

## DAVID & FRÊRE

LIMITÉE

1930 RUE CHAMPLAIN MONTRÉAL TELEPHONE 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 in-, crease 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.

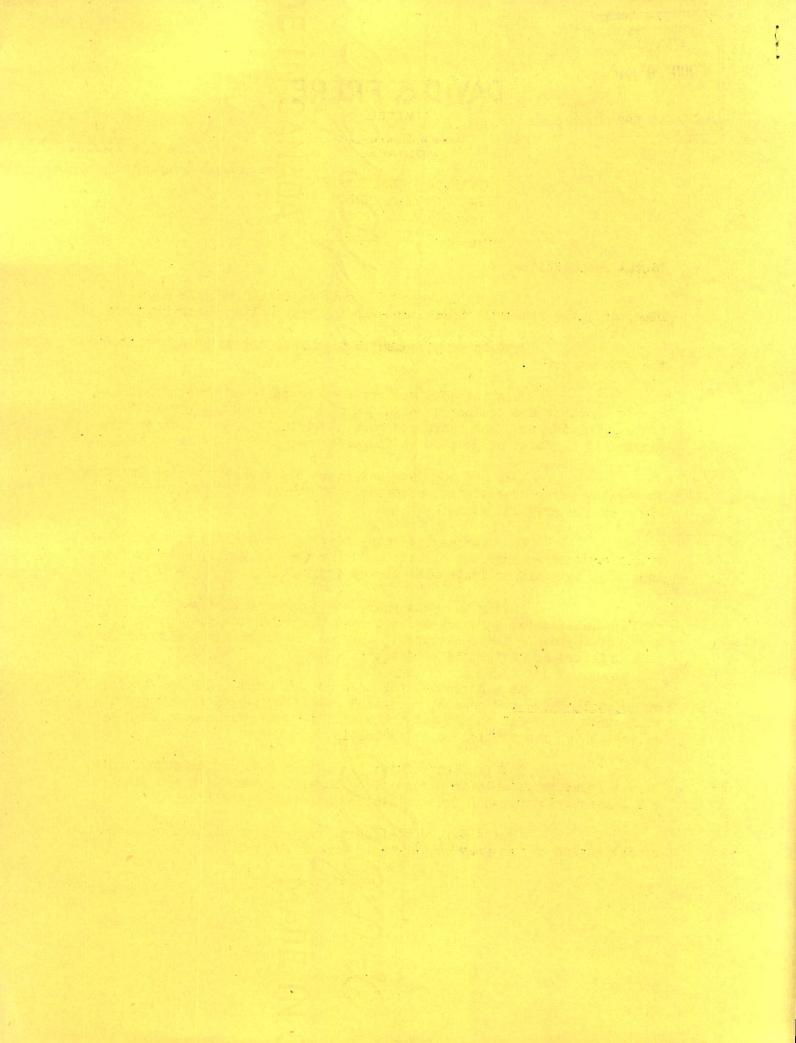
During the past year, the Company's employees have organized an Association which has received the necessary Provincial Government approval; the relationship between the Association and the Company Officers are extremely cordial.

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.

