

**CONSOLIDATED
FINANCIAL
STATEMENT**

DECEMBER 31st, 1939

GEORGE WESTON LIMITED

and its Subsidiaries

PURVIS HALL
LIBRARIES

MAY 1 1946

MCGILL UNIVERSITY

Manufacturers of English Quality Biscuits

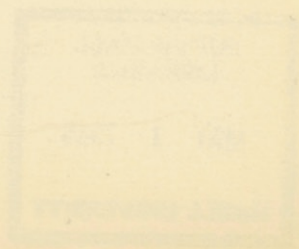
CONSOLIDATED
FINANCIAL
STATEMENT

DECEMBER 31, 1930

GEORGE WESTON LIMITED

and its Subsidiaries

Manufacturers of Cotton Goods - Mexico



GEORGE WESTON LIMITED

TO THE SHAREHOLDERS:—

Your Directors submit their twelfth Annual Report for the year ended December 31, 1939, consisting of a Consolidated Balance Sheet, Income and Expenditure Statement, and Surplus Accounts of your Company and its Subsidiaries.

The operating profit was \$1,382,174.93 before providing for depreciation, interest on funded and other indebtedness not maturing within one year, Federal and Provincial Taxes, remuneration of executive officers and directors and after including \$1,466.09 income from investments.

The net amount available for dividends after making provision for the items referred to above was \$699,098.35. Payment of preferred dividends during the year including preferred dividends on subsidiary Company shares in the hands of the public amounting to \$90,174.00 leaving available for dividends on the 404,421 Common Shares outstanding \$608,924.35 or equal to \$1.50 per share. This compares very favourably with the amount of \$453,556.21 for the year ended December 31, 1938, which was equivalent to \$1.12 per share on the Common Shares.

Your Company paid \$1,089,174.87 in taxes to Federal, Provincial, State and Municipal Governments during the year 1939.

During the year 1939, your company purchased the assets of the Associated Biscuit Co. of Salamanca, New York, U.S.A. The purchase was made on a very favourable basis and your directors have every confidence that this Plant will be a profitable one. One unit has been in operation since late October and is operating satisfactorily. A second unit which is under construction will be in operation in the very near future.

Prospects for the year 1940 are very bright, production, sales and profits compare very favourably with that of the same period in 1939.

Your Directors wish to express their appreciation and thanks to the Executive Officers of the entire organization and to all the Staff for their loyal and effective efforts on behalf of your Company.

W. GARFIELD WESTON,
President.

March 11, 1940.

To the Shareholders,
GEORGE WESTON LIMITED,
Toronto.

We have audited the Balance Sheet of your Company and subsidiaries as at December 31, 1939, and have obtained all the information and explanations we have required.

The annexed Balance Sheet is an accurate consolidation of the accounts of your Company and subsidiaries as at December 31, 1939, and is, in our opinion, properly drawn up so as to exhibit a true and correct view of the combined position at that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

In accordance with Section 114 of the Companies Act, we report that the balance sheet (as at December 31, 1939) of the subsidiary not consolidated herein shows a profit for the year and a surplus in that company. This profit and surplus have not been dealt with in the statements annexed.

EDWARDS, MORGAN & CO.,
Chartered Accountants.

March 5, 1940.

GEORGE WESTON

(Incorporated under the laws
and Sub

CONSOLIDATED

December

ASSETS

CURRENT ASSETS:

Cash on hand and in banks.....	\$	94,565.50	
Accounts Receivable,—			
Trade, less Reserve for Doubtful Accounts.....		1,355,150.83	
Sundry		13,340.23	
Inventories (a).....		1,439,249.68	\$2,902,306.24

LIFE INSURANCE (CASH SURRENDER VALUE)..... 48,148.67

PREPAID AND DEFERRED ITEMS..... 67,854.37

INVESTMENTS, at cost:

Shares in Subsidiary Company.....		70,157.14	
Sundry.....		27,395.63	97,552.77

FIXED ASSETS:

Land, Buildings, Plant and Equipment (b).....		7,824,121.83	
Deduct: Reserve for Depreciation.....		1,911,669.64	5,912,452.19

GOODWILL 1.00

(a) Certified by responsible officers of the Companies; Raw Material and Supplies at not over purchase cost; Finished Goods at less than market as determined on the Companies' usual basis.

(b) Basis of Valuation,—

Appraisal of Dominion Appraisal Company Limited dated November 30, 1934, plus subsequent additions at cost, except as follows,—

1. George Weston Biscuit Co. (Battle Creek)—appraisal of Dominion Appraisal Company Limited dated December 31, 1936, plus subsequent additions at cost;
2. McCormick's Limited—appraisal of Canadian Appraisal Company Limited dated November 12, 1932, with subsequent additions at cost, less amounts written off;
3. Weston's Bread and Cake (Canada) Limited—net book value as carried by predecessor company less revaluation adjustment of \$788,402.64 plus subsequent additions at cost.

