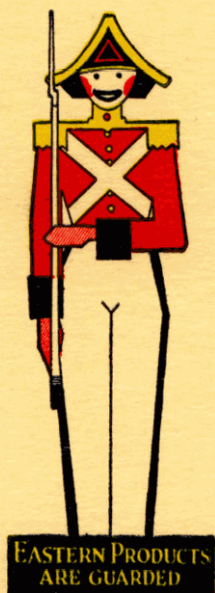


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EASTERN DAIRIES LIMITED



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**Annual Report
for the year ending
31st March, 1931**

EASTERN
DAIRIES
LIMITED



MAIN PLANT OF ELMHURST DAIRY, LIMITED
AND HEAD OFFICE OF EASTERN DAIRIES, LIMITED, MONTREAL.

EASTERN DAIRIES, LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED
MARCH 31st,
1931.

OFFICERS

President and Managing Director

W. R. AIRD, Montreal

Vice-President

P. A. THOMSON, Montreal

DIRECTORS

W. R. AIRD Montreal

A. J. NESBITT Montreal

C. B. PRICE Montreal

P. A. THOMSON Montreal

H. R. TRENHOLME Montreal

E. W. KING, Secretary-Treasurer

Fiscal Agents

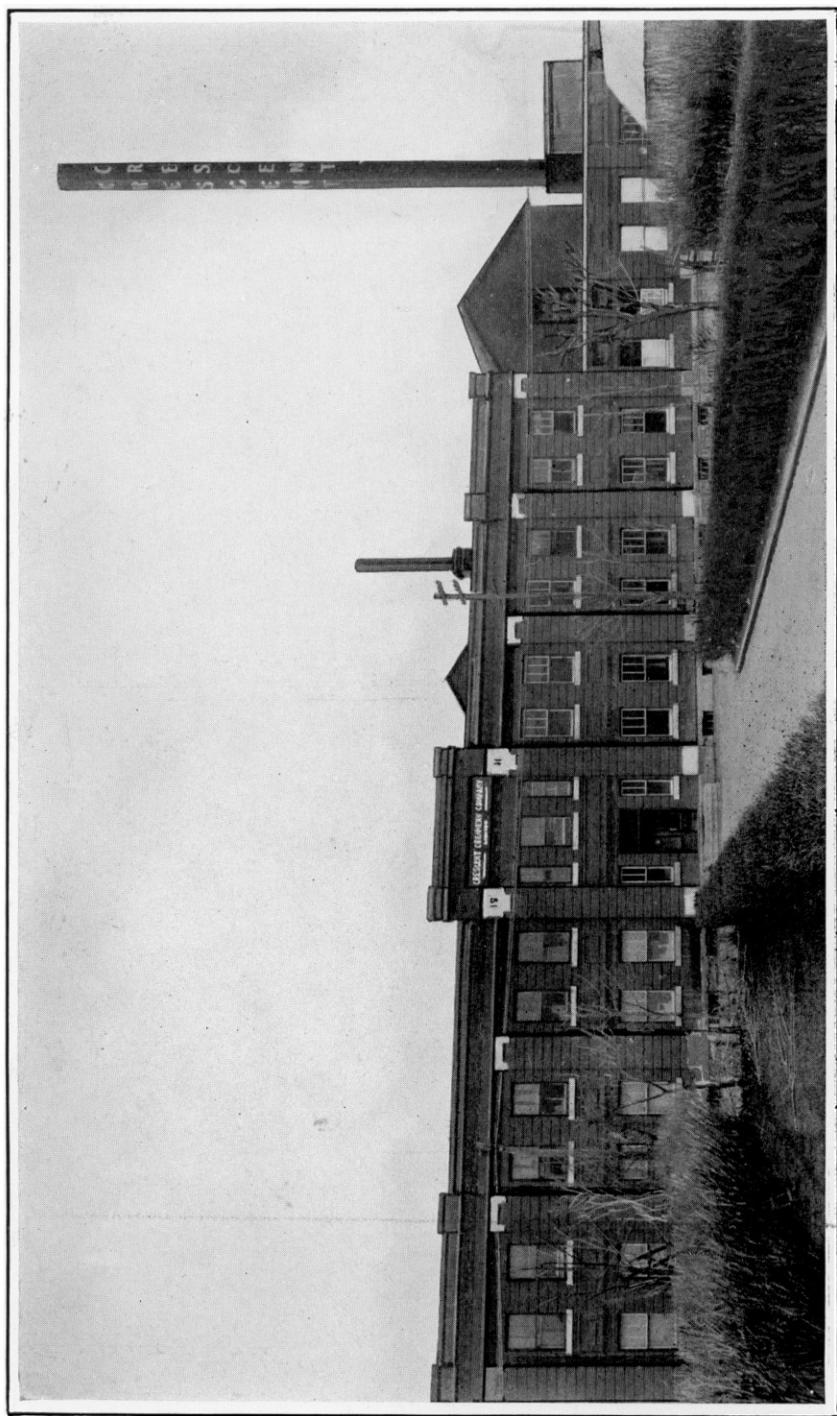
NESBITT, THOMSON & COMPANY, LIMITED

Transfer Agents

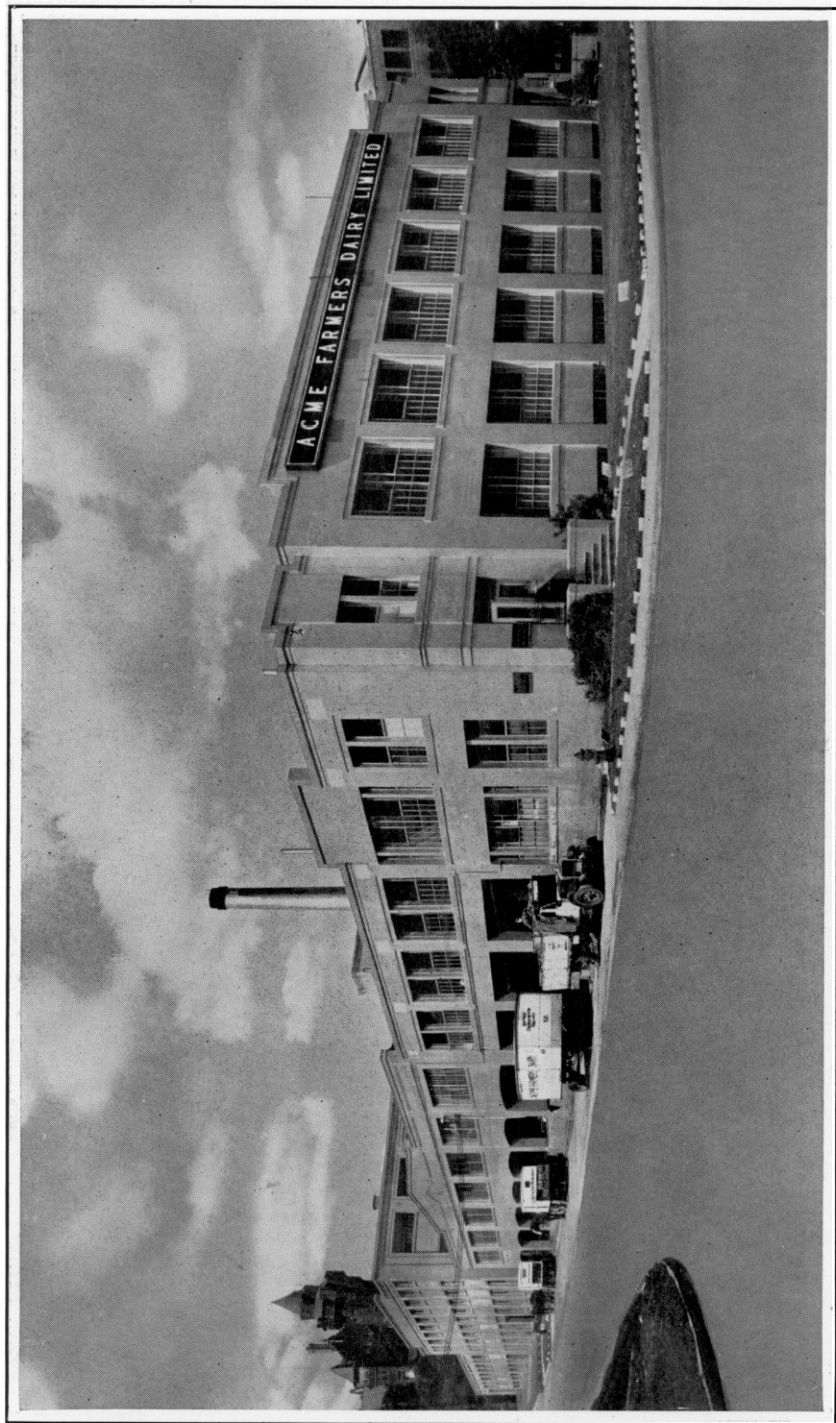
MONTREAL TRUST COMPANY

Auditors

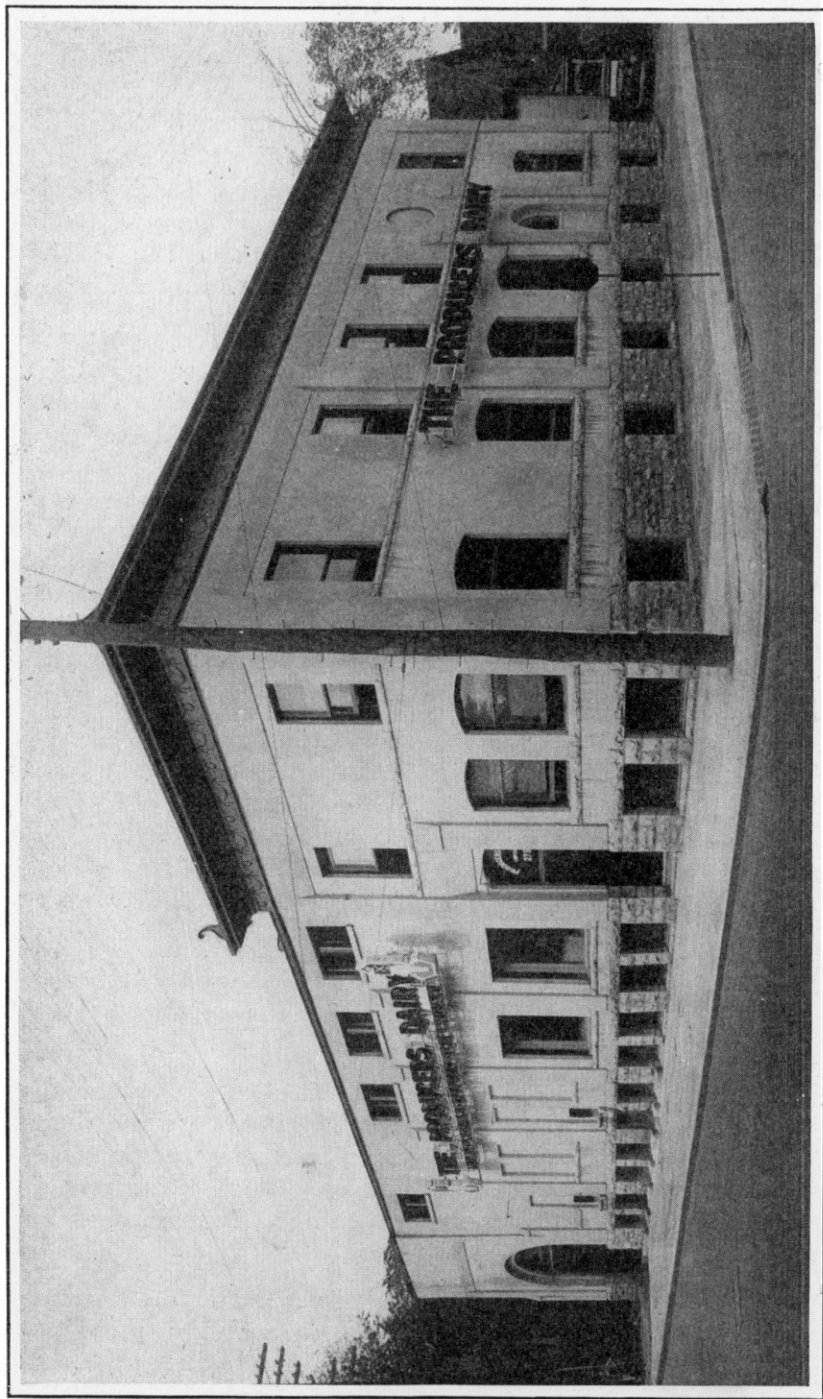
P. S. ROSS & SONS



MAIN PLANT OF CRESCENT CREAMERY COMPANY, LIMITED
WINNIPEG, MAN.



MAIN PLANT OF ACME FARMERS DAIRY, LIMITED
TORONTO, ONT.



MAIN PLANT OF THE PRODUCERS DAIRY, LIMITED
