

Stock

ANNUAL REPORT
OF
CANADA BREAD COMPANY
LIMITED

1947



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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.

A. V. LOFTUS

R. S. WALDIE

G. C. LEITCH

A. G. WALWYN



OFFICERS

C. H. CARLISLE
PRESIDENT

R. S. WALDIE
VICE-PRESIDENT

A. V. LOFTUS
GENERAL MANAGER

W. S. ANTLIFF
ASST. GENERAL MANAGER
and
Treasurer

L. F. ENRIGHT
SECRETARY

Directors' Report to Shareholders

FOR THE FISCAL YEAR ENDED

JUNE 30th, 1947

The operations of the Company during the war and since the war may be better understood by comparing the major items of operation with the last pre-war year, 1939.

Increase in the volume of products	101%
Increase in value of total sales	107%
Increase in the cost of ingredients in a loaf of bread, exclusive of flour	60.9%

The price of wheat July 1st, 1939, was 55 $\frac{3}{8}$ c per bushel.

The subsidized price of wheat during the fiscal year under review was 77 $\frac{3}{8}$ c per bushel.

The export price to Britain is \$1.55 per bushel, plus 3 $\frac{1}{2}$ c per bushel for transportation.

The export price to countries other than Britain averages about \$2.56 per bushel.

The sale price of a loaf of bread in 1947 is identical with that of 1939.

It is quite evident, if the subsidy on wheat be removed, that the price of wheat milled for domestic consumption to the Canadian baker will be very materially increased, resulting in a relative increase in the price of bakery products.

In ratio to sales, and compared with 1939, the increased relative cost of wages paid for production of bakery products is 37.6%.

The cost of equipment compared with 1939 shows an increase varying from 25% to 45%.

Motor cars and trucks are major items of expense. The Company operates 668 motor trucks and makes deliveries over 967 routes.

The increased cost of panel trucks used on route deliveries is 49%, compared with the year 1939.

In ratio to sales, and compared with 1939, the increased relative cost of maintenance of the fleet is 40.7%.

The cost of the motor fleet equipment is \$897,214.82, of which purchases made during the fiscal year amounted to \$541,997.91.

The year's volume of sales is the largest in the history of the Company. The number of customers exceed those of any previous year.

The Company is in a strong financial position; it has no bank indebtedness, a cash position of \$445,317, \$100,000 in Dominion of Canada bonds. The working capital is \$775,250. Advantage is taken of all cash discounts.

CAPITAL STRUCTURE

The Company has no outstanding bonds or debentures.

Issued Capital Stock:—

20,000 shares First Preference, par value \$100, dividend rate 4½%, callable after July 1948 @ \$103.

25,000 shares Class "B" Preference, par value \$50, dividend rate \$2.50 per share.

200,000 shares Common, no par value.

As Government restrictions and controls are removed, and materials become more plentiful, the Company will be in a position to increase the diversity and quality of its products.

The death of Mr. C. B. Shields, a Director of the Company for the past fourteen years, is regrettable. He was a capable business man. He put duty and service before personal interest. He was frank in the things that he did. The service he rendered was of great worth.

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 1947

ASSETS

Current:

Cash on hand and in banks	\$ 445,317.03
Dominion of Canada Bonds—at cost	100,000.00
(Market value \$104,750.00)	
Accounts receivable, less reserve for doubtful accounts	216,142.46
Inventories of ingredients, finished products and supplies, as determined and certified by the management, valued at the lower of cost or market, less reserves	703,498.27
Prepaid insurance, taxes, etc.	109,608.32
	<u>\$1,574,566.08</u>

Sundry:

Refundable portion of taxes on income	\$ 11,500.00
Mortgage	5,600.00
	<u>17,100.00</u>

Fixed:

Buildings and equipment—at cost	\$6,429,306.48
Less reserve for depreciation	3,734,681.23
	<u>\$2,694,625.25</u>
Land—at cost	340,205.30
	<u>3,034,830.55</u>

Goodwill (less amounts written off)	500,000.00
	<u>\$5,126,496.63</u>

LIABILITIES

Current:

Accounts payable, wages and other accrued charges	\$ 687,231.01
Reserve for taxes (including income and excess profits taxes)	53,960.02
Dividends payable 2nd July, 1947	58,125.00
	<u>\$ 799,316.03</u>

Trust Funds:

Deposits by salesmen	\$ 73,525.92
Less cash and government bonds held in trust	73,525.92
	<u>100,000.00</u>

Capital:

Authorized and issued—	
20,000 4½% first cumulative redeemable preference shares of \$100 each, redeemable at \$105 per share to 1st July 1948 and at \$103 per share thereafter	\$2,000,000.00
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>\$3,275,000.00</u>

Earned surplus	952,180.60
	<u>4,227,180.60</u>
	<u>\$5,126,496.63</u>

COMPANY, LIMITED

(Ontario Companies Act)

WHOLLY OWNED SUBSIDIARY

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED 30th JUNE 1947

Profit on operations before deducting the charges set out below		\$ 892,813.77
Add:		
Interest earned on investments	\$ 15,966.00	
Profit on sale of investments	30,687.50	
		<u>46,653.50</u>
		\$ 939,467.27
Deduct:		
Payments under employee pension plan	\$ 99,645.33	
Provision for depreciation of buildings and equipment	326,899.85	
		<u>426,545.18</u>
		\$ 512,922.09
Deduct provision for income and excess profits taxes		195,000.00
Net profit for the year		<u>\$ 317,922.09</u>

