

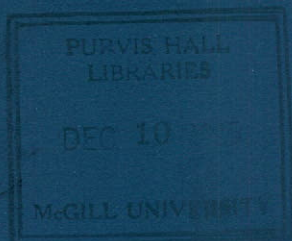
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# ANNUAL REPORT

OF

# CANADA BREAD COMPANY LIMITED

1945





# CANADA BREAD CO., LIMITED

*Head Office: 224 Davenport Road, Toronto*

## BOARD OF DIRECTORS

C. H. CARLISLE

A. W. HOLMESTED, K.C.

G. C. LEITCH

A. V. LOFTUS

C. B. SHIELDS

R. S. WALDIE

A. G. WALWYN

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## OFFICERS

C. H. CARLISLE  
PRESIDENT

R. S. WALDIE  
VICE-PRESIDENT

A. V. LOFTUS  
GENERAL MANAGER

W. S. ANTLIFF  
Secretary-Treasurer  
and  
Asst. General Manager

L. F. ENRIGHT  
Asst. Secretary-Treasurer

# Directors' Report to Shareholders

For the fiscal year ending June 30th, 1945

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The present balance sheet shows the liquid position of your Company to be quite satisfactory.

Cash on hand and in the banks.....	\$361,967.47
Par value of Dominion Government Bonds.....	400,000.00
\$300,000 of these Bonds have been set aside for rehabilitation.	
Profit carried to surplus.....	265,403.52
compared with that of a year ago of.....	257,577.92
Net earnings prior to depreciation and appropriation for income and excess profits taxes.....	709,460.97
compared with those of a year ago of.....	805,335.22

The adverse trend in profits is due to higher costs, particularly those incurred in the maintenance of equipment. Your Company has no bank or funded indebtedness. All excess real estate has been liquidated. The sales volume is the largest in the history of your Company.

During the year production and distribution created many complex problems. Public demand is increasing. Serious shortages have occurred in essential ingredients, such as sugar, shortening, etc., causing a discontinuance of a number of important lines of cake and sweet goods.

Regardless of these difficulties, quality of product has been maintained and prices remain stabilized at pre-war levels.

This is the tenth statement submitted to the Shareholders since the re-organization of your Company in 1935. This period shows a constant and satisfactory expansion of the Company's business.

Its financial position is changed from that of an excess of liabilities over assets (exclusive of fixed assets, prepaid expenses and goodwill) of \$701,617.65, to that of a surplus of \$667,030.28 resulting in an improvement for the period of \$1,368,647.93.

The ten-year average annual profit before taxes was \$355,459.69. The net income was \$231,363.03. The average annual taxes were \$124,096.66. Average earnings per share on the 1st Preference Stock were \$18.50, on Class "B" Preference Stock, \$4.02, including participation, and 28c. on the Common Stock.

The dollar profit is due largely to volume of sales as average net profit for the ten-year period is only one-quarter of 1c. per loaf.

Wages paid during the period amount to \$25,500,000.00, which amount is 32% of the total revenue received by the Company during such period.

Our employees are worthy of favourable comment for the work done.

It is to the interest of every employee, as it is to every official, every shareholder of your Company, and to the prosperity of our country, that industry should be kept on a sound basis where from reasonable profits each of the foregoing may equitably participate.

We have given to our customers, numbering more than 138,000 daily, a quality product, but we have not been in a position to give them a satisfactory diversity of product. As business returns to normal and restrictions are revoked, we will then be in a position to better comply with their requirements.

Respectfully submitted,

C. H. CARLISLE,

President.



# CANADA BREAD CO.

(Incorporated under the

AND ITS WHOLLY

## CONSOLIDATED BALANCE SHEET

AS AT 30th JUNE, 1945

### ASSETS

Cash on hand and in banks.....		\$ 361,967.47
Dominion of Canada 3% Victory Bonds—\$100,000 par value, at cost.....		100,000.00
Accounts receivable less reserve for doubtful accounts.....		201,071.66
Inventories of ingredients, finished products and supplies, as determined and certified by the management, valued at the lower of cost or market, less reserves.....		385,980.19
		<u>\$1,049,019.32</u>
Dominion of Canada Bonds at cost (\$300,000 par value) appropriated for post-war rehabilitation of fixed assets.....	\$ 300,000.00	
Mortgages receivable.....	21,900.00	321,900.00
Buildings and equipment—at cost.....	\$5,438,813.76	
Less reserve for depreciation.....	3,599,960.90	
	<u>\$1,838,852.86</u>	
Land—at cost.....	327,584.40	2,166,437.26
Prepaid insurance, taxes and other charges.....	\$ 93,013.61	
Post-war refund under the Excess Profits Tax Act.....	29,200.00	122,213.61
Goodwill (less amounts written off).....		500,000.00
		<u>\$4,159,570.19</u>