OTTAWA, ONT.

To the Shareholders:

YOUR Directors have pleasure in submitting their Annual Report covering the operations of your Company and its Subsidiaries for the year ended March 31st, 1931, accompanied by a Consolidated Statement of Assets and Liabilities, duly certified by the Company's auditors.

The attached Consolidated Surplus Account as at March 31st, 1931, reflects again the continuous increase in the earnings from the operations of your Company and its Subsidiaries. The net profits from operations after providing for Bond Interest, Preferred Stock Dividends and Depreciation amounted to \$150,925.95, or \$2.04 per share on the 74099 shares of the Common Stock of the Company issued and outstanding up to March 30th, 1931. On that date your Company sold and received payment for an additional 15,000 shares of Common Stock. The benefits from the proceeds of the sale of this stock will therefore only be received during the current year.

In October 1930 your Directors decided to pay dividends on the Common Stock of the Company at the rate of \$1.00 per share per year, and accordingly dividends at the rate of 25c per share were paid for the quarters ending September 30th, 1930, December 31st, 1930 and March 31st, 1931. A dividend of 25c per share has been declared payable on August 1st, 1931, for the quarter ending June 30th, 1931.

During the year the Governing Committee of the Montreal Stock Exchange accepted the application of your Company to have its Common Shares listed on the Exchange.

All of the Subsidiaries have contributed to the progress of your Company. In each case the earnings are considerably in excess of any previous year. Your Directors have continued their efforts to maintain a profitable growth in the business of these subsidiaries. This is reflected in a gratifying increase in the volume of sales during the year.

Your Company enjoys an enviable reputation as a result of its policy of producing only high quality dairy products. Milk and Cream of the highest order only is received at the plants,

EASTERN DAIRIES, LIMITED

and these plants are maintained in excellent condition to ensure efficiency of operation and to protect the high standard of the products produced.

