

SIXTH ANNUAL
REPORT

DAVID & FRÈRE
Limitée

For the year ending December 31, 1933.

DAVID & FRÈRE, LIMITÉE

Montreal, January 27th, 1934.

To the Shareholders:—

We are herewith submitting to you the financial statement of your Company, for the year ending the 31st of December 1933, duly certified by your auditors, Messrs LaRue & Trudel, C.A.

As you can readily see, the results are not satisfactory. Nevertheless, considering the additional taxes again imposed on us during the past year, as well as the unfair competition so long persisted in by other manufacturers in the industry, you will admit that our financial position has been well maintained.

It would seem that the Federal Government has deliberately singled out our industry, manufacturing as it does what we consider to be a necessity of life, and inflicted it with a larger proportion of taxes than that borne by any other industry. In spite of the protest made last year against the already excessive Sales Tax, we have now to bear another and even more oppressive one on sugar. We need hardly say that unless we obtain an immediate readjustment of these taxes, our industry will certainly not be able to subsist. For the Sales Tax and the Sugar Tax alone, we paid the Government over 10% of our total net Sales, not to mention other federal, provincial and municipal taxes which we pay.

On the Balance Sheet, you will note that the item "Goodwill" which, at the end of the last financial year amounted to \$451,571.68 has now been reduced to \$1.00. This does not change in the least the net worth of your Company's stock. Justifiable a few years ago, it no longer is, in view of present business conditions and the consequent readjustment of capital investments.

The Sales volume was well maintained despite the very perceptible decrease in consumption doubtless due to unemployment as well as to exorbitant taxes.

Our equipment has had the necessary improvements and additions done required to keep it in good order.

We are grateful to the staff for the loyalty shown by them to the Company.

On behalf of the Directors.

MRS. RENÉ-T. LECLERC,
President.

DAVID & FRÈRE, LIMITÉE
BALANCE SHEET, as at December 31st, 1933.

ASSETS

Cash On Hand and in Bank	\$ 4,601.96	
Accounts Receivable, less Reserves	131,356.74	
Notes Receivable	4,002.37	
Investments, less Reserves	3,972.00	
Inventories	45,180.12	
		\$189,113.19
Land, Buildings, Machinery, and equipment, rolling stock and furniture	439,109.00	
Less Reserves for Depreciation	194,086.13	
		245,022.87
Goodwill		1.00
Prepaid expenses: Taxes, Insurance, Etc.		3,744.06
		\$437,881.12

LIABILITIES

Accounts Payable and Accrued Charges		\$ 49,117.51
Capital Stock Issued:		
Ordinary Shares, Class A, 23,000 shares, no par value	}	354,200.00
Ordinary Shares, Class B, 23,000 shares, no par value		
Surplus		34,563.61
		\$437,881.12

Approved on behalf of the board:

HENRI MERRILL }
L. R. PHILIE } Directors.

AUDITOR'S REPORT

We have examined the books and accounts of "DAVID & FRERE, LIMITEE" for the year ending 31st December 1933, and we have received all the information and explanations we have required.

During the period covered, the book value of the goodwill was reduced to \$1.00 and the amount of the capital account was reduced accordingly.

We are of the opinion that the above Balance Sheet shows the true financial position of the Company as at December 31st, 1933, according to the best of our information and the explanations given to us as shown by the books of the Company.

(Signed) LARUE & TRUDEL,
Chartered Accountants.

Montreal, January 24th, 1934.

DAVID & FRÈRE, LIMITÉE

SURPLUS ACCOUNT

Balance 1st January, 1933		\$54,265.65
Net profit for 1933, after deducting charges for manufacturing, sales, administration, sales tax, etc., ... but before depreciation	\$11,913.08	
Reserve for Depreciation	31,615.12	
Net charge to surplus		19,702.04
Balance 31st December, 1933		\$34,563.61