

ANNUAL REPORT  
OF  
CANADA BREAD COMPANY  
LIMITED  
1944



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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, 1944

AND A COMPARISON WITH THE PRECEDING YEAR

	<u>1944</u>	<u>1943</u>
	\$	\$
Profits on operations before charging depreciation and income and excess profits taxes, plus interest earned on investments.....	805,335.22	793,475.54
Deductions:		
Provision for depreciation on buildings and equipment .....	278,457.30	317,597.17
Reserves against inventories .....	.....	20,000.00
Provision for income and excess profits taxes....	269,300.00	218,500.00

## CONSOLIDATED SURPLUS ACCOUNT

	<u>1944</u>	<u>1943</u>
Balance at 30th June, 1943 and 1942.....	609,950.49	545,072.12
Net Consolidated Profit .....	257,577.92	237,378.37

## 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 .....	20,000.00	20,000.00
<b>TOTAL</b> .....	<b>157,500.00</b>	<b>157,500.00</b>
Transferred to Reserve for Contingencies.....	.....	15,000.00
Balance at 30th June, 1944 and 1943.....	710,028.41	609,950.49
Working Capital .....	269,263.05	130,427.15
Wages Paid .....	3,340,937.41	3,044,567.22
Materials and Supplies Purchased.....	5,265,144.96	5,072,955.00

Your Company has no funded indebtedness or other indebtedness excepting current trade bills. You have a contingency reserve of \$100,000. You have in Dominion of Canada Bonds \$325,000, of which \$200,000 has been set aside as a re-establishment reserve, and cash in bank amounting to \$281,977. You have no non-productive real estate. Your plants are operating efficiently. Your Company operates 442 motor vehicles and 387 horse-drawn vehicles. Due to the war, which caused restrictions on the output of motor trucks for domestic use, your Company has not been able to replace the trucks now in service. The trucks now operating were purchased in the years, and intervening years, of 1935 and 1942. These trucks have given an average of four years' service. Therefore, the cost of upkeep is greatly enhanced and the

number of vehicles undergoing repair has materially increased over normal times. The average number of trucks in the repair shop is about 35. The average length of time of repair six days. The increased cost per mile for gasoline, and truck repairs, for 1944 compared with 1938 is 41%. Total dollar cost of truck repairs and gasoline, comparing 1944 with 1938, shows an increase of 97%. The percentage increase in bakery maintenance and repair cost for the same period is 90%. It is quite evident that replacements and rehabilitation will be quite material.

A review of the sales volume for the last ten year period of the Company's operation shows a consistent expansion, as indicated by the following percentages:

1934-35.....	100	1939-40.....	135
1935-36.....	105	1940-41.....	148
1936-37.....	115	1941-42.....	157
1937-38.....	130	1942-43.....	186
1938-39.....	132	1943-44.....	207

The increase of 107% during the period reflects public opinion as to quality of our product and quality of service rendered.

Owing to the scarcity of ingredients and the scarcity of labour, due to war conditions, the quality of service and the variety of products has necessarily been limited. Our customers have accepted these conditions and deprivations without complaint. When business returns to normal, after the war, your Company will have at that time a more diversified line of attractive products, and will return to its usual satisfactory service.

The Wartime Prices and Trade Board has cooperated with the baking industry and has aided in solving, in a constructive way, the many difficult problems with which we have had to deal, the result being that both civilian and military forces have been at least adequately supplied with bread — which is one of the most essential food products.

We also wish to recognize the patriotism and loyalty of our employees who have been working throughout the year under adverse conditions. The operations of your Company have been unobstructed. These employees have given their best individual effort to the work being done.

Respectfully submitted,

C. H. CARLISLE,  
President.





# CANADA BREAD

(Incorporated under the laws of the Dominion of Canada)

## AND ITS WHOLLY OWNED SUBSIDIARIES

### CONSOLIDATED BALANCE SHEET

AS AT 30th JUNE, 1944

#### ASSETS

Cash on hand and in banks.....		\$ 281,977.69
Dominion of Canada 3% Victory Bonds—\$125,000 par value, at cost.....		125,000.00
Accounts receivable less reserve for doubtful accounts.....		212,664.70
Inventories of ingredients, finished products and supplies, as determined and certified by the management, valued at the lower of cost or market, less reserves .....		441,711.44
		<u>\$1,061,353.83</u>
Dominion of Canada Bonds at cost (\$200,000 par value) appropriated for post-war rehabilitation of fixed assets.....	\$ 200,000.00	
Mortgages receivable .....	14,500.00	214,500.00
Buildings and equipment—at cost .....	\$5,318,783.03	
Less reserve for depreciation.....	3,437,225.32	
	<u>\$1,881,557.71</u>	
Land—at cost .....	346,967.31	2,228,525.02
Prepaid insurance, taxes and other charges.....	\$ 95,540.34	
Post-war refund under the Excess Profits Tax Act.....	27,200.00	
		<u>122,740.34</u>
Goodwill (less amounts written off).....		500,000.00
		<u>\$4,127,119.19</u>

#### LIABILITIES

Accounts payable, wages and other accrued charges.....	\$ 481,471.51	
Reserve for taxes (including income and excess profits taxes).....		256,244.27
Dividends payable 1st July, 1944.....		54,375.00
		<u>\$ 792,090.78</u>
Deposits by salesmen .....	\$ 53,430.24	
Less cash and government bonds held in trust.....	53,430.24	
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.....	710,028.41	3,235,028.41
		<u>\$4,127,119.19</u>

# COMPANY, LIMITED

(Ontario Companies Act)

## OWNED SUBSIDIARY

### CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th JUNE, 1944

Profit on operations before deducting the charges set out below.....	\$ 797,427.95
Add interest earned on investments.....	7,907.27
	<u>\$ 805,335.22</u>
Deduct provision for depreciation of buildings and equipment.....	278,457.30
	<u>\$ 526,877.92</u>
Deduct provision for income and excess profits taxes.....	\$ 290,000.00
Less refundable portion thereof.....	20,700.00
	<u>269,300.00</u>
	<u><u>\$ 257,577.92</u></u>

### CONSOLIDATED SURPLUS ACCOUNT

FOR THE YEAR ENDED 30th JUNE, 1944

Balance at 30th June, 1943.....	\$ 609,950.49
Add net consolidated profit for the year ended 30th June, 1944.....	257,577.92
	<u>\$ 867,528.41</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>
Balance at 30th June, 1944.....	<u><u>\$ 710,028.41</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 1944 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 1944, 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,  
27th July, 1944.

CLARKSON, GORDON, DILWORTH AND NASH,  
Chartered Accountants.

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# Canada Bread Old Favourites Still Available

## *Bread*

C.B.4  
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-Three 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

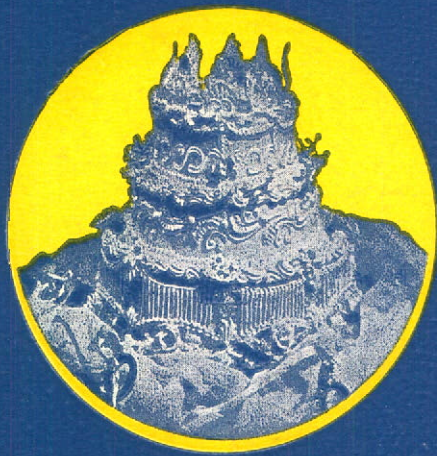
CANADA BREAD COMPANY LIMITED

C.H. Carlisle  
*President*

A.V. Loftus  
*General Manager*







ART IN BAKING