\$ 9,028,315.24

TON LIMITED

(of the Dominion of Canada)

Subsidiaries

BALANCE SHEET

31, 1939

LIABILITIES

CURRENT LIABILITIES:

Bankers' Advances (secured).....	\$ 133,000.00	
Interest Accrued on Funded Indebtedness.....	36,998.74	
Accounts Payable and Accrued Items.....	1,009,208.85	
Taxes	252,959.01	
Dividend, George Weston Limited, payable January 2, 1940.....	80,884.20	\$1,513,050.80

SALESMEN'S GUARANTEE DEPOSITS..... 21,707.14

FUNDED LIABILITIES:

McCormick's Limited,—

Guaranteed Prior Lien Sinking Fund Bonds, 4½% due 1 July, 1952:		
Authorized and Issued.....	\$ 263,000.00	
Deduct: Redeemed.....	26,000.00	237,000.00

Guaranteed Sinking Fund Mortgage Bonds, 4% due 1 July, 1952:		
Authorized	<u>\$1,429,575.00</u>	
Issued	1,373,950.00	
Deduct: Redeemed.....	5,750.00	1,368,200.00

Weston's Bread and Cake (Canada) Limited,—

4½% Ten Year First Mortgage Bonds, due 12 October, 1939-48:		
Authorized	<u>\$ 500,000.00</u>	
Issued	213,750.00	

Sundry Mortgages..... 12,000.00 1,830,950.00

SHARES OF SUBSIDIARIES IN HANDS OF PUBLIC:

Preferred Shares.....	37,600.00	
Common Shares.....	\$ 2,079.88	
Interest in Surplus Accounts.....	931.98	3,011.86 40,611.86

SHAREHOLDERS:

George Weston Limited,—

Preference, 5% Cumulative Redeemable Convertible, par value \$100.00,—		
Authorized, Issued and fully paid, 17,500 shares.....	1,750,000.00	

Common, no par value,—		
Authorized, 600,000 shares.		
Issued and fully paid, 404,421 shares.....	2,574,556.88	

SURPLUS ACCOUNTS:

Capital Surplus.....	38,679.78	
Earned Surplus.....	1,259,690.76	
Deduct: Provision for Common Shares of Subsidiaries in hands of Public as shown above	931.98	1,258,758.78 5,621,995.44

CONTINGENT LIABILITIES:

Accommodation to and guarantee on behalf of subsidiary company.....	\$ 89,051.72	
--	--------------	--

\$ 9,028,315.24

Signed on behalf of the Board,
F. W. ST. LAWRENCE,
Director.
R. A. ROBERTSON,
Director.

GEORGE WESTON LIMITED

and Subsidiaries

CONSOLIDATED INCOME AND EXPENDITURE STATEMENT

For the year ending December 31, 1939

Remuneration of Executive Officers and Legal Advisers.....\$	137,576.30	Net Operating Profit before deducting remuneration of Executive Officers, etc., depreciation, interest and income taxes	\$1,380,708.84
Directors' Fees.....	700.00	Income from Investments.....	1,466.09
Reserved for Depreciation.....	265,166.15		
Interest on funded and other indebtedness not maturing within one year.....	76,371.67		
Reserved for Income Taxes.....	203,262.46		
Consolidated Net Profit for the year carried to Earned Surplus Account.....	699,098.35		
	<u>\$1,382,174.93</u>		<u>\$1,382,174.93</u>

CONSOLIDATED EARNED SURPLUS ACCOUNT

For the year ending December 31, 1939

Life Insurance Premiums paid less increase in cash surrender value \$	2,962.85	Balance Net Consolidated Earned Surplus, January 1, 1939.....\$	977,266.06
Dividends on shares held by the Public,—		Consolidated Net Profit for the year as per Statement of Income and Expenditure.....	699,098.35
George Weston Limited,—			
Preferred	\$ 87,500.00		
Common	<u>323,536.80</u> \$411,036.80		
William Paterson Limited,—			
Preferred	<u>2,674.00</u> 413,710.80		
Balance Net Consolidated Earned Surplus, December 31, 1939.....	1,259,690.76		
	<u>\$1,676,364.41</u>		<u>\$1,676,364.41</u>

GEORGE WESTON LIMITED
and Subsidiaries

CONSOLIDATED CAPITAL SURPLUS ACCOUNT
For the year ending December 31, 1939

Balance Net Consolidated Capital Surplus,
December 31, 1939.....

\$ 38,679.78

Balance Net Consolidated Capital
Surplus January 1, 1939.....

\$ 38,679.78

