

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



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*Financial Statements for year ended  
March 31st, 1940*

# Report of the Directors to the Shareholders of T. G. BRIGHT & CO. LIMITED for the year ended March 31st, 1940

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At the time of my last address to the Shareholders the outlook for industry was more promising than it had been for some time. That general expected betterment is reflected in the report before you.

Before proceeding, I am sure shareholders will wish me to acknowledge the sense of loss we all experienced through the untimely death of our valued friend and director, Mr. Ward Wright, K.C. Mr. Wright had been a member of your Board since the inception of the company, and to many of us he was also a warm personal friend.

At our last meeting I mentioned that the tax allowance for capital expenditures had encouraged your directors to authorize building and equipment additions to our Niagara Falls plant. This building is now completed and with the necessary outlay for storage tanks and other items is chiefly responsible for the increase in Fixed Asset Account. To provide for any future necessary expansion other properties were purchased for the round sum of \$28,000.00.

The welfare of any industry can only be maintained by constant research and improvement, and I believe it would be an unsound economy to relinquish this policy. We have, therefore, already placed orders and contracts amounting roughly to \$40,000.00 for further installations of equipment to be made during the current year. The purchase of the latest devices in wine making equipment is after all but a part of our policy. With our industry, research must begin in the vineyards and, whilst it is a slow process, I am very pleased to report that to date the results are most encouraging. Wines made from our special varieties of grapes are finding an increasingly appreciative reception throughout the Dominion.

One of our most serious problems is, of course, taxation. Immediately after the outbreak of war last September taxes particularly applicable to the wine industry were doubled and consumer prices generally increased throughout the Dominion, but it is well to note that the increase in price did not appreciably increase the net return to your company. Wholesale prices were not advanced and the increased return from retail volume, after deducting taxes,

was but a negligible amount, as sales at retail still form the least proportion of our total volume. Every responsible person appreciates that increased taxes are necessary if Canada's war effort is to be maintained, but I must point out that present taxes already amount to 26% of our gross income.

I am again glad of this opportunity to thank the management and employees for their loyal co-operation during the past year. It is good to note that pleasant relations continue between management and employees. Constant attention is given toward improving working conditions and providing for the comfort of employees during rest periods. All regular employees are covered by the Group Life and Annuity Plan instituted last year. One hundred and ten employees are now contributing; the total cost for the first year amounted to \$16,509.00 of which your company contributed \$9,606.00. During the period covered by this report we also instituted a plan to regularize employment of plant employees, excluding of course, temporary workers. Allowances are granted for sick leave, and provision made for holidays with pay. The plan was generally successful and will, if conditions permit, be continued throughout the next year.

What the future holds for us is difficult to assay, but I am confident the problems that will appear will just as certainly be overcome.

All of which is respectfully submitted,

H. C. HATCH,  
*President.*

Stamford Township,  
May 28, 1940.

T. G. BRIGHT &

AND SUBSIDIARIES

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash on hand and in banks.....	\$ 13,853.21
Marketable securities (quoted market value March 31, 1940, \$29,555.63).....	24,789.02
Accounts receivable—	
Trade.....	\$396,870.03
Sundry.....	38,483.73
Advances for travelling expenses	1,792.90
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Inventories of wine in storage, cased goods, raw materials and supplies at the lower of cost or market values—as determined and certified to by responsible officers of the company.....	437,146.66
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CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES.....	767,289.80
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	\$1,243,078.69
	42,241.00

FIXED ASSETS:

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

Particulars	As at March 31, 1939	Net additions during the year	As at March 31, 1940
Land.....	\$ 88,571.50	\$ 8,000.00	\$ 96,571.50
Buildings.....	237,044.25	56,339.13	293,383.38
Storage tanks.....	148,373.34	12,252.66	160,626.00
Machinery and equip- ment, etc.....	233,951.18	33,248.31	267,199.49
Farm properties.....	258,936.31	2,536.96	261,473.27
Automobiles and trucks.....	13,734.42	10,389.84	24,124.26
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	\$980,611.00	\$122,766.90	\$1,103,377.90
Less — Reserve for depreciation.....	230,108.20	54,163.16	284,271.36
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	\$750,502.80	\$ 68,603.74	819,106.54

GOODWILL, ETC..... 1.00

DEFERRED CHARGES:

