

Annual Accounts



T. G. BRIGHT & CO.

LIMITED

AND SUBSIDIARY COMPANIES

T. G. BRIGHT (QUEBEC) Limited
Lachine, Quebec

T. G. BRIGHT (WESTERN) Limited
Regina, Sask.



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For Fiscal Period of Eleven Months
Ended July 31st, 1935

Report of the Directors to the Shareholders of **T. G. BRIGHT & CO. Limited** AND SUBSIDIARY COMPANIES

**For the Fiscal Period of Eleven Months
September 1st, 1934 — July 31st, 1935.**

Your Directors' report this year covers the eleven-month period from September 1, 1934, to July 31, 1935, the financial year-end of the Company having been changed from August 31 to July 31 at the last General Meeting, and I am glad to say your auditors' report again discloses a satisfactory condition of development and progress. You will note the percentage of current liabilities to current assets has considerably increased, due chiefly to the necessity of bank borrowings to finance the 1934 grape purchases and development of farm properties. However, I am glad to assure you that your Company is still in a healthy financial condition. Fixed assets have increased to the extent of \$210,000.00, of this amount \$13,000.00 is addition to the building account, \$17,000.00 to tanks, \$32,000.00 to machinery and equipment, and \$147,000.00 for farm properties and equipment.

The expenditures for building account were entirely for the main plant at Niagara Falls, and cover:

Installation of Sewer System.....	\$4,600.00
New Sugar Warehouse.....	4,400.00
Extensions to Office.....	1,735.00
Improvements to F Cellar.....	750.00
Additions to Sprinkler System.....	1,900.00

Storage Tanks

Installation of 2 Steel Tanks at Niagara Falls....	\$3,050.00
Increasing storage capacity at Lachine.....	9,700.00
Regina Plant	4,300.00

The steel tanks at Niagara Falls will materially assist in the reduction of Vintage cost. The increased storage at Lachine now enables us to manufacture from concentrate at a considerable saving in shipping costs. The establishment of bottling facilities at Regina and the employment of local labour there will, I believe, create a more favourable reception and distribution for our wines in that area and in addition has already effected a reduction in shipping costs.

Machinery and Equipment

Niagara Falls:

5 Portable Pumps.....	\$1,256.00
Tank Scale	1,060.00
Bottling Equipment	3,494.00
½-ton Overhead Crane.....	1,382.00
Tank Cars	5,200.00
Furniture and Fixtures.....	4,870.00

Lachine:

Refrigeration Equipment and Cooling System..	\$7,900.00
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Regina:

Bottling and Shipping Equipment.....	\$3,800.00
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In my last report I mentioned that the Company had acquired a considerable acreage of land for the purpose of growing grapes. The total purchase consists of 1,171 acres and the price paid, including buildings, vineyards, orchards, machinery and equipment, amounted to \$90,229.60. Cost of development and new equipment to July 31 totalled \$56,998.56, a grand total of \$147,228.16. We now have 139 acres of vineyards (in bearing at the time of purchase) and 486 acres of new plantings. We expect to plant a further 375 acres in the fall of 1935 and spring of 1936, thus completing our programme of 1,000 acres. We expect to obtain the first crop from our new plantings in the fall of 1937. From time to time notices appear in the local press expressing fear that our developments will adversely affect the marketing of wine grapes by independent growers. I would particularly request that shareholders do everything possible to allay this unwarranted fear. A large section of our land is planted with vines not grown in any quantity in the Niagara District, the produce from which will, I hope, materially improve the quality, and so enlarge the market for native wine.

Bank notes payable, \$300,000.00, cover monies advanced by the Imperial Bank, as I mentioned previously, to finance the 1934 Vintage and for the development of Farm Lands. I have every reason to believe that in the near future this bank indebtedness will be materially reduced. Mortgages \$26,692.45, cover mortgages assumed by this Company on farm properties at time of purchase.

During the year your Company acquired the business of Messrs. Robinet Freres, of Windsor, and now has retail outlets in Toronto and Ottawa both operating on a profitable basis.

Whilst trading operations for this period have been satisfactory, I must, however, call your attention to the fact that the freer sale of beer and the reduced taxation on spirituous liquors have seriously affected the sales of native wine in Ontario, formerly our largest market. Your Directors consider that sales can be increased only by obtaining a reduction in taxation and by a reduction in the profit now taken by the Liquor Control Board of Ontario, thereby permitting lower retail prices. Representations have been made by the industry to the Provincial Government and Liquor Board in this connection, and I would point out that it is to your direct interest to use your influence wherever possible to achieve a reduction in the taxes now affecting the wine industry.

The Directors wish to express their appreciation of the efforts of the staff and employees.

All of which is respectfully submitted.

H. C. HATCH,
President.

Niagara Falls, Ontario, October 15, 1935.