### LIABILITIES

Accounts payable, wages and other accrued charges.....		\$ 511,985.14
Reserve for taxes (including income and excess profits taxes).....		166,728.90
Dividends payable 3rd July, 1945.....		54,375.00
		<u>\$ 733,089.04</u>
Deposits by salesmen.....	\$ 55,475.91	
Less cash and government bonds held in trust.....	55,475.91	
Reserve for contingencies.....		100,000.00
Capital:		
Authorized and issued—		
12,500 6% cumulative redeemable first preference shares of \$100 each, redeemable at \$110 per share.....	\$1,250,000.00	
25,000 5% cumulative participating redeemable Class "B" preference shares of \$50 each, redeemable at \$100 per share.....	1,250,000.00	
200,000 common shares of no par value.....	25,000.00	
	<u>\$2,525,000.00</u>	
Earned surplus—per statement attached.....	801,481.15	3,326,481.15
		<u>\$4,159,570.19</u>

# COMPANY, LIMITED

(Ontario Companies Act)

## OWNED SUBSIDIARY

### STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED 30th JUNE, 1945

Profit on operations before deducting the charges set out below.....	\$	696,886.02
Add interest earned on investments.....		12,574.95
	\$	709,460.97
Deduct provision for depreciation of buildings and equipment.....		255,557.45
	\$	453,903.52
Deduct provision for income and excess profits taxes.....	\$	190,500.00
Less refundable portion thereof.....		2,000.00
		188,500.00
		<u>\$265,403.52</u>

### STATEMENT OF CONSOLIDATED EARNED SURPLUS

FOR THE YEAR ENDED 30th JUNE, 1945

Balance at 30th June, 1944.....	\$	710,028.41
Add net consolidated profit for the year ended 30th June, 1945.....		265,403.52
	\$	975,431.93
Deduct:		
Dividends—		
First preference shares—6%.....	\$	75,000.00
Class "B" preference shares—5%.....		62,500.00
Common shares—10c. per share.....		20,000.00
	\$	157,500.00
Loss on sale of real estate.....		16,450.78
		173,950.78
Balance at 30th June, 1945.....	\$	<u>801,481.15</u>

#### AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the foregoing consolidated balance sheet of Canada Bread Company, Limited, and its subsidiary as at 30th June 1945 and of the statements of consolidated profit and loss and earned surplus for the year ended on that date. In connection therewith, we examined or tested accounting records of the head office of the company and of its subsidiary and of certain of the principal branches. We also made a general review of the accounting methods and of the operating and income accounts for the year but we did not make a detailed audit of the transactions. The accounts of all branches are examined periodically under the direction of the company's staff auditor.

We report that in our opinion, based upon our examination and upon the reports furnished to us by the company's staff auditor, the foregoing consolidated balance sheet and related statements of profit and loss and earned surplus have been drawn up so as to exhibit a true and correct view of the state of the consolidated companies' affairs as at 30th June 1945, and of the results of their operations for the year, according to the best of our information and the explanations given to us and as shown by the books and branch statements. All our requirements as auditors have been complied with.

Toronto, Canada,  
26th July 1945.

CLARKSON, GORDON, DILWORTH AND NASH  
Chartered Accountants.

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# Canada Bread Old Favourites Still Available

## *Bread*

C.B.4  
Butternut  
Cracked Wheat

Dr. Hall's 100% Whole Wheat  
Sandwich  
Tender Crust

## *Rolls*

Hamburg

Club

Milk

Wiener

## *Coffee Cakes*

Butterfly Buns  
Cherry Pecanettes

Coffee Ring  
Gretna Slices

Pecan Bar  
Pecan Rolls

## *Pies*

Apple  
Blueberry

Cherry  
Fruit Salad

Peach  
Raisin

and

A Restricted but Pleasing Variety

of

## *Cakes, Cookies and Doughnuts*

QUANTITY

IS

LIMITED



QUALITY

IS

MAINTAINED



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# Canada Bread Bakeries

Brantford .....	Ontario
Chatham .....	Ontario
Cornwall .....	Ontario
Galt .....	Ontario
Guelph .....	Ontario
Hamilton .....	Ontario
Kingston .....	Ontario
Kirkland Lake .....	Ontario
London .....	Ontario
Montreal .....	Quebec
Ottawa .....	Ontario
Sarnia .....	Ontario
Toronto—Avenue Road .....	Ontario
—Bloor Street .....	Ontario
—Danforth Avenue .....	Ontario
Windsor .....	Ontario
Winnipeg .....	Manitoba

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# Our Policy,

Quality of product

Diversity of product

Service to customers

Sound Business Ethics

Competitive Prices

Co-operation with  
the Industry

CANADA BREAD COMPANY LIMITED

C.H. Carlisle  
*President*

A.V. Loftus  
*General Manager*





ART IN BAKING