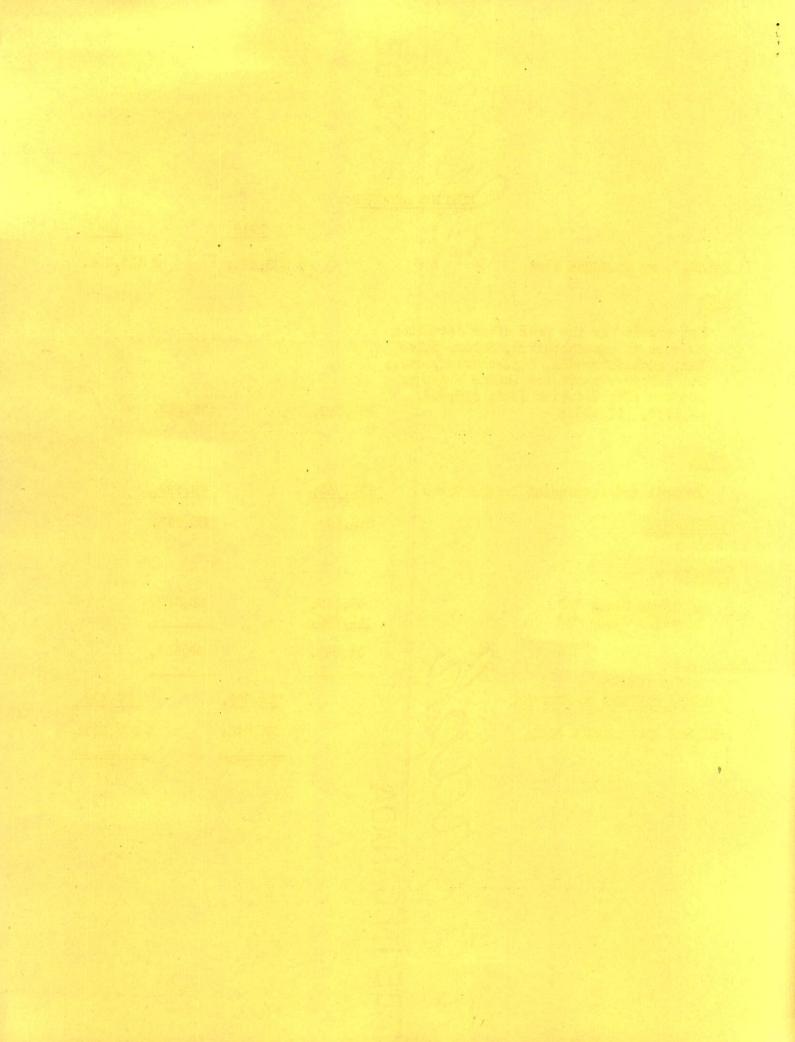
Your staff, conscious of their responsibilities have spared no efforts on your behalf, with gratifying results.

Respectfully submitted,



## SURPLUS ACCOUNT

		1948	1947
BALANCE, as at March 31st		\$ 373,291.	\$ 313,901.
ADD:			
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.
LESS:			
Federal and Provincial Income Taxes	172,745.		68,192.
NET PROFIT	213,604.		88,077.
DEDUCT:			
Dividend Class "A" Dividend Class "B"	56,145. 5,750.		28,687.
	61,895.		28,687.
BALANCE CARRIED TO SURPLUS		151,709.	- 59,390.
BALANCE AS AT MARCH 31st,		\$ 525,000.	\$ 373,291.



<u>.</u>	BALANCE SHEET			
		March 31st, 1948		March 31st, 1947
CURRENT ASSETS:	Ting.			
Cash on hand and in bank Investments (market price, 1948: 4	299,269.	\$ 8,993.		\$ 12,861.
Accounts Receivable, less reserves Inventories (')	327,199.)	310,335. 204,818. 303,326. 827,472.		311,629. 106,827. 186,390. 617,707.
LESS CURRENT LIABILITIES:				011,701,
Accounts payable and accrued expen	ses	203,353.		91,487.
WORKING CAPITAL		624,119.		526,220.
FIXED ASSETS:				
Land, buildings, machinery, etc. Less reserve for depreciation		562,046. 353,397. 208,649.		540,458. 345,213. 195,245.
OTHER ASSETS:				
Prepaid expenses, taxes, insurance Receiver General of Canada	e, etc.	11,174.		4,083.
re: Excess Profits Tax Goodwill		1,942.		1,942.
Goodwill arising from the purchase of "A" shares		18,993.		
NET VALUE OF SHARES	16 May 1	864,878.		727,491.
CAPITAL & SURPLUS:				
CLASS "A" SHARES NO PAR VALUE				
Authorized and issued Repurchased	23,000 1,085	303,600. 14,322.		
Outstanding	21,915	289,278.	23,000	303,600.
CLASS "B" SHARES NO PAR VALUE				
Authorized and issued	23,000	50,600.	23,000	50,600.
SURPIUS		525,000.		373,291.
		\$ 864,878.		\$ 727,491.
(!) - As certified to by company of	ficials.			

(') - 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 BEAUBIEN
GEO. O. SOUCIE
Directors

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## 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.