T. G. BRIGHT & AND SUBSIDIARIES

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash in banks and on hand.....		\$ 27,567.42	
Trade accounts receivable.....	\$175,620.09		
Sundry accounts receivable.....	8,280.94		
Advances to officers and employees for travelling expenses, etc.....	655.40	184,556.43	
Inventories of wine in storage, cased goods, raw materials and supplies, at the lower of cost or market values, determined by and certified to by responsible officers of the company.....		919,849.25	
			<u>\$1,131,973.10</u>

FIXED ASSETS:

At depreciated values as reported by Canadian Appraisal Company, Limited, under date of August 16, 1933, plus subsequent additions at cost:

Particulars	As at September 1, 1934.	Additions during the period.	As at July 31, 1935.	
Land	\$ 4,271.50		\$ 4,271.50	
Buildings	203,664.08	\$ 13,429.84	217,093.92	
Storage tanks	131,049.57	17,367.50	148,417.07	
Machinery and equipment	162,446.31	32,326.21	194,772.52	
Farm properties and equipment	1,338.00	147,228.16	148,566.16	
	<u>\$ 502,769.46</u>	<u>\$ 210,351.71</u>	<u>\$ 713,121.17</u>	
Less—Reserve for depreciation..	32,596.13		66,145.85	
	<u>\$ 470,173.33</u>			646,975.32

GOODWILL, ETC.:

Balance, September 1, 1934.....	\$ 89,139.87	
Excess of par value over cost of 83 preference shares redeemed	1,570.50	
		<u>87,569.37</u>

DEFERRED CHARGES:

Prepaid insurance premiums.....	\$ 15,968.87	
Prepaid vintage expenses.....	22,563.05	
Building improvements and alterations, etc.....	27,995.55	
Sundry deferred charges.....	4,493.51	
		<u>71,020.98</u>
		<u>\$1,937,538.77</u>

To the Shareholders of T. G. BRIGHT & CO. LIMITED:

We have examined the books and accounts of T. G. Bright & Co. Limited (Bright (Western) Limited), for the fiscal period of eleven months ending July 31, 1935, and the explanations given to us and as shown by the books of the companies. Toronto, September 24, 1935.

& CO LIMITED **RY COMPANIES**

July 31, 1935

LIABILITIES

SUNDRY LIABILITIES:

Bank notes payable.....	\$ 300,000.00
Accounts payable and accrued liabilities.....	92,253.21
Sales, excise and property taxes.....	15,676.82
Accrued mortgage interest.....	687.94
Provision for Dominion and Provincial income taxes	37,551.64
	<u>\$ 446,169.61</u>

MORTGAGES ON FARMS..... 26,692.45

RESERVE FOR CONTINGENCIES..... 36,163.32

CAPITAL STOCK AND SURPLUS:

Six per cent. cumulative redeemable
 preference shares (Redeemable at
 par on any dividend date on 15 days'
 notice):

Authorized—

27,882 shares of \$100.00 each..... \$2,788,200.00

Issued—

7,965 shares of \$100.00 each at September 1, 1934 \$796,500.00

83 shares of \$100.00 each redeemed during
 period 8,300.00

7,882

\$788,200.00

Common shares without nominal or par value:

Authorized—

300,000 shares.

Issued—

100,000 shares..... \$500,000.00

Earned Surplus, per statement attached..... 140,313.39

1,428,513.39

\$1,937,538.77

ed, and its subsidiary companies, T. G. Bright (Quebec) Limited, and T. G.
 31, 1935, and report that, in our opinion, the above consolidated balance sheet
 affairs of the combined companies, according to the best of our information
 All our requirements as auditors have been complied with.

PRICE, WATERHOUSE & CO., Chartered Accountants.

T. G. BRIGHT & CO. LIMITED
AND SUBSIDIARY COMPANIES

**Consolidated Statement of Profit and Loss
and Surplus for the period of
Eleven Months ending July 31, 1935.**

<u>PARTICULARS</u>	<u>AMOUNT</u>
Combined profit from operations, after charging all manufacturing, selling and administrative expenses, but before providing for depreciation and income taxes.....	\$ 209,094.55
DEDUCT:	
Provision for depreciation.....	\$ 30,599.21
Provision for income taxes.....	37,551.64
	<u>68,150.85</u>
<i>Net profit for the period.....</i>	<i>\$ 140,943.70</i>
<i>Add—Surplus as at September 1, 1934..</i>	<i>57,460.19</i>
	<u>\$ 198,403.89</u>
DEDUCT:	
Dividends on cumulative preference stock at the rate of 6 per cent, per annum (4½ per cent. paid during the period).....	\$ 35,590.50
Dividends on no par value common stock, being 22½ cents a share for three quarters.....	22,500.00
	<u>58,090.50</u>
<i>Earned Surplus as at July 31, 1935.....</i>	<i>\$ 140,313.39</i>

T. G. BRIGHT & CO. LIMITED
AND SUBSIDIARY COMPANIES

The Annual Meeting of the Shareholders of T. G. BRIGHT & CO., LIMITED, will be held at the head office of the Company, Dorchester Road, Stamford Township, adjacent to Niagara Falls, Ontario, on Friday, the 25th day of October, 1935, at the hour of 12 o'clock noon, for the purpose of receiving and considering the report of the Directors of the Company and the balance-sheet and auditors' report for the fiscal period ending July 31st, 1935, electing Directors for the ensuing year, the appointment of auditors and the transaction of such other business as may properly come before the meeting. If you are not able to be present, kindly sign and return the annexed proxy.

DATED at Stamford Township, Ontario, this 15th day of October, 1935.

By Order of the Board,
VICTOR MOLLISON,
Secretary.

I,
a Shareholder in T. G. BRIGHT & CO., LIMITED, do hereby appoint H. C. HATCH, President, and E. A. THOMAS, Vice-President, or either of them, as my proxies and proxy, to vote for me and on my behalf in respect of all shares of the said Company then standing in my name on the books of the Company, at the Annual General Meeting of the Shareholders of the Company to be held on Friday, the 25th day of October, 1935, at the hour of 12 o'clock noon, and at any and all adjournments thereof.

DATED this.....day of October, 1935.

.....
Signature of Shareholder

.....
Address

.....
Witness