Licenses purchased, building improvements and alterations to store premises, less amounts written off.....	\$ 80,608.52
Prepaid vintage expense.....	70,247.56
Prepaid insurance premiums.....	24,030.66
Prepaid taxes.....	8,503.64
Sundry deferred items.....	9,764.38
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	193,154.76
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	\$2,297,581.99

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

We have made an examination of the consolidated balance sheet of T. G. Bright & Co. Limited and of the consolidated statement of profit and loss and earned surplus for the year ended March 31, 1940, and of the accounting records and other supporting evidence; we also made a general review of the detailed transactions. All our requirements as auditors have been complied with, and the above consolidated balance sheet and related consolidated statement of profit and loss and earned surplus for the year ended March 31, 1940, give a true and correct view of the state of the affairs of T. G. Bright & Co. Limited for the year ended on that date, according to the best of our information and knowledge.

Toronto, May 28, 1940.

**& CO. LIMITED**  
RY COMPANIES

**March 31st, 1940**

**LIABILITIES**

**CURRENT LIABILITIES:**

Bank advances.....	\$ 367,903.73
Sales, excise and property taxes accrued.....	33,760.56
Accounts payable and accrued liabilities.....	60,779.52
Reserve for Dominion and Provincial income and capital taxes.....	70,058.00
	532,501.81

MORTGAGES PAYABLE.....	74,145.85
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RESERVE FOR CONTINGENCIES.....	51,217.07
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**CAPITAL STOCK AND SURPLUS:**

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

Authorized—	
27,553 shares of \$100.00	
each.....	<u>\$2,755,300.00</u>

Issued—	
7,631 shares as at April 1, 1939.....	\$ 763,100.00

Less—	
78 shares redeemed during the year.....	7,800.00
<u>7,553</u>	<u>\$ 755,300.00</u>

Common shares without nominal or par value:

Authorized—	
300,000 shares.	

Issued—	
100,000 shares.....	500,000.00

Earned surplus, per statement attached.....	384,417.26
	<u>1,639,717.26</u>

\$2,297,581.99

G. Bright & Co. Limited and its subsidiary companies as at March 31, 1940, the year ending on that date. In connection therewith we examined or tested the operating and income accounts for the year and a comprehensive test was carried out, and we report that, in our opinion, based upon the examination of profit and loss and earned surplus are properly drawn up so as to exhibit the subsidiary companies as at March 31, 1940, and the results of operations and the explanations given to us and as shown by the books of the companies.

PRICE, WATERHOUSE & CO., Auditors.

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

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**Consolidated Statement of  
 Profit and Loss and Earned Surplus for the  
 year ending March 31st, 1940**

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PARTICULARS	AMOUNT
Combined profit from operations, after charging all manufacturing, selling and administrative expenses, but before providing for depreciation and income taxes.....	\$286,603.08
<b>DEDUCT:</b>	
Provision for depreciation.....	\$63,353.40
<i>Add</i> —Farm depreciation deferred at March 31, 1939....	<u>8,076.25</u>
	<u>\$71,429.65</u>
<i>Deduct</i> — Farm depreciation deferred at March 31, 1940..	<u>7,052.76</u>
	<u>\$64,376.89</u>
Provision for income taxes.....	<u>68,348.00</u>
	<u>132,724.89</u>
<i>Net operating profit for the year</i> .....	<u>\$153,878.19</u>
Earned Surplus as at April 1, 1939.....	<u>306,172.07</u>
	<u>\$460,050.26</u>
<b>DEDUCT:</b>	
Dividends on cumulative preference shares at the rate of 6 per cent. per annum.....	\$45,633.00
Dividends on no par value common shares, being 30 cents per share for the period..	<u>30,000.00</u>
	<u>75,633.00</u>
<i>Earned Surplus as at March 31, 1940</i> .....	<u>\$384,417.26</u>



## **DIRECTORS**

H. C. HATCH, Toronto  
*President*

E. A. THOMAS, Niagara Falls  
*Vice-President*

DR. JOHN R. EOFF, JR., Niagara Falls  
*Vice-President*

T. H. GIBBONS, Walkerville

V. MOLLISON, Niagara Falls  
*Secretary*

M. F. JONES, Niagara Falls  
*Treasurer*