

ANNUAL REPORT
OF
CANADA BREAD COMPANY
LIMITED

1938



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MCGILL UNIVERSITY

BOARD OF DIRECTORS

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A. W. HOLMESTED, K.C.

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C. H. CARLISLE

G. C. LEITCH

A. G. WALWYN

R. S. WALDIE

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C. H. CARLISLE
PRESIDENT

C. W. BAND
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

We deem it constructive to give to the Shareholders, in a concise manner, the fullest information of the Company's operation for the fiscal year closing June 30th last.

The information considered essential follows:

	1937	1938
Operating Profits.....	\$ 472,479.31	\$ 546,489.50
Net Profits.....	186,891.45	261,924.18
After deducting bond interest, depreciation, premiums paid on bonds redeemed, loss on sale of real estate, and Income and Corporation Taxes.		
Dividends Paid—Regular Preference Dividends.....	125,000.00	125,000.00
Dividends Paid—Arrears of Class "B" Preference Dividends.....		12,500.00
(Class "B" Preference Dividend Arrears at June 30th, 1938—\$2.00 per share.)		
Bond Interest Paid.....	50,693.50	43,566.08
Bonds Purchased for Redemption.....	156,400.00	125,500.00
Bonds Outstanding—1938.....	\$629,400.00	
The sinking fund for bonds outstanding has been fully provided to maturity date, August, 1941.		
Working Capital reduced.....	44,488.72	
Reduction is due to expansion of business and liquidation of bond indebtedness.		
Cash position.....	130,738.07	224,379.96

	1937	1938
Total Taxes Paid.....	\$ 203,649.00	\$ 234,307.90
Wages Paid.....	1,890,449.00	2,098,624.00
Increase in wages 1938 in comparison with 1936.....	\$332,622.00	
Number of employees.....	1,663	1,743
Total Canadian purchases made during the year's operation.....		\$4,250,000.00

Costs of materials were considerably higher in 1938 than in 1937.

No increase in selling prices was made during the year's operation.

Net Profit on each unit manufactured and sold, 1/3 of one cent.

The increase in profits was due to rapid turn-over on the year's operations.

Twenty-four new products have been added during the year.

Your equipment has been fully maintained and is efficient.

We thank the employees for their loyal, efficient work and co-operation.
They have built well for the Company and themselves.

We appreciate the liberal patronage given by the Company's 126,000
customers.

We solicit our Shareholders' co-operation in building your Company into
a better and stronger position.

On behalf of the Board of Directors,

Respectfully yours,

C. H. CARLISLE,

President.

CANADA BREAD CO.

(Incorporated under the laws of the Province of Ontario)

AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AS AT 30TH JUNE, 1938

ASSETS		
Cash on hand and in banks.....		\$ 224,379.96
Accounts receivable.....	\$ 229,396.42	
Less reserve for doubtful accounts.....	57,000.00	172,396.42
Inventories of ingredients, finished products and supplies, as determined and certified by the management, valued at the lower of cost or market.....		145,461.96
		\$ 542,238.34
Mortgages receivable.....		19,599.80
Buildings and equipment—at cost.....	\$4,915,504.16	
Less reserve for depreciation.....	2,679,130.64	
	\$2,236,373.52	
Land—at cost less amounts written off.....	381,985.62	2,618,359.14
Prepaid insurance, taxes and other charges.....		83,437.51
Goodwill (less amounts written off).....		500,000.00
		<u>\$3,763,634.79</u>
LIABILITIES		
Accounts payable, wages and other accrued charges.....		\$ 223,144.53
Taxes due and accrued.....		80,747.28
Bond interest accrued.....		16,372.50
Dividends on preference shares—payable 2nd July, 1938.....		34,375.00
		\$ 354,639.31
Deposits by salesmen.....	\$ 74,845.44	
Less cash and government bonds held in trust.....	74,845.44	
First mortgage 6% sinking fund gold bonds, due 1941, issued less redeemed.....	\$654,900.00	
Less held for redemption.....	25,500.00	629,400.00
Capital:		
Authorized and issued—		
12,500 Cumulative redeemable first preference shares of \$100 each, redeemable at \$110 per share, entitled to cumulative dividends at 5% per annum to 1st July, 1941, and 6% per annum thereafter.....	\$1,250,000.00	
25,000 5% Cumulative participating redeemable Class "B" preference shares of \$50 each, redeemable at \$100 per share. (Note: Dividends in arrears \$2 per share.).....	1,250,000.00	
200,000 Common shares of no par value.....	25,000.00	
	\$2,525,000.00	
Earned surplus—as per statement attached.....	254,595.48	2,779,595.48
		<u>\$3,763,634.79</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the balance sheet of Canada Bread Company, Limited, and its subsidiary as at 30th June, 1938, and of the statements of profit and loss and surplus for the year ended on that date. In connection therewith, we examined or tested the accounting records of the head office of the company and those of certain branches and we obtained all the information and explanations we required from the company's officers and employees; the accounts of the remaining branches are incorporated from the signed returns verified by the company's staff auditor. 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.