Your Directors have given consideration to the general conditions which have prevailed in the dairy industry and have supported the payment of a fair price to the dairy farmer for the products he supplies.

In last year's report reference was made to the commencement of business in the City of Hamilton, Ont. The results have surpassed expectations and your Directors deemed it advisable to erect a new dairy plant in that City, which is now under construction. This plant will provide for the handling of all dairy products according to the most modern and sanitary methods.

The management have recognized the need of the greatest efficiency in the operation of the business of your Company in view of the general business conditions prevailing throughout the country. The inventories of products and supplies are recorded in the Balance Sheet at \$171,129.35 as compared with \$338,179.02 at the end of the previous year, a decrease of \$167,049.67.

Your Directors feel that the results of the past year have justified their policies, and look forward to the current year confident of further progress.

The Officers and staff have continued to render the same efficient service as in the past and your Directors take pleasure in expressing appreciation of their cooperation in the interests of the Company.

Since the close of the fiscal year 899 employees took advantage of an offer made by the Directors to purchase shares of the Common Stock of the Company. This sense of ownership should be an additional incentive to render the best possible service to the Company.

Submitted on behalf of the Board.

W. R. AIRD,
President.

EASTERN DAIRIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT MARCH 31ST, 1931.

ASSETS

Current:

Cash on Hand and in Banks.....	\$301,243.94
Accounts Receivable, less Reserve for Bad Debts.....	366,168.63
Deferred Accounts Receivable.....	70,933.37
Inventories of Products and Supplies.....	171,129.35
Investment Securities at Cost.....	\$413,547.51
Balances of Agreements of Sales.....	44,150.00
	457,697.51
Accrued Interest thereon.....	7,649.30
	465,346.81
Investments held in Trust.....	14,700.00
Life Insurance—Cash Surrender Value.....	3,722.21
	<u>\$ 1,393,244.31</u>

Fixed Assets:

Land, Buildings, Plant, Machinery, Equipment, Furniture and Fixtures (at replacement values new, as established by Canadian Appraisal Company Limited, with subsequent additions at Cost).....	7,101,880.68
Prepaid and Deferred Expenses.....	75,668.79
Bond Discount and Organization Expenses.....	190,020.81
Goodwill (being excess of purchase price of Affiliated Companies over total book value of capital stocks, and surpluses thereof at date of acquisition).....	2,222,789.87
	<u><u>\$10,983,604.46</u></u>

LIABILITIES

Current:

Accounts Payable and Accrued Liabilities.....	\$ 440,417.91
Salesmen's Deposits.....	58,053.66
Unredeemed Tickets.....	26,210.39
Dividends Payable.....	79,774.75
Accrued Bond Interest.....	75,000.00
	<u>\$ 679,456.71</u>
Mortgages Payable.....	6,100.00
Deferred Revenue.....	15,843.00
Reserve for Depreciation.....	1,452,896.22

Capital of Affiliated Companies in hands of Public:

Crescent Creamery Company, Limited— 7% Preferred Stock (Callable at 105% upon 30 days notice) Authorized 14,500 Shares of \$100.00 each Issued and Outstanding 10,000 Shares.....	1,000,000.00
Acme Farmers Dairy, Limited— 7% Cumulative Preferred Stock Authorized 7,500 Shares of \$100.00 each Issued and Outstanding 7,000 Shares.....	700,000.00
	<u>1,700,000.00</u>

Six Per Cent Twenty Year First Collateral Trust Convertible† Bonds Series "A", Due 1949.....	3,000,000.00
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Capital:

7% Cumulative Preferred Stock (Callable at 105% upon 30 Days notice) Authorized 50,000 Shares of \$100.00 each Issued and Outstanding 25,000 Shares.....	2,500,000.00
Common Stock— Authorized 200,000 Shares of No Par Value Issued and Outstanding* 89,099 Shares.....	1,380,515.00

Surplus—Subject to Income Tax.....	248,793.53
	<u><u>\$10,983,604.46</u></u>

†48,000 Common Shares of No Par Value reserved for conversion purposes.

*Includes 15,000 Shares sold March 30th, 1931.

Auditors Certificate.

Approved on behalf of the Board:

W. R. AIRD (Director)
H. R. TRENHOLME (Director)

WE have compared the above Consolidated Balance Sheet at 31st March, 1931 with the books and records of Eastern Dairies, Limited and its Subsidiaries, with the exception of the Producers Dairy Limited for which we have received certified statements.

