

ANNUAL REPORT
OF
CANADA BREAD COMPANY
LIMITED

1940

•

PURVIS HALL
LIBRARIES

DEC 10 1945

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

A. V. LOFTUS

C. B. SHIELDS

R. S. WALDIE

A. G. WALWYN

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

The fiscal year's operation at closing, June 30th, results as follows:

Operating Profits \$523,296.13
which shows a material decrease compared with last year, but an increase over the five-year average earnings to June 30th, 1939.

Net Profits \$216,113.86
are also less than a year ago, but greater than the average net profit of the five years preceding the current period.

During the current fiscal year the bonded indebtedness was reduced by \$ 52,900.00
leaving bonds outstanding \$542,600.00

Plant replacement and extensions made during the year.. \$275,000.00
includes the erection at Kirkland Lake of a new building and plant, and also the purchase of the Bredin Bread plant at Niagara Falls, Ontario.

Working capital has been reduced by..... \$ 61,035.87
This reduction is due to plant extension, liquidation of bonds and payment in full of deferred dividends.

Cash or its equivalent at the close of the year..... \$275,944.42

All interest and regular dividends have been paid.

Your Company has no bank indebtedness.

The unit sales for the year show a satisfactory increase.

The year 1939 showed a profit per loaf of bread, or its equivalent unit, of $\frac{1}{2}c$. The year just closed showed a profit of $\frac{1}{4}c$ per unit. The decrease is due to increased cost of ingredients, a slight increase in the cost of operation, higher rates of taxation and a decreased selling price per unit.

It is and will continue to be the policy of your Company not to speculate on materials entering into inventories. We have followed this policy notwithstanding that it was apparent there would be an increase in inventory costs.

Your Company continues in a sound condition and we see no reason why this condition should not be maintained.

Owing to extremely high taxation due to the war, it is quite evident that net profits will be reduced in the future. This must apply to the baking industry as it will to all other industries.

We thank our customers for their liberal patronage and it will be our purpose, through quality of product and service, and economic costs, to merit the continuation of that patronage.

Better co-operation could not be asked than has been received from the employees of the Company.

To the shareholders, we are appreciative of your co-operation, which not only encourages us, but makes our work more efficient. The results accrue to your benefit.

On behalf of the Board of Directors,

Respectfully yours,

C. H. CARLISLE,
President.

*15 cents Bushel
- 70 cents -
Improved July 23/1940
Removed Aug 6/1941*

CANADA BREAD CO.

(Incorporated under the

AND ITS WHOLLY

CONSOLIDATED BALANCE SHEET

AS AT 30th JUNE, 1940

ASSETS

Cash on hand and in banks.....		\$ 75,944.42
Call loan		200,000.00
Accounts receivable less reserve for doubtful accounts.....		170,487.77
Inventories of ingredients, finished products and supplies, as determined and certified by the management, valued at the lower of cost or market....		294,312.70
		<hr/>
Mortgages receivable		\$ 740,744.89
Buildings and equipment—at cost.....	\$5,058,287.62	19,819.80
Less reserve for depreciation.....	2,630,727.27	
	<hr/>	
Land—at cost less amounts written off.....	\$2,427,560.35	2,782,834.49
	355,274.14	
Prepaid insurance, taxes and other charges.....		92,005.74
Goodwill (less amounts written off).....		500,000.00
		<hr/>
		\$4,135,404.92

LIABILITIES

Accounts payable, wages and other accrued charges.....		\$ 332,625.38
Taxes due and accrued		98,927.68
Bond interest accrued		15,922.50
Dividends on preference shares—payable 1st July, 1940.....		31,250.00
		<hr/>
		\$ 478,725.56
Deposits by salesmen	\$ 79,848.15	
Less cash and government bonds held in trust.....	79,848.15	
First mortgage 6% sinking fund gold bonds, due 1st August, 1941, issued less redeemed	\$ 636,900.00	
Less held for redemption	94,300.00	542,600.00
Reserve for contingencies—after deductions made during the year		110,000.00
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	1,250,000.00	
200,000 Common shares of no par value.....	25,000.00	
	<hr/>	
	\$2,525,000.00	
Earned surplus—as per statement attached.....	479,079.36	3,004,079.36
		<hr/>
		\$4,135,404.92

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, 1940 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 accounting records of the head office of the company and of its subsidiary and 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 and surplus have been drawn up in accordance with accepted principles of accounting and on a basis consistent with that of the preceding year, so as to exhibit a true and correct view of the state of the companies' affairs as at 30th June, 1940, 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 returns. All our requirements as auditors have been complied with.

Toronto, Canada.
26th July, 1940.

CLARKSON, GORDON, DILWORTH AND NASH,
Chartered Accountants.