We report that in our opinion, based upon our examination and upon the report furnished to us by the company's staff auditor, the accompanying balance sheet and related statements of profit and loss have been drawn up in accordance with accepted principles of accounting and on a basis consistent with the preceding year, so as to exhibit a true and correct view of the state of the company's affairs as at 30th June, 1938, and of the results of its operations for the year, according to the best of our information and the explanations given to us and as shown by the books.

Toronto, Canada.
22nd July, 1938.

CLARKSON, GORDON, DILWORTH AND NASH,
Chartered Accountants.

COMPANY, LIMITED

(Ontario Companies Act)

SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE, 1938

Profit on operations before charging bond interest, depreciation and income and corporation taxes.....	\$546,489.50
Interest earned on investments and bank deposits.....	3,927.20
	<u>\$550,416.70</u>
Deduct:	
Bond interest.....	\$ 43,566.08
Provision for depreciation of buildings and equipment.....	173,666.70
Premium paid on bonds purchased for redemption.....	12,259.74
	<u>229,492.52</u>
Consolidated profit for the year before providing for income and corporation taxes.....	\$320,924.18
Deduct provision for income and corporation taxes.....	59,000.00
Net consolidated profit for the year, after providing for income and corporation taxes.....	<u>\$261,924.18</u>

CONSOLIDATED SURPLUS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE, 1938

Balance at 30th June, 1937.....	\$130,171.30
Add net consolidated profit for the year ended 30th June, 1938, after providing for income and corporation taxes.....	261,924.18
	<u>\$392,095.48</u>
Deduct:	
Dividends on preference shares—	
First preference shares—5%.....	\$ 62,500.00
Class B preference shares—\$3 per share.....	75,000.00
(Regular Dividend \$2.50. Arrears \$0.50.)	<u>137,500.00</u>
Balance at 30th June, 1938.....	<u>\$254,595.48</u>

Some of CANADA BREAD'S Products

WHITE BREAD

Butternut
Buttermilk Scone
C.B. 4
Cream

Coronation
Parisian Stick
Vienna

BROWN BREAD

Cracked Wheat
Dr. Hall's 100% Whole Wheat
Dutch Brown
Ful-Soy

Honey Crushed Wheat
Mello Meal
Rye
Soya Flake

ROLLS

Cheese
Club
Cup
Graham
Gretna Slices

Hamburg
Italian
Milk
Parker House
Wiener

PIES

Apple
Blueberry
Cherry
Fruit Salad

Lemon
Peach
Raisin

CAKES

Angel Cake
Apple Sauce Ring
Banana Square
Butterscotch
Caramel Layer
Cherry Slab
Chocolate Date Layer
Chocolate Pecan Fudge
Chocolate Walnut Date Squares
Coconut Delight
Delecto Chocolate Cake

Golden Snow
Jelly Rolls
Lady Renfrew Fruit Cake
Lemon Coconut
Marble Cake
Olde Tyme Jelly Cake
Orange Sherbet
Pineapple Cream Layer
Silver Chocolate
Tutti-Fruit Square
Walnut Square

COFFEE CAKES

Butterfly Buns
Cherry Pecanettes
Coffee Ring

Danish Pastry
Pecan Bar
Pecan Roll

AND

Anniversary Cakes
Birthday Cakes
Chelsea Buns
Cinnamon Buns
Cup Cakes
Cookies
Doughnuts
Fruit Loaves

Fruit Buns
Macaroons
Muffins
Potato Chips
Scones
Tarts
Wedding Cakes
Cheez Pop Corn

ETC.

THE LARGEST BREAD AND CAKE

CANADA BREAD FACTORIES

Brantford.....	Ontario	Ottawa.....	Ontario
Cornwall.....	Ontario	Sarnia.....	Ontario
Galt.....	Ontario	Toronto—Avenue Road.....	Ontario
Guelph.....	Ontario	—Bloor St.....	Ontario
Hamilton.....	Ontario	—Danforth Ave.....	Ontario
Kingston.....	Ontario	Windsor.....	Ontario
London.....	Ontario	Winnipeg.....	Manitoba
Montreal.....	Quebec		

DISTRIBUTING DEPOTS:

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Cobourg
Dresden
Durham
Elmira
Forest
Fort Erie
Hawkesbury
Kemptville

Kitchener
Lake Simcoe
Listowel
Mount Forest
Napanee
Niagara Falls
North Bay
Orillia
Oshawa
Owen Sound
Paris
Pembroke
Perth
Peterboro
Petrolia

Port Colborne
Port Hope
Prescott
Renfrew
Sherbourne
Smith's Falls
Stratford
St. Catharines
St. Mary's
St. Thomas
Sudbury
Trenton
Wallaceburg
Woodstock

MANITOBA:

Portage La Prairie

Winnipeg

MANUFACTURERS IN CANADA

OUR POLICY



QUALITY of product

DIVERSITY of product

SERVICE to customers

Sound Business Ethics

Competitive Prices

Co-operation with the

. . . . Industry

General Offices of **CANADA BREAD CO., LIMITED**

224 DAVENPORT ROAD

-

TORONTO

-

CANADA



ART IN BAKING