

**CONSOLIDATED  
FINANCIAL  
STATEMENT**

**DECEMBER 31st, 1942**

**GEORGE WESTON LIMITED**

**and Subsidiaries**

**Manufacturers of English Quality Biscuits**

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# GEORGE WESTON LIMITED

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## NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

TAKE NOTICE that the FIFTEENTH Annual General Meeting of the Shareholders of the Company will be held at Private Dining Room No. 8, Main Mezzanine Floor, Royal York Hotel, North East Corner of York and Front Streets, Toronto, on the 30th DAY OF APRIL, 1943, AT THE HOUR OF 10:30 O'CLOCK IN THE FORENOON, for the purpose of receiving and considering the Report of the Directors of the Company, the Balance Sheet, Statement of Income and Expenditure, and Auditor's Report for the year ending 31st December, 1942 (confirming all actions of the Directors and Officers of the Company during the past year), electing Directors for the ensuing year, the appointment of Auditors, and the transaction of such other business as may properly come before the meeting.

By Order of the Board.

Dated at Toronto, this 26th day of March, 1943.

F. A. RIDDELL,  
*Assistant Secretary.*

If you do not expect to be able to be present, kindly sign and return the enclosed proxy.

# GEORGE WESTON LIMITED

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To THE SHAREHOLDERS:—

Your Directors submit their fifteenth Annual Report for the year ended December 31, 1942, consisting of a Consolidated Balance Sheet, Income and Expenditure, and Surplus Accounts of your Company and Subsidiaries.

The operating profit for the year was \$2,374,563.33 before providing for depreciation, interest on funded and other indebtedness not maturing within one year, federal taxes, remuneration to executive officers and legal advisers, and after including \$8,003.97 income from investments. This compares most favourably with the operating profit of \$1,550,304.59 in 1941.

The net amount transferred to Earned Surplus after providing for the items referred to above was \$698,728.52. Payment of preferred dividends during the year, including preferred dividends on subsidiary company shares in the hands of the public, amounted to \$90,111.00, leaving available for dividends on the 404,421 Common shares outstanding \$608,617.52, equal to \$1.50 per share. This compares with the amount available for common share dividends in the previous year of \$525,888.63, equal to \$1.30 per share. The amount reserved for Income and Excess Profits Taxes is again greatly increased over the previous year and is equal to \$2.66 per share. The refundable portion of the excess profit taxes amounts to \$71,894.56.

Taxes paid by your company during the year 1942 to Federal, Provincial, State, and Municipal Governments amounted to \$2,137,331.74 as compared with \$1,963,360.99 in the previous year.

During the year 1942 your Company purchased the business of Dr. Jackson's Foods Limited. In the opinion of your Directors, this unit will prove to be a valuable addition to your Company's earning power.

Operations to date in 1943 are relatively better than for the same period in 1942, and from present indications the year ahead should prove a satisfactory one.

The operations of the Company are being continuously adjusted to the ever increasing tempo of an all out war effort. Every effort is made to conserve essential materials and manpower through curtailment of deliveries and services and by standardizing and simplifying methods of production.

A large share of the volume of many of the Company's plants is in the form of iron rations and supplies which go to the Armies, Navies and Air Forces of the United Nations in many of the areas of combat around the world.

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 the Company.

J. A. GAIRDNER,  
*Chairman of the Board.*

Toronto, March 18, 1943.

*To the Shareholders,*  
GEORGE WESTON LIMITED,  
Toronto, Ont.

We have audited the Balance Sheet of your Company and subsidiaries as at December 31, 1942 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, 1942 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.

EDWARDS, MORGAN & CO.,

*Chartered Accountants.*

March 18, 1943.

# GEORGE WESTON LIMITED

(Incorporated under the laws of the Dominion of Canada)