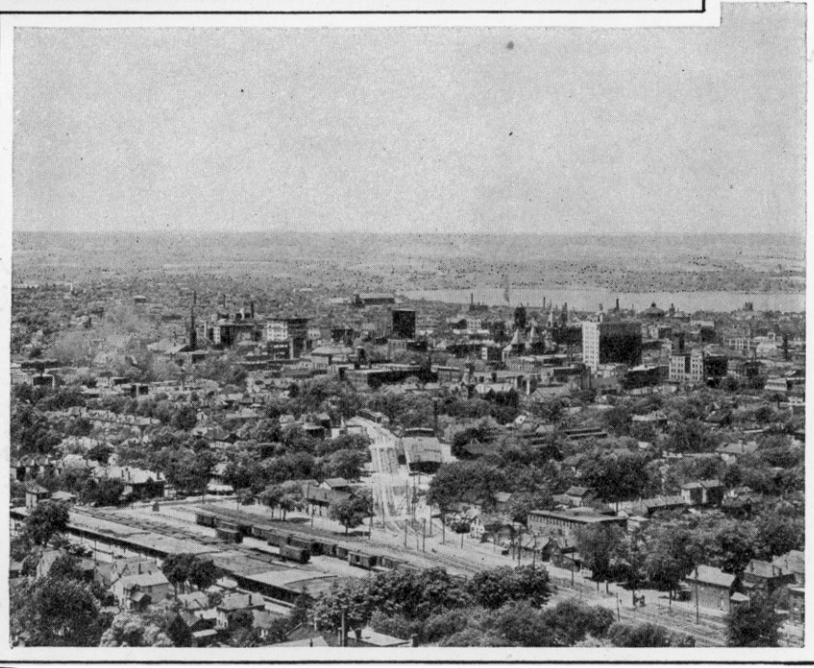
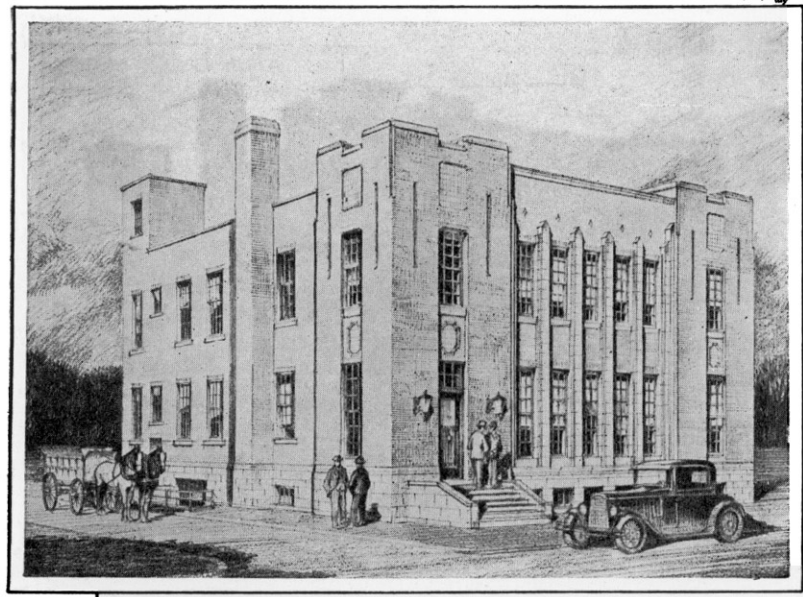
We certify that, in our opinion, the above Consolidated Balance Sheet has been drawn up so as to set forth a true and correct view of the financial position of Eastern Dairies Limited and its Subsidiaries at 31st March 1931, according to the best of our information, the explanations given to us and as shown by the books of the Companies examined by us and the certified statements given to us.

P. S. ROSS & SONS,
Chartered Accountants.

EASTERN DAIRIES, LIMITED AND SUBSIDIARIES

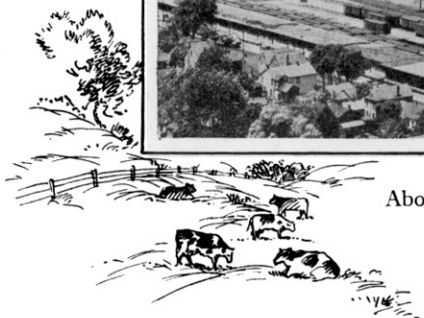
CONSOLIDATED SURPLUS ACCOUNT AT 31st MARCH 1931

