

ANNUAL REPORT
OF
CANADA BREAD COMPANY
LIMITED

1939

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McGILL UNIVERSITY

CANADA BREAD CO., LIMITED

Head Office 224 Davenport Road, Toronto

BOARD OF DIRECTORS

C. H. CARLISLE

A. W. HOLMESTED, K. C.

G. C. LEITCH

C. B. SHIELDS

A. G. WALWYN

R. S. WALDIE

OFFICERS

C. H. CARLISLE
PRESIDENT

A. V. LOFTUS
GENERAL MANAGER

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

L. F. ENRIGHT
Asst. Secretary-Treasurer

The Directors and Officers of your Company regret the death of Mr. C. W. Band who has faithfully served your Company as Vice-President for a period of ten years.

Directors' Report to Shareholders

It is our desire to keep the Shareholders fully informed as to the Company's progress. We have, accordingly, synopsisized hereunder information pertaining to the fiscal year ending June 30th, 1939, and compared it with results for preceding fiscal periods:

	1938	1939
Operating Profits	\$ 546,489.50	\$ 770,308.32
Net Profits	261,924.18	396,370.02
After deducting depreciation, premium paid on bonds redeemed, bond interest, loss on sale of real estate and all taxes.		
Depreciation Charges	173,666.70	190,749.03
Bond Interest	43,566.08	37,018.82
Loss on sale of real estate.....		28,531.36
Total Taxes Paid	234,307.90	281,061.19
Dividends Paid — Regular Preference Divi- dends (1st Pref. \$5.00 Per Share — Class "B" Pref. \$2.50 Per Share)	125,000.00	125,000.00
Dividends Paid on Arrears of Class "B" Preference Shares	12,500.00	31,250.00
Arrears on Class "B" Preference Shares at June 30th	2.00	.75
Bonds Purchased for Redemption.....	125,500.00	33,900.00
Bonds Outstanding — Due August 1st, 1941	629,400.00	595,500.00
Cash or its equivalent.....	224,379.96	478,786.64
Working Capital	187,599.03	323,055.20
Contingency Reserve		120,000.00
Wages Paid	2,098,624.00	2,255,067.78
Customers at June 30th.....	126,140	131,130

During the year selling prices have been reduced.

On each loaf of bread or its equivalent the profit is $\frac{1}{2}$ cent.

The increase in profits is largely due to rapid turnover and expansion of the business.

The Company is serving 131,130 customers which would indicate that more than 650,000 people are using Canada Bread products.

During the year many new lines of product have been added.

Seven sales depots have been opened during the year and service extended to other communities not formerly served.

Your equipment has been fully maintained. New equipment has been added at a cost of \$335,000.

Your Company now operates 322 trucks and 646 wagons.

Total Canadian purchases made during the
year's operation \$3,753,000.00

FIVE YEAR SUMMARY OF OPERATING RESULTS

Year Ended June 30th	Net Profits	Dividends Paid	Taxes Paid	Wages Paid	No. of Trucks	No. of Wagons
1939	\$396,370	*\$156,250	\$281,061	\$2,255,068	322	646
1938	261,924	** 137,500	234,308	2,098,624	277	625
1937	186,891	125,000	203,649	1,890,449	224	640
1936	163,478	62,500	176,282	1,766,002	190	614
1935	55,895	151,230	1,693,414	143	644

* Includes arrears paid on Class "B" shares 1939, \$31,250.

** Includes arrears paid on Class "B" shares 1938, \$12,500.

From the above summary you can better appraise the value of your Company not only to its shareholders but especially to the employees whose number has materially increased from year to year and whose employment is constant. A contribution has also been made to Canadian producers and their employees by the purchase of over $3\frac{3}{4}$ millions of dollars of their products and to Municipal, Provincial and Dominion Governments in taxes paid, employment given, use of transportation facilities and many other expenditures.

Our customers we thank for their patronage. From our shareholders we expect active co-operation in the better building and expansion of your Company's operations. To every employee and official — we congratulate you on your very successful work. May we hope that all will continue to build for the good of all.

On behalf of the Board of Directors,

Respectfully yours,

C. H. CARLISLE,

President.

CANADA BREAD CO.

(Incorporated under the

AND ITS S

CONSOLIDATED BALANCE SHEET

AS AT 30th JUNE, 1939

ASSETS

Cash on hand and in banks		\$ 153,786.64
Call loan		225,000.00
Bonds of or guaranteed by the Dominion of Canada due 1941 and 1942 at par value		100,000.00
	(market value \$105,687.50)	
Accounts receivable, less reserve for doubtful accounts.....		159,500.43
Inventories of ingredients, finished products and supplies, as determined and certified by the management, valued at the lower of cost or market..		147,566.87
		<u>\$ 785,853.94</u>
Mortgages receivable		21,039.80
Buildings and equipment—at cost.....	\$4,924,441.40	
Less reserve for depreciation.....	2,595,421.27	
	<u>\$2,329,020.13</u>	
Land—at cost less amounts written off.....	357,342.65	2,686,362.78
Prepaid insurance, taxes and other charges.....		84,757.72
Goodwill (less amounts written off)		500,000.00
		<u>\$4,078,014.24</u>

LIABILITIES

Accounts payable, wages and other accrued charges		\$ 277,206.34
Taxes due and accrued		128,794.90
Bond interest accrued		16,172.50
Dividends on preference shares—payable 3rd July, 1939.....		40,625.00
		<u>\$ 462,798.74</u>
Deposits by salesmen.....	\$ 79,576.89	
Less cash and government bonds held in trust.....	79,576.89	
	<u>\$ 646,900.00</u>	
First mortgage 6% sinking fund gold bonds, due 1941, issued less redeemed	\$ 646,900.00	
Less held for redemption	51,400.00	595,500.00
Reserve for contingencies		120,000.00
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 75c 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—as per statement attached.....	374,715.50	2,899,715.50
		<u>\$4,078,014.24</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, 1939 and of the consolidated 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 its subsidiary and those of certain branches; 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 foregoing consolidated 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 companies' affairs as at 30th June, 1939, 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. All our requirements as auditors have been complied with.