STATEMENT OF CONSOLIDATED EARNED SURPLUS

FOR THE YEAR ENDED 30th JUNE 1947

Balance at 30th June, 1946		\$ 739,258.51
Add:		
Consolidated net profit for the year ended 30th June 1947.....	\$ 317,922.09	
Adjustment of taxes of prior years on determination of standard profits by the Board of Referees	67,500.00	
		<u>385,422.09</u>
		\$1,124,680.60
Deduct:		
Dividends—		
4½% first preference shares	\$ 90,000.00	
5% class "B" preference shares	62,500.00	
Common shares—10c per share	20,000.00	
		<u>172,500.00</u>
Balance at 30th June, 1947		<u>\$ 952,180.60</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Canada Bread Company, Limited and its wholly-owned subsidiary as at 30th June 1947 and the related statements of profit and loss and earned surplus for the year ended on that date. In connection therewith we examined or tested accounting records of the head office of the company, of its subsidiary and of certain of the principal branches and reviewed the reports furnished by the company's staff auditor on his examination of the records of the remaining 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. All our requirements as auditors have been complied with.

We report that in our opinion, based upon our examination, the foregoing consolidated balance sheet and related statements of profit and loss and earned surplus have been drawn up so as to exhibit a true and correct view of the state of the companies' affairs as at 30th June 1947 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.

Toronto, Canada,
31st July 1947.

CLARKSON, GORDON & CO.
Chartered Accountants.

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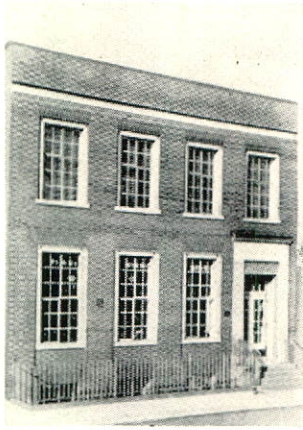
CANADA BREAD

COMPANY LIMITED

1947



DANFORTH AVE., TORONTO, ONT.



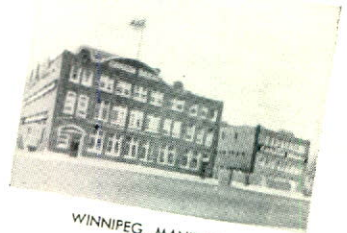
HEAD OFFICE,
TORONTO, ONTARIO



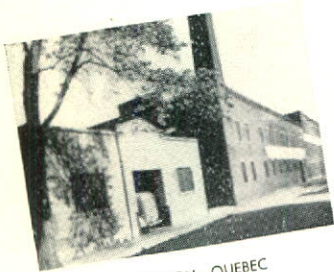
BLOOR ST. W., TORONTO, ONT.



AVENUE RD. TORONTO, ONT.



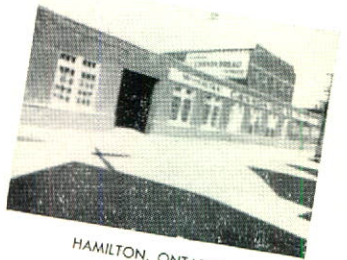
WINNIPEG, MANITOBA



MONTREAL, QUEBEC



OTTAWA, ONTARIO



HAMILTON, ONTARIO



GALT, ONTARIO



LONDON, ONTARIO



BRANTFORD, ONTARIO



WINDSOR, ONTARIO



KINGSTON, ONTARIO



CORNWALL, ONTARIO

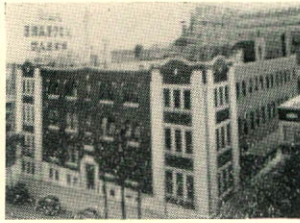
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CANADA BREAD COMPANY LIMITED

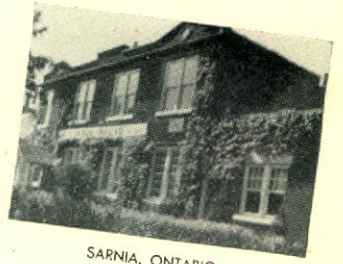
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GUELPH, ONTARIO



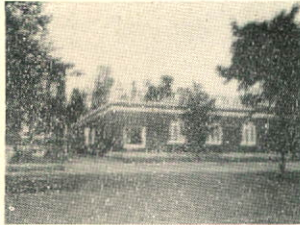
MONTREAL, QUEBEC



SARNIA, ONTARIO



OSHAWA, ONTARIO



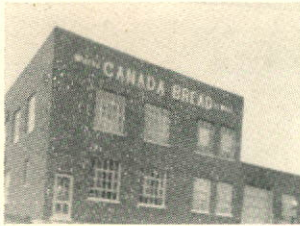
WESTMOUNT, QUEBEC



ST. CATHARINES, ONTARIO



SUDBURY, ONTARIO



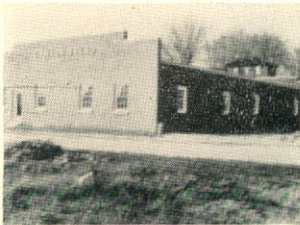
KIRKLAND LAKE, ONTARIO



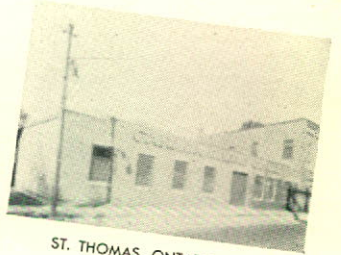
STRATFORD, ONTARIO



FORT WILLIAM, ONTARIO



BELLEVILLE, ONT.




ST. THOMAS, ONTARIO



CHATHAM, ONTARIO



OWEN SOUND, ONTARIO



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