COMPANY, LIMITED

(Ontario Companies Act)

OWNED SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th JUNE, 1940

Profit on operations before charging bond interest, depreciation and income and corporation taxes			\$ 523,296.13
Add:			
Interest earned on investments and bank deposits.....	\$	8,964.36	
Profit on sale of real estate.....		7,306.55	
Premium realized on sale of bonds purchased for investment		4,182.50	20,453.41
			<u>\$ 543,749.54</u>
Deduct:			
Bond interest	\$	34,380.29	
Provision for depreciation of buildings and equipment....		211,120.14	
Premium paid on company's bonds purchased for redemption		2,135.25	247,635.68
			<u>\$ 296,113.86</u>
Deduct provision for income and corporation taxes.....			<u>80,000.00</u>
Net consolidated profit for the year, after providing for income and corporation taxes			<u>\$ 216,113.86</u>

CONSOLIDATED SURPLUS ACCOUNT

FOR THE YEAR ENDED 30th JUNE, 1940

Balance at 30th June, 1939.....			\$ 374,715.50
Add:			
Net consolidated profit for the year ended 30th June, 1940 after providing for income and corporation taxes....	\$	216,113.86	
Adjustment of prior years' provision for depreciation of equipment		32,000.00	248,113.86
			<u>\$ 622,829.36</u>
Deduct:			
Dividends on preference shares:			
First preference shares—5%	\$	62,500.00	
Class "B" preference shares—\$3.25 per share (Regular dividend \$2.50—arrears 75c).....		81,250.00	143,750.00
			<u>\$ 479,079.36</u>
Balance at 30th June, 1940.....			<u>\$ 479,079.36</u>

Some of CANADA BREAD'S Products

WHITE BREAD

Bakers' Home Made
Bamby
Boston
Buttermilk Scone
Butternut
C.B.-4

Coronation
Cream
Cream Scone
Fancy Cut
French Stick
Grapefruit Juice Loaf

Half and Half
Pan 2
Parisian Stick
Sandwich
Tender Crust
Vienna

BROWN BREAD

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

Five Star
Ful-Soy
Honey Crushed Wheat
Hovis

Mello Meal
Roman Meal
Rye
Soya Flake

ROLLS

Cheese
Clover Leaf
Club
Cup
French

Graham
Gretna Slices
Hamburg
Milk
Parker House

Shell
Vienna
Wiener
Windsor

PIES

Apple
Blueberry
Cherry
Custard

Fruit Salad
Lemon
Mince
Peach

Pumpkin
Raisin
Raspberry
Strawberry

CAKES

Angel Cake
Apple Sauce Ring
Banana Frappe
Banana Square
Butterscotch
Butter Slab
Caramel Layer
Cherry Slab
Chocolate Date Layer
Chocolate Marshmallow
Roll
Chocolate Pecan Fudge
Cocoanut Delight

Chocolate Walnut Date
Squares
Daffodil Layer
Date and Nut Bar
Date and Nut Loaf
Delecto Chocolate Cake
Dixie Dips
Gingerbread Loaf
Golden Snow
Jelly Rolls (6 flavours)
Jersey Kream Layer
Lady Renfrew Fruit Cake
Lemon Cocoanut

Lemon Sponge
Madeira Pound Cake
Malted Milk Layer
Marble Cake
Olde Tyme Jelly Cake
Orange Sherbet
Pineapple Cream Layer
Silver Chocolate
Sunburst
Tea Time Chocolate
Tutti-Fruitti Square
Walnut Square
White Magic Layer

COFFEE CAKES

Butterfly Buns
Cherry Pecanettes

Coffee Ring
Danish Pastry

Pecan Bar
Pecan Roll

AND

Anniversary Cakes
Birthday Cakes
Bran Muffins
Chelsea Buns
Cherry Fruit Loaves
Cinnamon Buns
Cookies (30 Varieties)

Doughnuts (5 Varieties)
Fruit Buns
Fruit Loaves
Macaroons
Pop Corn (4 Varieties)
Potato Chips
Meat Pies

Sausage Rolls
Scones
Tarts and Cup Cakes
(15 varieties)
Tea Biscuits
Walnut Buns
Wedding Cakes

ETC.

THE LARGEST BREAD AND CAKE

CANADA BREAD FACTORIES

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

DISTRIBUTING DEPOTS:

QUEBEC:

Huntingdon
Montreal
Ormstown

Sherbrooke
St. Hyacinthe
St. Jerome

Valleyfield
Westmount

ONTARIO:

Arnprior
Aylmer
Barrie
Belleville
Bowmanville
Brighton
Brockville
Chatham
Cobourg
Dresden
Durham
Elmira
Forest
Fort Erie
Haileybury
Hawkesbury
Iroquois
Kemptonville

Kitchener
Lake Simcoe
Lindsay
Listowel
Morrisburg
Mount Forest
Napanee
New Liskeard
Noranda
North Bay
Orillia
Oshawa
Owen Sound
Paris
Pembroke
Perth
Peterboro
Petrolia

Port Colborne
Port Hope
Prescott
Renfrew
Shelburne
Smith's Falls
Stratford
St. Catharines
St. Mary's
St. Thomas
Sudbury
Timmins
Trenton
Tillsonburg
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

CANADA BREAD COMPANY LIMITED

C.H. Carlisle
President

A.V. Loftus
General Manager



ART IN BAKING