Toronto, Canada,
22nd July, 1939.

CLARKSON, GORDON, DILWORTH AND NASH,
Chartered Accountants.

COMPANY, LIMITED

(Ontario Companies Act)

SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th JUNE, 1939

Profit on operations before charging bond interest, depreciation and income and corporation taxes		\$ 770,308.32
Interest earned on investments and bank deposits.....		6,075.16
		<u>\$ 776,383.48</u>
Deduct:		
Bond interest	\$ 37,018.82	
Provision for depreciation of buildings and equipment.....	190,749.03	
Premium paid on company's bonds purchased for redemption	2,539.25	
Premium paid on bonds purchased for investment.....	6,175.00	
Loss on sale of real estate.....	28,531.36	265,013.46
		<u>\$ 511,370.02</u>
Deduct provision for income and corporation taxes.....		115,000.00
Net consolidated profit for the year, after providing for income and corporation taxes		<u>\$ 396,370.02</u>

CONSOLIDATED SURPLUS ACCOUNT

FOR THE YEAR ENDED 30th JUNE, 1939

Balance at 30th June, 1938.....		\$ 254,595.48
Add net consolidated profit for the year ended 30th June, 1939, after providing for income and corporation taxes.....		396,370.02
		<u>\$ 650,965.50</u>
Deduct:		
Transfer to reserve for contingencies.....	\$ 120,000.00	
Dividend on preference shares:		
First preference shares—5%	\$ 62,500.00	
Class "B" preference shares—\$3.75 per share....	93,750.00	156,250.00
(Regular dividend \$2.50, arrears \$1.25)		<u>276,250.00</u>
Balance at 30th June, 1939		<u>\$ 374,715.50</u>

Some of CANADA BREAD'S Products

WHITE BREAD

Bakers' Home Made	Coronation	Half and Half
Bamby	Cream	Pan 2
Boston	Cream Scone	Parisian Stick
Buttermilk Scone	Fancy Cut	Sandwich
Butternut	French Stick	Vienna
C.B.-4	Grapefruit Juice Loaf	

BROWN BREAD

Cracked Wheat	Five Star	Mello Meal
Dr. Hall's 100% Whole Wheat	Ful-Soy	Red River Cereal
Dutch Brown	Honey Crushed Wheat	Rye
	Hovis	Soya Flake

ROLLS

Cheese	Gretna Slices	Parker House
Club	Hamburg	Vienna
Cup	Italian	Wiener
French	Milk	Windsor
Graham		

PIES

Apple	Fruit Salad	Raisin
Blueberry	Lemon	Raspberry
Cherry	Peach	Strawberry
Custard		

CAKES

Angel Cake	Chocolate Walnut Date Squares	Lemon Sponge
Apple Sauce Ring	Daffodil Layer	Malted Milk Layer
Banana Frappe	Date and Nut Bar	Marble Cake
Banana Square	Date and Nut Loaf	Olde Tyme Jelly Cake
Butterscotch	Delecto Chocolate Cake	Orange Sherbet
Butter Slab	Gingerbread Loaf	Pineapple Cream Layer
Caramel Layer	Golden Snow	Silver Chocolate
Cherry Slab	Jelly Rolls (6 flavours)	Sunburst
Chocolate Date Layer	Jersey Kream Layer	Tea Time Chocolate
Chocolate Marshmallow Roll	Lady Renfrew Fruit Cake	Tutti-Fruitti Square
Chocolate Pecan Fudge Cocoanut Delight	Lemon Cocoanut	Walnut Square
		White Magic Layer

COFFEE CAKES

Butterfly Buns	Coffee Ring	Pecan Bar
Cherry Pecanettes	Danish Pastry	Pecan Roll

AND

Anniversary Cakes	Cookies (30 Varieties)	Sausage Rolls
Birthday Cakes	Doughnuts (5 Varieties)	Scones
Bran Muffins	Fruit Buns	Tarts and Cup Cakes (15 varieties)
Chelsea Buns	Fruit Loaves	Tea Biscuits
Cherry Fruit Loaves	Macaroons	Walnut Buns
Cheez Pop Corn	Potato Chips	Wedding Cakes
Cinnamon Buns	Meat Pies	

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:

QUEBEC:

Montreal	Ormstown	St. Hyacinthe
St. Jerome	Sherbrooke	Valleyfield
Westmount		


ONTARIO:

Arnprior	Kemptville	Petrolia
Aylmer	Kitchener	Port Colborne
Barrie	Lake Simcoe	Port Hope
Belleville	Listowel	Prescott
Bowmanville	Morrisburg	Renfrew
Brighton	Mount Forest	Sherbourne
Brockville	Napanee	Smith's Falls
Chatham	Niagara Falls	Stratford
Cobourg	North Bay	St. Catharines
Dresden	Orillia	St. Mary's
Durham	Oshawa	St. Thomas
Elmira	Owen Sound	Sudbury
Forest	Paris	Trenton
Fort Erie	Pembroke	Tillsonburg
Hawkesbury	Perth	Wallaceburg
Iroquois	Peterboro	Woodstock

MANITOBA:

Portage La Prairie	Winnipeg
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MANUFACTURERS IN CANADA



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