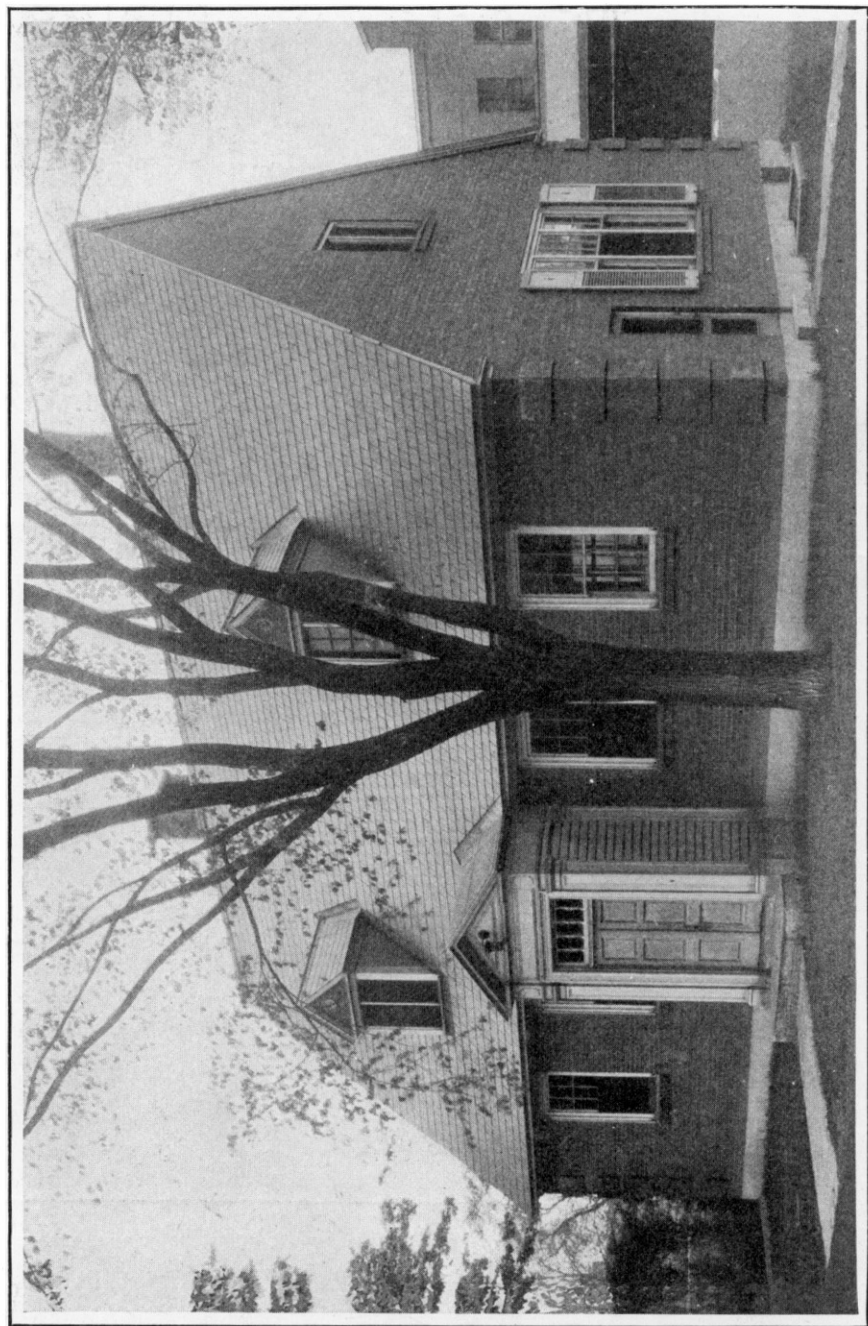
Balance at Credit 31st March, 1930, before providing for Income Tax.....			\$153,441.83
Add:			
Net Profit for the year ended 31st March, 1931, before providing for Bond Interest, Depreciation and Income Tax..		\$835,379.79	
Less:			
Bond Interest.....	\$180,000.00		
Depreciation.....	200,000.00		
Amortization of Bond Discount and Expense...	10,453.84		
		<u>390,453.84</u>	
			444,925.95
			<u>598,367.78</u>
Less: Dividends on:—			
Preferred Shares.....	294,000.00		
Common Shares.....	55,574.25		
		<u>349,574.25</u>	
Balance at Credit 31st March, 1931, before providing for Income Tax.....			\$248,793.53
			<u><u>248,793.53</u></u>



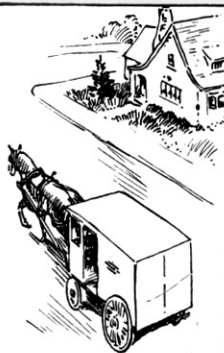
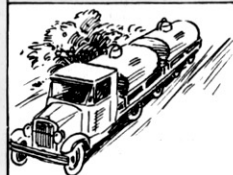
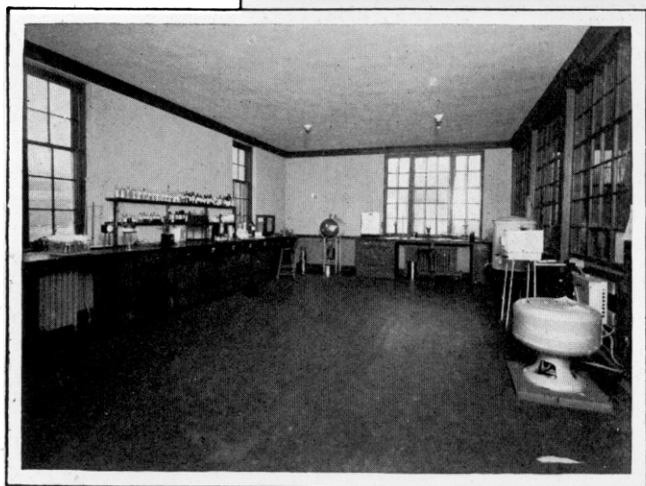
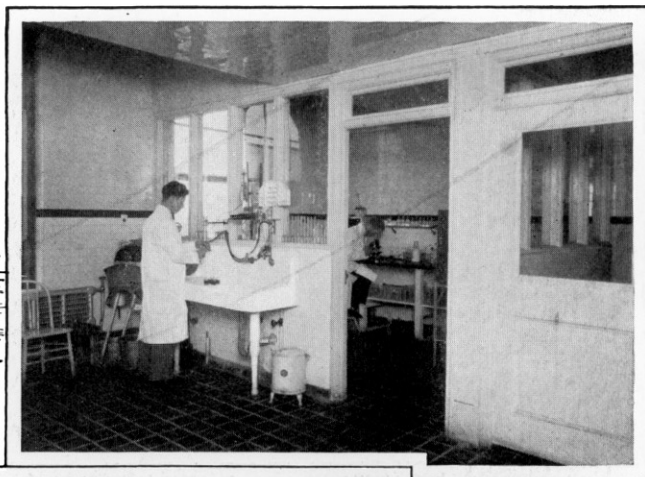
Above—ARCHITECT'S SKETCH NEW HAMILTON
PLANT (now building)

