforts of the Plant Managers, Superintendents, Office and Operating Staffs, and your Board welcomes the opportunity to place on record its appreciation of this excellent performance and the very fine co-operation which has existed throughout the war years.

On behalf of the Board.

ERIC S. CLARKE, *President.*

CANADA MALTI

BALANCE SHEET AS OF 12/31/2010

ASSETS

CURRENT ASSETS:

Cash on hand	\$	1,804.09
Investment in marketable securities, at cost		1,177,157.95
(Market value \$1,577,548.31)		
Accounts receivable, less reserve		585,516.69
Inventories, as determined and certified to by responsible officers of the company:		
Malt, barley, etc.—on the basis of the lower of approximate cost or market, less reserve	\$	3,673,678.48
Coal, bags, etc.—on the basis of cost		159,887.58
		<u>3,833,566.06</u>
		\$5,598,044.79
REFUNDABLE PORTION OF EXCESS PROFITS TAX		465,639.17

REFUNDABLE PORTION OF EXCESS PROFITS TAX

GRAIN EXCHANGE SEAT AND MEMBERSHIPS
IN CLEARING ASSOCIATIONS, less amount
written off _____

16,701.00

DEFERRED CHARGES:

Prepaid taxes, insurance, etc.	\$ 24,782.11	
Equalization fees paid to The Canadian Wheat Board	121,466.06	
	<hr/>	146,248.17

FIXED ASSETS, based on appraised depreciated values, as reported by Canadian Appraisal Company Limited as at June 25, 1927, plus subsequent additions at cost:

Land		\$ 245,007.81	
Buildings	\$3,316,154.20		
Plant and equipment	2,798,362.15		
		<hr/>	
	\$6,114,516.35		
Less—Reserve for depreciation	3,559,252.03		
		<hr/>	
		2,555,264.32	
		<hr/>	
			2,800,272.13
			<hr/>
			\$9,026,905.26

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of Canada Malting Co., Limited, for and explanations which we have required; and we report that, in our opinion, the above of the company's affairs as at December 31, 1945, according to the best of our information.

TORONTO, March 6, 1946.

NG CO., LIMITED

OF DECEMBER 31, 1945

LIABILITIES

CURRENT LIABILITIES:

Bank advances (secured)	\$ 88,857.49
Accounts payable and accrued liabilities	355,029.24
Reserve for income, excess profits and other taxes	704,610.17
	<hr/>
	\$1,148,496.90

RESERVE AGAINST FUTURE DEPRECIATION IN INVENTORY VALUES

200,000.00

CAPITAL AND SURPLUS:

Capital stock—

Represented by 198,972 shares without
nominal or par value \$4,441,960.00
(Authorized 200,000 shares)

Capital surplus (no change during the year) 797,676.01

\$5,239,636.01

Earned surplus (as per statement attached) 1,973,133.18

Refundable portion of excess profits tax 465,639.17

7,678,408.36

Approved on behalf of the Board:

ERIC S. CLARKE, Director.

JOHN P. HEIGHTON, Director.

\$9,026,905.26

the year ending December 31, 1945, and have been furnished with all the information
balance sheet is properly drawn up so as to exhibit a true and correct view of the state
information and the explanations given to us, and as shown by the books of the company.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

CANADA MALTING CO., LIMITED

COMPARATIVE STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS
FOR THE YEARS ENDING DECEMBER 31, 1944 AND 1945

PROFIT AND LOSS

————— 1944 ————— ————— 1945 —————

PARTICULARS

Profit from operations for the year after charging all manufacturing, selling and general expenses, but before providing for the under-noted charges

\$1,737,951.02

\$1,864,622.62

DEDUCT—

Directors' fees \$ 2,500.00

\$ 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

62,971.28

65,471.28

56,380.73

58,880.73

OPERATING PROFIT FOR THE YEAR, before providing for depreciation of buildings, plant and equipment and income and excess profits taxes

\$1,672,479.74

\$1,805,741.89

DEDUCT—Provision for depreciation of buildings, plant and equipment

256,533.97

267,580.42

\$1,415,945.77

\$1,538,161.47

DEDUCT—Provision for Dominion income and excess profits taxes (before deducting refundable portion of excess profits tax:

1944—\$109,919.42 and

1945—\$131,784.97)

949,298.44

1,058,626.71

\$ 466,647.33

\$ 479,534.76

ADD—Income from investments etc.

80,294.31

102,219.57

NET PROFIT FOR THE YEARS ending December 31, 1944 and 1945, carried to Earned Surplus

\$ 546,941.64

\$ 581,754.33

EARNED SURPLUS

Balance as at December 31, 1943 and 1944

\$1,839,297.21

\$1,888,808.85

ADD—

Net profit for the years ending December 31, 1944 and 1945

\$546,941.64

\$581,754.33

DEDUCT—Dividends paid

497,430.00

49,511.64

497,430.00

84,324.33

BALANCE AS AT DECEMBER 31, 1944 and 1945

\$1,888,808.85

\$1,973,133.18

CANADA MALTING CO., LIMITED

Malthouses and Elevators

Montreal, Que

Winnipeg, Man.

Toronto, Ont.

Calgary, Alta.

Executive Offices

TORONTO - ONTARIO

