

SEVENTH ANNUAL
REPORT

DAVID & FRÈRE
Limitée

For the year ending December 31, 1934

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DAVID & FRÈRE, LIMITÉE

Montreal, January 26th, 1935

To the Shareholders:—

We are herewith submitting to you the financial statement of your Company for the year ending the 31st of December, 1934, duly certified by your auditors, Messrs LaRue & Trudel, C.A.

As the conditions unfavourable to our industry did not improve during the last year, we are as yet unable to operate at a profit. Nevertheless, you will observe a very definite improvement in the net results as well as the continued maintenance by us of a sound financial position. These results we attribute to the constantly increasing demand for our products, due in its turn to the very high standard of quality we consistently maintain in manufacturing, thereby enabling us to obtain higher prices in spite of very keen competition.

During last Summer, taking advantage of the present very low cost of construction to effect much needed improvements, we added a wing to our factory. This has enabled us to open new departments for biscuits and candies and will undoubtedly increase our output substantially. We have, of course, been obliged to invest in machinery necessary for the manufacture of the new products we are putting on the market.

Our sales of both biscuits and candies have greatly increased in spite of the constantly growing number of our competitors. As is customary, our equipment has been up-kept in perfect order.

We thank the staff sincerely for their loyalty to the Company.

On behalf of the Board of Directors.

H. MERRILL,

General Manager.

DAVID & FRÈRE, LIMITÉE
BALANCE SHEET, as at December 31st, 1934
ASSETS

Cash on hand and in Bank.....	\$ 4,129.28	
Accounts Receivable, less Reserves.....	137,254.52	
Notes Receivable.....	7,006.74	
Investments, less Reserves.....	3,647.00	
Inventories.....	47,956.53	
		\$ 199,994.07
Land, Buildings, Machinery, and equip- ment, rolling stock and furniture.....	472,938.78	
Less Reserves for Depreciation.....	226,398.42	
		246,540.36
Goodwill.....		1.00
Prepaid expenses: Taxes, Insurance, Etc....		3,686.81
		<u>\$ 450,222.24</u>

LIABILITIES

Bank Loan	\$ 13,000.00	
Accounts Payable and Accrued Charges.....	57,975.33	
		\$ 70,975.33
<i>Capital Stock Issued:</i>		
Ordinary Shares, Class A, 23,000 shares, no par value	}	354,200.00
Ordinary Shares, Class B, 23,000 shares, no par value		
Surplus.....		25,046.91
		<u>\$ 450,222.24</u>

Approved on behalf of the board:

HENRI MERRILL }
F. A. BEIQUE } Directors.

AUDITOR'S REPORT

We have examined the books and accounts of "DAVID & FRERE, LIMITEE" for the year ending 31st December, 1934 and we have received all the information and explanations we have required.

At the suggestion of the Officers of the Company, a transfer has been made of an excess reserve on accounts receivable to the reserve for depreciation of fixed assets.

We are of the opinion that the above Balance Sheet shows the true financial position of the Company as at December 31st, 1934, according to the best of our information and the explanations given to us as shown by the books of the Company.

Montreal, January 22nd, 1935.

(Signed) LARUE & TRUDEL,
Chartered Accountants.

DAVID & FRÈRE, LIMITÉE

SURPLUS ACCOUNT

Balance 1st January, 1934.....	\$ 34,563.61
Net profit for 1934 after deducting charges for manufacturing, sales, administra- tion, sales tax, etc., but before depre- ciation.....	\$ 21,785.26
Reserve for Depreciation.....	31,301.96
Net charge to surplus.....	9,516.70
Balance 31st December, 1934.....	<u>\$ 25,046.91</u>