Below—AERIAL VIEW CITY OF HAMILTON





RESEARCH LABORATORY OF EASTERN DAIRIES, LIMITED
MONTREAL, P.Q.



From Top to Bottom—PLANT LABORATORY, ELMHURST DAIRY, LIMITED, MONTREAL;
RESEARCH LABORATORY, EASTERN DAIRIES, LIMITED, MONTREAL;
PLANT LABORATORY, ACME FARMERS DAIRY, LIMITED, TORONTO.

SUBSIDIARY COMPANIES

ACME FARMERS DAIRY, LIMITED TORONTO, ONT.

Main Plant	Walmer Road & Bridgman Street
Ice Cream Plant	254 Berkeley Street
Distributing Depot	2359 Danforth Avenue
“ “	Centre Island
Powder and Condensing Plant .	Napanee, Ont.
Powder and Condensing Plant .	Sydenham, Ont.
Storage Plant	21 Essex Avenue

HAMILTON, ONT. 243 Cumberland Avenue

HON. GEO. S. HENRY, PRESIDENT

SUBSIDIARY COMPANIES

CRESCENT CREAMERY COMPANY, LIMITED WINNIPEG, MAN.

Main Plant	542 Sherburn Street
Ice Cream Plant	86 Burnell Street
Storage Plant	85 Lombard Street
Distributing Depot	Le Pas, Man.
“ “	Fort William, Ont.
“ “	Pine Falls, Man.
Branch	Killarney, Man.
“	Portage la Prairie, Man.
“	Swan River, Man.
“	Vita, Man.
“	Yorkton, Sask.
Receiving Station	Giroux, Man.
“ “	Ste. Anne, Man.
“ “	Letellier, Man.
“ “	Oak Island, Man.
“ “	Steinback, Man.
“ “	La Broquerie, Man.

F. J. DONEGANI, VICE PRESIDENT AND MANAGING DIRECTOR

SUBSIDIARY COMPANIES

ELMHURST DAIRY, LIMITED, MONTREAL, P.Q.

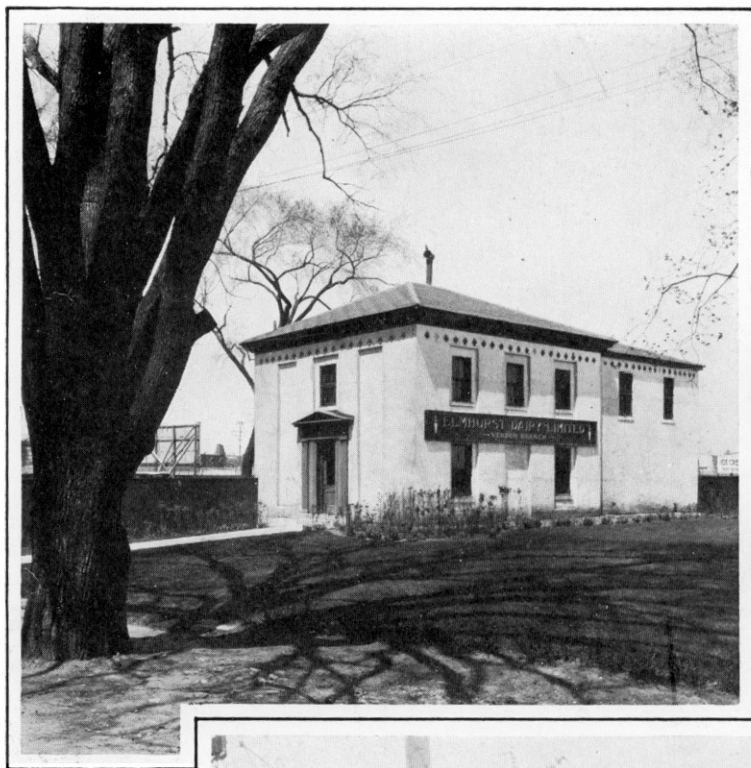
Main Plant	7460 Western Avenue
Distributing Depot	6240 Hutchison Street, Outremont
“ “	101 River Street, Verdun
Creamery	Richmond, P.Q.
“	L'Avenir, P.Q.
Receiving Station	Danville, P.Q.