and Subsidiaries

## CONSOLIDATED BALANCE SHEET

December 31, 1942

ASSETS	LIABILITIES
<b>CURRENT ASSETS:</b>	
Cash on hand and in banks . . . . .	\$ 1,144,048.06
Dominion of Canada and U.S. Government Bonds . . . . .	517,387.50
Accounts Receivable,—	
Trade, less Reserve for Doubtful Accounts . . . . .	1,607,436.34
Sundry . . . . .	17,449.59
Inventories (a) . . . . .	\$1,465,759.37
Deduct: Inventory Reserves . . . . .	22,990.28
	<u>1,442,769.09</u>
	\$4,729,090.58
LIFE INSURANCE (CASH SURRENDER VALUE) . . . . .	61,555.36
REFUNDABLE PORTION OF EXCESS PROFITS TAX . . . . .	71,894.56
PREPAID AND DEFERRED ITEMS . . . . .	53,617.04
SUNDRY INVESTMENTS, AT COST . . . . .	58,718.49
<b>FIXED ASSETS:</b>	
Land, Buildings, Plant and Equipment (b) . . . . .	8,685,827.94
Deduct: Reserve for Depreciation . . . . .	2,768,299.85
	<u>5,917,528.09</u>
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 dated December 31, 1936, plus subsequent additions at cost;	
2. McCormick's Limited—appraisal of Canadian Appraisal Company Limited dated November 12, 1932 plus 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;	
4. Independent Biscuit Company Limited—cost less depreciation accrued to the date of the capital reorganization, as per Supplementary Letters Patent dated December 31, 1937, plus subsequent additions at cost.	
5. Dr. Jackson's Foods Limited, at cost.	
	<u>\$10,892,405.12</u>
<b>CURRENT LIABILITIES:</b>	
Bankers' Advances (secured) . . . . .	\$ 400,000.00
Interest Accrued on Funded Indebtedness . . . . .	32,532.00
Accounts Payable and Accrued Items . . . . .	1,342,427.57
Taxes . . . . .	\$1,308,695.07
Deduct: Payments on account of 1942 Income and Excess Profits Taxes . . . . .	283,974.84
	<u>1,024,720.23</u>
Dividend, George Weston Limited, Payable January 2, 1943, (less withholding taxes) . . . . .	76,805.55
	<u>\$ 2,876,485.35</u>
SALESMEN'S GUARANTEE DEPOSITS . . . . .	14,862.74
<b>FUNDED LIABILITIES</b>	
McCormick's Limited—	
Guaranteed Prior Lien Sinking Fund Bonds, 4½% due 1 July, 1952:	
Authorized and Issued . . . . .	\$ 263,000.00
Deduct: Redeemed . . . . .	107,000.00
	<u>156,000.00</u>
Guaranteed Sinking Fund Mortgage Bonds, 4% due 1 July, 1952:	
Authorized . . . . .	\$1,429,575.00
Issued . . . . .	1,373,950.00
Deduct: Redeemed . . . . .	183,925.00
	<u>1,190,025.00</u>
	1,346,025.00
Weston's Bread and Cake (Canada) Limited,—	
4½% Ten Year First Mortgage Bonds due 12 October, 1939-48:	
Authorized . . . . .	\$ 500,000.00
Issued . . . . .	180,000.00
	<u>35,000.00</u>
	1,561,025.00
PREFERRED SHARES OF SUBSIDIARIES IN HANDS OF PUBLIC . . . . .	41,980.00
<b>SHAREHOLDERS</b>	
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
Capital Surplus Account . . . . .	71,466.80
Earned Surplus Account . . . . .	1,930,133.79
Deferred Earned Surplus, Refundable Portion of Excess Profits Tax . . . . .	71,894.56
	<u>6,398,052.03</u>
	<u>\$10,892,405.12</u>

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, 1942.

Remuneration of Executive Officers and Legal Advisers . . . . .	\$ 133,580.19	Net Operating Profit before deducting Remuneration of Executive Officers, etc., Depreciation, Interest, Income and Excess Profits Taxes . . . . .	\$2,366,559.36
Directors' Fees . . . . .	700.00	Income from Investments . . . . .	8,003.97
Reserved for Depreciation . . . . .	371,380.42		
Interest on Funded and other Indebtedness not maturing within one year . . . . .	68,671.68		
Reserved for Income and Excess Profits Taxes . . . . .	1,078,512.24		
Transferred to Inventory Reserve . . . . .	22,990.28		
Consolidated Net Profit for the year carried to Earned Surplus Account . . . . .	698,728.52		
	<u>\$2,374,563.33</u>		<u>\$2,374,563.33</u>

## CONSOLIDATED EARNED SURPLUS ACCOUNT

For the year ending December 31, 1942.

Dividends on shares held by the Public,—		Balance Net Consolidated Earned Surplus, January 1, 1942 . . . . .	\$1,658,895.33
George Weston Limited,—		Proceeds of Life Insurance Claims (net) . . . . .	21,590.00
Preferred . . . . .	\$ 87,500.00	Consolidated Net Profit for the year as per Statement of Income and Expenditure . . . . .	698,728.52
Common . . . . .	323,536.80		
	<u>\$ 411,036.80</u>		
William Paterson Limited,—			
Preferred . . . . .	2,611.00		
	<u>\$ 413,647.80</u>		
Life Insurance Premiums paid less increase in Cash Surrender Value . . . . .	6,432.26		
Additional Provision re 1941 Excess Profits Taxes of McCormick's Limited . . . . .	29,000.00		
Balance Net Consolidated Earned Surplus, December 31, 1942 . . . . .	1,930,133.79		
	<u>\$2,379,213.85</u>		<u>\$2,379,213.85</u>

**GEORGE WESTON LIMITED**  
**and Subsidiaries**

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**CONSOLIDATED CAPITAL SURPLUS ACCOUNT**  
**For the year ending December 31, 1942.**

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Balance Net Consolidated Capital Surplus,  
December 31, 1942..... \$ 71,466.80

Capital Surplus arising from ac-  
quisition of shares of Dr.  
Jackson's Foods Limited..... \$ 71,466.80

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\$ 71,466.80

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\$ 71,466.80

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