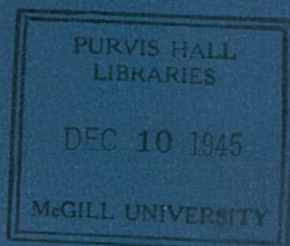


ANNUAL REPORT  
OF  
CANADA BREAD COMPANY  
LIMITED

1943

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# CANADA BREAD CO., LIMITED

*Head Office: 224 Davenport Road, Toronto*

## BOARD OF DIRECTORS

C. H. CARLISLE

A. W. HOLMESTED, K.C.

A. V. LOFTUS

R. S. WALDIE

G. C. LEITCH

C. B. SHIELDS

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, 1943

This Report presents concisely, and we trust informatively, the principal items of interest for the fiscal year.

## ITEMS PERTAINING TO THE FISCAL YEAR ENDING 30th JUNE, 1943, AS COMPARED WITH THE PRECEDING FISCAL YEAR

	<u>1943</u>	<u>1942</u>
	\$	\$
Profits on operations before charging depreciation and income and excess profits taxes, plus interest earned on investments .....	793,475.54	564,537.47
Deductions:		
Bond Interest .....		2,643.50
Provision for depreciation on buildings and equipment .....	317,597.17	256,428.67
Reserves against inventories .....	20,000.00	.....
Provision for income and excess profits taxes .....	218,500.00	122,000.00

## CONSOLIDATED SURPLUS ACCOUNT

	<u>1943</u>	<u>1942</u>
Balance at 30th June, 1942, and 1941 .....	545,072.12	499,106.82
Net Consolidated Profit .....	237,378.37	183,465.30

## DIVIDENDS

1st Preference Shares 6% .....	75,000.00	75,000.00
Class "B" Preference Shares 5% .....	62,500.00	62,500.00
Common Shares 10c (Common shares have not received a dividend since 1931) .....	20,000.00	.....

<b>TOTAL</b> .....	<u>157,500.00</u>	<u>137,500.00</u>
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Transferred to reserve for contingencies .....	15,000.00	.....
Balance at 30th June, 1943 and 1942 .....	609,950.49	545,072.12
Working Capital .....	130,427.15	135,519.68

(The small decrease in working capital is due to a note of \$200,000 having been paid since June 30th, 1942, as well as to an appropriation of \$100,000 bonds to a post-war re-habilitation account.)

Wages Paid .....	3,044,567.22	2,729,381.69
Materials and Supplies Purchased .....	5,072,955.00	4,237,028.00
Profit per unit of sales (unit equivalent to one loaf of bread) .....	1/5 of a cent	1/5 of a cent

For the first time since the incorporation of your Company it is free from bond and note indebtedness and had at the close of the fiscal year a bank balance of \$270,341. Your Company has set up a fund of \$100,000 for post-war re-habilitation. Also a contingency reserve of \$100,000; there are no chargeable items at this time against this reserve. The Company's operations for the year would appear to be quite satisfactory but we must keep in mind that owing to war conditions there are many replacements that should have been made currently, which could not be made. Your Company operates a large fleet of motor vehicles. These vehicles are rapidly depreciating in service and value. The cost of maintenance will increase until their replacement. Replacement of these vehicles will involve expenditures of a large amount of money.

When war ceases we will be confronted with many changes and many new conditions. Both domestic and foreign markets will have to be re-established. Plants must be re-equipped, inventories supplied, adjustments made on production of war inventories, etc., all of which will require much time and vast sums of money. If we are to have our production in a strong position when it is needed most provision should be made now. Production is our major source of wealth, our major source of employment. It is essential that our Government should see to it that our industries are put in position to establish adequate cash requirements to meet post-war conditions.

We know of no previous time when our employees and officials had so many difficulties to overcome as in the fiscal year just closed. They have overcome these difficulties with a spirit of courage and loyalty. We appreciate the work they have done so well and thank them.

On behalf of the Board of Directors,

Respectfully submitted,

C. H. CARLISLE,  
President.



# CANADA BREAD CO.

(Incorporated under the

AND ITS WHOLLY OWNED

## CONSOLIDATED BALANCE SHEET

AS AT 30th JUNE, 1943

### ASSETS

Cash on hand and in banks .....		\$ 270,341.29
Dominion of Canada 3% Victory Bonds due 1956—\$30,000 par value, at cost.....		30,000.00
Accounts receivable less reserve for doubtful accounts .....		208,697.53
Inventories of ingredients, finished products and supplies, as determined and certified by the management, valued at the lower of cost or market, less reserves .....		395,238.40
		<u>\$ 904,277.22</u>
Dominion of Canada bonds at cost (\$100,000 par value), appropriated for post-war rehabilitation of fixed assets.....	\$ 100,000.00	
Mortgages receivable .....	15,400.00	115,400.00
Buildings and equipment—at cost .....	\$5,243,310.90	
Less reserve for depreciation .....	3,195,742.34	
	<u>\$2,047,568.56</u>	
Land—at cost .....	341,755.31	2,389,323.87
Prepaid insurance, taxes and other charges .....	\$ 93,299.47	
Post war refund under the Excess Profits Tax Act .....	6,500.00	
		<u>99,799.47</u>
Goodwill (less amounts written off) .....		500,000.00
		<u>\$4,008,800.56</u>

### LIABILITIES

Accounts payable, wages and other accrued charges .....		\$ 505,466.72
Reserve for taxes (including income and excess profits taxes) .....		214,008.35
Dividends payable 1st July, 1943 .....		54,375.00
		<u>773,850.07</u>
Deposits by salesmen .....	\$ 54,550.47	
Less cash and government bonds held in trust .....	54,550.47	
		<u>100,000.00</u>
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 .....	609,950.49	
		<u>3,134,950.49</u>
		<u>\$4,008,800.56</u>

# COMPANY, LIMITED

(Ontario Companies Act)

## OWNED SUBSIDIARY

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1943

Profit on operations before deducting the charges set out below .....		\$ 790,493.15
Add interest earned on investments .....		2,982.39
		<u>\$ 793,475.54</u>
Deduct:		
Provision for depreciation of buildings and equipment .....	\$ 317,597.17	
Reserved against inventories .....	20,000.00	
		<u>337,597.17</u>
		\$ 455,878.37
Deduct provision for income and excess profits taxes .....	\$ 225,000.00	
Less refundable portion thereof .....	6,500.00	
		<u>218,500.00</u>
		<u>\$ 237,378.37</u>

### CONSOLIDATED SURPLUS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1943

Balance at 30th June, 1942 .....		\$ 545,072.12
Add net consolidated profit for the year ended 30th June, 1943 .....		237,378.37
		<u>\$ 782,450.49</u>
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	
		<u>\$ 157,500.00</u>
Transferred to reserve for contingencies .....	15,000.00	
		<u>172,500.00</u>
Balance at 30th June, 1943 .....		<u>\$ 609,950.49</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, 1943, 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 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 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, 1943, 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, 1943.

CLARKSON, GORDON, DILWORTH AND NASH,  
Chartered Accountants.

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# Canada Bread Old Favourites Still Available

## *Bread*

C.B.4 (Canada Approved)  
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 Pleasing Variety

of

## *Cakes, Cookies and Doughnuts*

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-Two Years

*"The Quality Goes In Before The Name Goes On"*

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# 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

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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