C. B. PRICE, MANAGING DIRECTOR

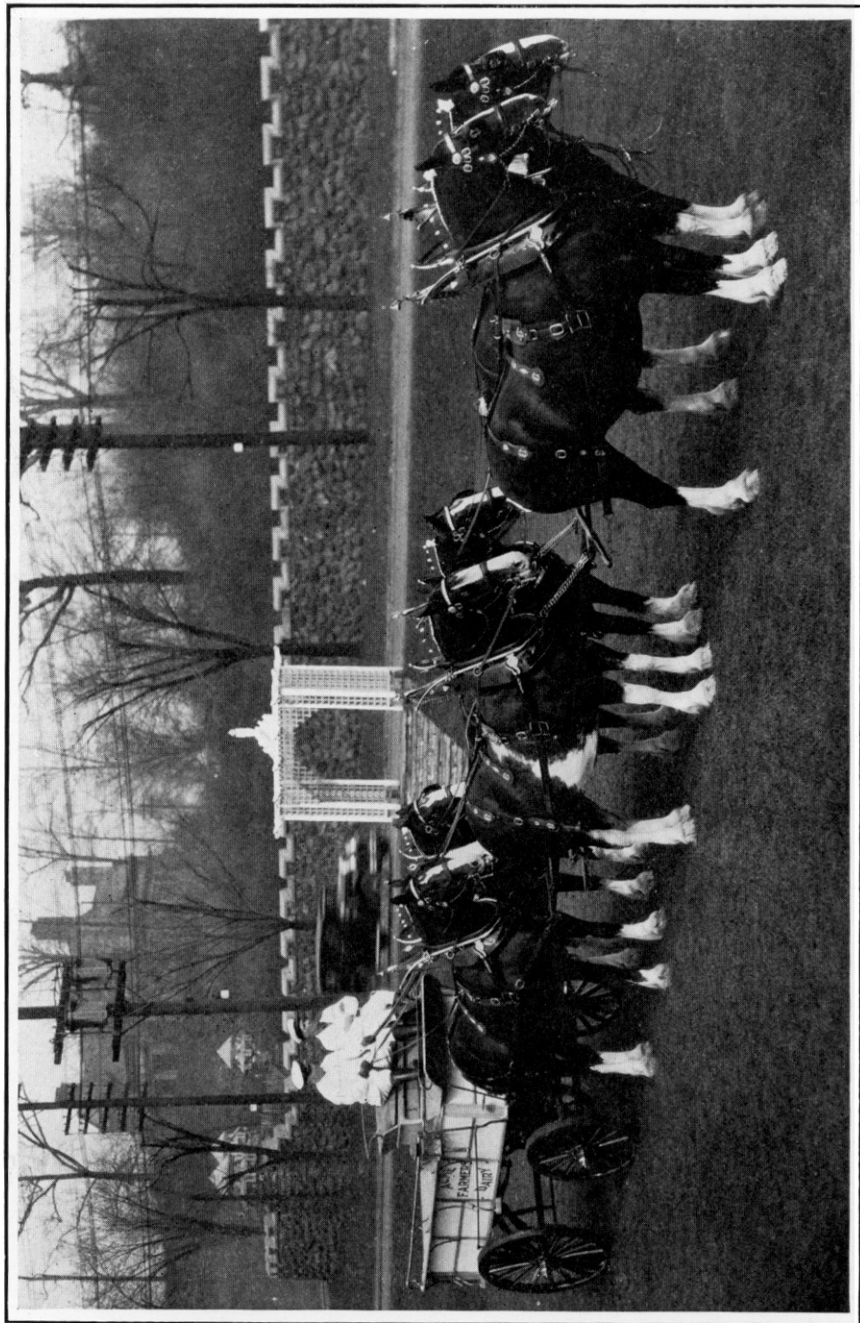
THE PRODUCERS DAIRY, LIMITED, OTTAWA, ONT.

Main Plant	275 Kent Street
Garage and Stables	28 Arthur Street
Creamery	Almonte, Ont.
Creamery	Shawville, P. Q.
Cheese Factory	Appleton, Ont.
“ “	Township of Ramsay, Ont.

BOWER HENRY, PRESIDENT AND MANAGER



Above—THE VERDUN DISTRIBUTING DEPOT OF ELMHURST DAIRY, LIMITED, MONTREAL.
Below—A MODERN DELIVERY UNIT.



PRIZE WINNING SIX HORSE HITCH

