

ANNUAL REPORT
OF
CANADA BREAD COMPANY
LIMITED

1942

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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

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

FOR THE FISCAL YEAR ENDING
JUNE 30th, 1942

Profits on operations before charging depreciation and income and excess profits taxes were \$561,947, or \$67,927 greater than a year ago.

Income and Excess Profits Taxes were \$122,000, or \$27,000 increase over the same period of 1941, or as compared with the rate of taxation in 1938, based on the current business, an increase of \$73,125.

The net consolidated profit for the year was \$183,465, or an increase of \$38,438 over the previous year.

The Balance of the Surplus Account as of June 30th, 1942 was \$545,072, or an increase of \$45,965 compared to the previous year.

Dividends on the 1st Preference and Class 'B' Preference shares were paid in full.

Your Company, during the fiscal year ending June 30th, 1942, paid off its bonded indebtedness.

Sales in all lines of products showed a material increase.

CO-OPERATING WITH THE WAR EFFORT

Notwithstanding that the volume of business for the fiscal year, 1942, was greater than that of 1941:—

1. The number of employees has been reduced from 2,044 to 1,876.
2. The number of routes has been reduced by 86.
3. The three months ending June 30th, 1942, as compared with the same period a year ago, show a reduction of 20% in the gallonage of gasoline used. (During this period there was no restriction in the use of gasoline for commercial deliveries).
4. For the quarter ending June 30th, 1942, as compared with the same quarter a year ago, a reduction of 33-1/3% was made in the consumption of sugar. (Government regulation for this quarter was a 20% reduction).
5. The variety of products has been reduced by about 60%. The varieties retained have been carefully selected. Customers are co-operating. Quality of product has been and will be maintained.
6. Bread is being sold today at pre-war prices, regardless of much higher ingredient, labor and maintenance costs. Our present prices preceded the inauguration of a fixed price ceiling by over two years.

It is only human that we dislike restrictions, prohibitions, high taxes to the point of confiscation, yet we readily accept all of these and will co-operate with every constructive effort of our Government in its prosecution of this war. The winning of the war means the continuation of our present freedom—a state of society that we have so long enjoyed and so dearly love. It is the function of Government to restrict, to commandeer any and all that is essential to the welfare of the State, or the prosecution of the war. Having done that, it then should be incumbent on the individual or on business, unrestricted, to carry on economically and to the best of his or its advantage.

Your Company is appreciative of the policy thus far followed by the different Governmental Departments dealing with the baking industry in restricting where necessary, but in no way interfering with the policy, management or operation of the Company. Such a policy is co-operative, efficient and economical.

We wish to commend the General Manager, his assistants, the Production Managers and their factory workers, Branch Managers and their staffs for the results that they have achieved under most adverse and trying circumstances. The turnover in personnel has been unusually high due to enlistments and a demand for war workers.

On behalf of the Board of Directors,

Respectfully submitted,

C. H. CARLISLE,
President.



CANADA BREAD CO.

(Incorporated under the laws of the Province of Ontario)

AND ITS WHOLLY OWNED SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AS AT 30th JUNE, 1942

ASSETS

Cash on hand and in banks.....		\$ 160,187.40
Accounts receivable less reserve for doubtful accounts.....		176,256.11
Inventories of ingredients, finished products and supplies, as determined and certified by the management, valued at not more than the lower of cost or market		305,784.26
		<u>\$ 642,227.77</u>
Mortgages receivable		16,690.00
Buildings and equipment—at cost.....	\$5,198,890.43	
Less reserve for depreciation.....	2,930,645.68	
	<u>\$2,268,244.75</u>	
Land—at cost	341,755.31	2,610,000.06
Prepaid insurance, taxes and other charges.....		92,862.38
Goodwill (less amounts written off).....		500,000.00
		<u>\$3,861,780.21</u>

LIABILITIES

Accounts payable, wages and other accrued charges.....		\$ 316,393.29
Reserve for taxes (including income and excess profits taxes).....		155,939.80
Dividends on preference shares—payable 1st July, 1942.....		34,375.00
		<u>\$ 506,708.09</u>
Note payable 1st August, 1942.....		200,000.00
Deposits by salesmen	\$ 59,241.31	
Less cash and government bonds held in trust.....	59,241.31	
Reserve for contingencies		85,000.00
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—as per statement attached.....	545,072.12	3,070,072.12
		<u>\$3,861,780.21</u>

COMPANY, LIMITED

(Ontario Companies Act)

OWNED SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th JUNE, 1942

Profit on operations before charging bond interest, depreciation and income and excess profits taxes.....	\$ 561,947.92	
Add interest earned on investments.....		2,589.55
		<u>\$ 564,537.47</u>
Deduct:		
Bond interest	\$ 2,643.50	
Provision for depreciation of buildings and equipment.....	256,428.67	259,072.17
		<u>\$ 305,465.30</u>
Deduct provision for income and excess profits taxes.....		122,000.00
Net consolidated profit for the year.....	\$ 183,465.30	<u><u>\$ 183,465.30</u></u>

CONSOLIDATED SURPLUS ACCOUNT

FOR THE YEAR ENDED 30th JUNE, 1942

Balance at 30th June, 1941.....	\$ 499,106.82	
Add net consolidated profit for the year ended 30th June, 1942.....		183,465.30
		<u>\$ 682,572.12</u>
Deduct:		
Dividends on preference shares:		
First preference shares—6%.....	\$ 75,000.00	
Class "B" preference shares—5%.....	62,500.00	137,500.00
Balance at 30th June, 1942.....	\$ 545,072.12	<u><u>\$ 545,072.12</u></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, 1942 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 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 by the company's staff auditor.

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 on a basis consistent with that of the preceding year, so as to exhibit a true and correct view of the state of the consolidated companies' affairs as at 30th June, 1942, 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,
24th July, 1942.

CLARKSON, GORDON, DILWORTH AND NASH,
Chartered Accountants.

Canada Bread Old Favourites Still Available

Bread

C.B.4 (Canada Approved) Dr. Jackson's Roman Meal
Butternut Sandwich
Cracked Wheat Tender Crust
Dr. Hall's 100% Whole Wheat

Rolls

Hamburg Club Milk Wiener

Coffee Cakes

Butterfly Buns Coffee Ring Pecan Bar
Cherry Pecanettes Gretna Slices Pecan Rolls

Pies

Apple Cherry Peach
Blueberry Fruit Salad Raisin

and

A Pleasing Variety
Both Old and New

of

Cakes, Cookies, Doughnuts and Tarts

Together With
A Wide Choice of

Birthday, Anniversary and Wedding Cakes

Made From First Quality Ingredients
and Completed By Skilled Craftsmen

Our Standard for Thirty-One Years

"The Quality Goes In Before The Name Goes On"

Canada Bread Factories

Brantford	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



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