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MCGILL UNIVERSITY

BISCUITERIE

DAVID & FRÈRE

LIMITÉE

1930 RUE CHAMPLAIN
MONTREAL

TÉLÉPHONE
AMHERST 2115

TWENTIETH ANNUAL REPORT FOR THE YEAR ENDING MARCH 31st, 1948

To the Shareholders:

It is a pleasure to submit on behalf of your Board of Directors, the Financial Statements for the year ending March 31, 1948.

Profits have increased from \$88,000. to \$213,000. for the current year.

This increase was realized in spite of an abnormal increase in costs due to the cancellation of a number of Government controls. Furthermore, the increased cost of living was such that we considered it a matter of justice to increase your employees' wages by 33%.

Wage and raw material increases necessitated an increase in selling price of biscuits, nevertheless, volume in pounds increased by 17% over the previous year.

Your Company is today reaping the benefit of our goodwill programme amongst our clientele during the war years, when it became necessary to ration clients with strict impartiality.

During the past year, the Company's employees have organized an Association which has received the necessary Provincial Government approval; the relationship between the Association and the Company Officers are extremely cordial.

As a direct consequence of the special general Meeting of October, 1947, the necessary letters patent have been issued permitting purchase of "A" shares "at the market". Some shares have been acquired, which transaction is reflected in the balance sheet.

The temporary Sorel plant proved so satisfactory, that it was found profitable to expand it to furnish increased production. The Montreal factory has been maintained at maximum efficiency.

Your staff, conscious of their responsibilities have spared no efforts on your behalf, with gratifying results.

Respectfully submitted,

deGaspé Beaubien,
President.

DAVID & FORBES

LIMITED

INCORPORATED IN
ENGLAND

THE
MANUFACTURERS OF
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SURPLUS ACCOUNT

	<u>1948</u>	<u>1947</u>
BALANCE, as at March 31st	\$ 373,291.	\$ 313,901.
<u>ADD:</u>		
Net profit for the year after deduction of cost of manufacturing, sales, sales tax, administration, depreciation, etc., but before reserve for income taxes on profits (Depreciation 1948, \$19,999. — 1947, 17,639.)	386,349.	156,269.
<u>LESS:</u>		
Federal and Provincial Income Taxes	<u>172,745.</u>	<u>68,192.</u>
<u>NET PROFIT</u>	213,604.	88,077.
<u>DEDUCT:</u>		
Dividend Class "A"	56,145.	28,687.
Dividend Class "B"	<u>5,750.</u>	<u> </u>
	<u>61,895.</u>	<u>28,687.</u>
<u>BALANCE CARRIED TO SURPLUS</u>	<u>151,709.</u>	- <u>59,390.</u>
BALANCE AS AT MARCH 31st,	<u><u>\$ 525,000.</u></u>	<u><u>\$ 373,291.</u></u>

BALANCE SHEETMarch 31st,
1948March 31st,
1947CURRENT ASSETS:

Cash on hand and in bank	\$ 8,993.	\$ 12,861.
Investments (market price, 1948: \$299,269. 1947: \$327,199.)	310,335.	311,629.
Accounts Receivable, less reserves	204,818.	106,827.
Inventories (')	303,326.	186,390.
	<u>827,472.</u>	<u>617,707.</u>

LESS CURRENT LIABILITIES:

Accounts payable and accrued expenses	<u>203,353.</u>	<u>91,487.</u>
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WORKING CAPITAL

	624,119.	526,220.
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FIXED ASSETS:

Land, buildings, machinery, etc.	562,046.	540,458.
Less reserve for depreciation	<u>353,397.</u>	<u>345,213.</u>
	208,649.	195,245.

OTHER ASSETS:

Prepaid expenses, taxes, insurance, etc.	11,174.	4,083.
Receiver General of Canada re: Excess Profits Tax	1,942.	1,942.
Goodwill	1.	1.
Goodwill arising from the purchase of "A" shares	<u>18,993.</u>	

NET VALUE OF SHARES

	<u>864,878.</u>	<u>727,491.</u>
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CAPITAL & SURPLUS:CLASS "A" SHARES
NO PAR VALUE

Authorized and issued	23,000	303,600.		
Repurchased	<u>1,085</u>	<u>14,322.</u>		
Outstanding	<u>21,915</u>	289,278.	<u>23,000</u>	303,600.

CLASS "B" SHARES
NO PAR VALUE

Authorized and issued	<u>23,000</u>	50,600.	<u>23,000</u>	50,600.
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SURPLUS

	<u>525,000.</u>		<u>373,291.</u>
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\$ <u>864,878.</u>	\$ <u>727,491.</u>
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(') — As certified to by company officials,
at cost or market, whichever is lower.

Approved in the name of the Board of Directors per:

de GASPE BRAUBIEN } Directors
GEO. O. SOUCIE }

AUDITOR'S REPORT

We have examined the Balance Sheet of David & Frere, Limitee, for the year ending March 31st, 1948, and we have received all the information and explanations that we have required. We have examined and verified by tests the books of account, without making a detailed audit of the operating accounts.

On the basis of our examination we are of the opinion that the above balance sheet shows the true financial position of the company, as at March 31st, 1948, according to the best of our information and the explanations given to us as shown by the books of the company.

(Signed) Chartre, Samson, Beauvais,
Gauthier & Cie,

Chartered Accountants.

Montreal, May 19th, 1948.

