

T. G. BRIGHT & CO.

LIMITED

AND SUBSIDIARY COMPANIES

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*Financial Statements
for year ended March 31
1946*

Report of the Directors to the Shareholders of
T. G. BRIGHT & CO., LIMITED
for the year ended March 31, 1946

Our meeting this year is overshadowed by the heavy loss we have suffered in the death of our senior director Mr. H. C. Hatch. When I was honoured with the Presidency of this Company it was my hope that I might long enjoy the benefit of his rich experience and generous friendship. To each one of us his passing has brought a feeling of keen personal loss and on your behalf I extend to his family our deepest sympathy.

The Balance Sheet and Statement of Profit and Loss indicate that your Company has enjoyed another satisfactory year. The net income for the year amounted to \$146,330.65, which compares with \$138,218.00 for the previous year.

Working capital remains practically unchanged. The reduction of refundable portion of excess profits taxes was due to adjustments in the Companies' taxes for prior years. While adequate provision has been made in the attached accounts for any possible liability for income and excess profits taxes, final determination of such liability and of the refundable portion of excess profits taxes is dependent on the passing of the Companies' tax returns by the Tax Authorities.

The slight change in land values is due to the disposal of a small plant acquired in previous years and the increase in building and equipment account by addition of storage cellars and necessary equipment chiefly at the main plant in Niagara Falls.

The redemption of outstanding preferred shares approved by the shareholders has now been completed and the first of the serial no⁴ issued to finance this transaction becomes due in July, 1946.

It will be noted that a reserve against future depreciation in inventory values amounting to \$320,000.00 appears on the balance sheet this year for the first time. Of this amount \$110,900.00 was

set up this year. The balance of \$209,100.00 was provided in prior years and deducted from the inventory.

Our most urgent future problem is production. At present there appears little hope of any material increase of sugar allotment and until this question is settled the first thought of your directors must be the conservation of inventories rather than an advancement of sales. However, if nature provides a normal grape crop this year shareholders need have no worry about the ability of your Company to maintain an equitable rate of supply.

The mainstay of any company and one of its chief resources is employee loyalty and I am happy to say that the relations between management and staff are of the friendliest. I am very glad to extend on your behalf our thanks for their fine co-operation.

All of which is respectfully submitted,

E. A. THOMAS,
President.

Stamford Township, Ontario,
May 31st, 1946.

T. G. BRIGHT &

AND SUBSIDIA

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$ 49,507.88
Accounts receivable.....	501,863.84
Inventories of wine in storage, cased goods, raw materials and supplies at lower of cost or market values, less reserves—as deter- mined and certified to by responsible officers of the company.....	1,588,767.44
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Investment in marketable securities, at cost (market value \$616,250.00).....	\$2,140,139.16
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	584,410.92
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	\$2,724,550.08

REFUNDABLE PORTION OF EXCESS PROFITS TAX..... 60,100.51

FIXED ASSETS:

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

Land.....	\$ 92,921.50
Buildings, farm properties, machinery and equip- ment.....	\$1,419,954.90
<i>Less</i> — Reserve for de- preciation.....	674,038.00
	745,916.90
	838,838.40

GOODWILL, ETC..... 1.00

DEFERRED CHARGES..... 139,167.72

\$3,762,657.71

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

We have made an examination of the consolidated balance sheet of T. G. Bright & Son, Ltd., statement of profit and loss and earned surplus for the year ending on that date. In connection therewith we also made a general review of the operating and income accounts for the year and a comparison was made to see if the financial statements were in accordance with generally accepted accounting principles. We find that the financial statements are in accordance with generally accepted accounting principles and we report that, in our opinion, based upon the examination indicated, the balance sheet, statement of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the financial position of T. G. Bright & Son, Ltd. at December 31, 1946, and the results of operations for the year ended on that date, according to the best of our knowledge and belief.

CO., LIMITED
RY COMPANIES

March 31 1946

LIABILITIES

CURRENT LIABILITIES:

Bank loans (secured as to \$602,320.00).....	\$ 702,320.00
Serial notes maturing within one year.....	100,000.00
Sales, excise and property taxes accrued.....	103,089.82
Accounts payable and accrued liabilities.....	214,871.87
Reserve for income and excess profits taxes, less payments on account.....	52,800.00
	————— \$ 1,173,081.69

NOTES PAYABLE:

Serial notes, maturing 1946 to 1951.....	\$ 600,000.00
<i>Less</i> —Portion maturing within one year, as above.....	100,000.00
	500,000.00

RESERVES:

For contingencies.....	\$ 189,200.53
Against future depreciation in inventory values	320,000.00
	509,200.53

Capital Stock and Surplus:

Six per cent. cumulative redeemable preference shares:

Authorized—

20,000 shares of a par value of \$100.00 each.

NOTE: 7,339 shares outstanding March 31, 1945, were redeemed and cancelled on June 15, 1945.

Common shares without nominal or par value:

Authorized—

300,000 shares.

Issued—

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

Refundable portion of excess profits tax, per
contra.....

Earned surplus, as per statement attached

1020 274 98

1,580,375.49

\$3,762,657.71

Co., Limited and its subsidiary companies as at March 31 1946, and of the consolidated connection therewith we examined or tested accounting records and other supporting evidence; comprehensive test of the detailed transactions. All our requirements as auditors have been met, the above consolidated balance sheet and related consolidated statement of profit and loss state of the affairs of T. G. Bright & Co., Limited and subsidiary companies as at March 31 1946, our information 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

*Consolidated Statement of
Profit and Loss and Earned Surplus for the
year ending March 31 1946*

Combined profit from operations, after charging all manufacturing, selling and administrative expenses but before providing for the undernoted deductions..... \$ 694,466.74

Deductions:

Provision for depreciation.....	\$ 72,650.09
Provision against future depreciation in inventory values.....	110,900.00
Provision for income and excess profits taxes, (including \$24,382.59 refundable portion of excess profits taxes).....	335,230.00
Tax of 4% on par value of preference shares redeemed and cancelled during year.....	29,356.00
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	548,136.09

<i>Net Profit for the year.....</i>	\$ 146,330.65
Earned surplus as at April 1, 1945.....	811,787.58
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	\$ 958,118.23

<i>Add—Adjustment of excess profits tax applicable to prior years.....</i>	75,000.00
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	\$ 1,033,118.23

<i>Deduct—Dividend to date of redemption on six per cent cumulative preference shares—\$1.75 per share.....</i>	12,843.25
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<i>Earned surplus as at March 31 1946</i>	\$1,020,274.98
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DIRECTORS

E. A. THOMAS, Niagara Falls
President

M. F. JONES, Niagara Falls
Vice-President & Treasurer

V. MOLLISON, Niagara Falls
Vice-President & Secretary

T. H. GIBBONS, Walkerville

LEIGH McCARTHY, Toronto

HON. ELIE BEAUREGARD, K.C., Montreal

H. CLIFFORD HATCH, Walkerville