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EASTERN DAIRIES LIMITED

**Annual Report
for the year ending
31st March, 1928**

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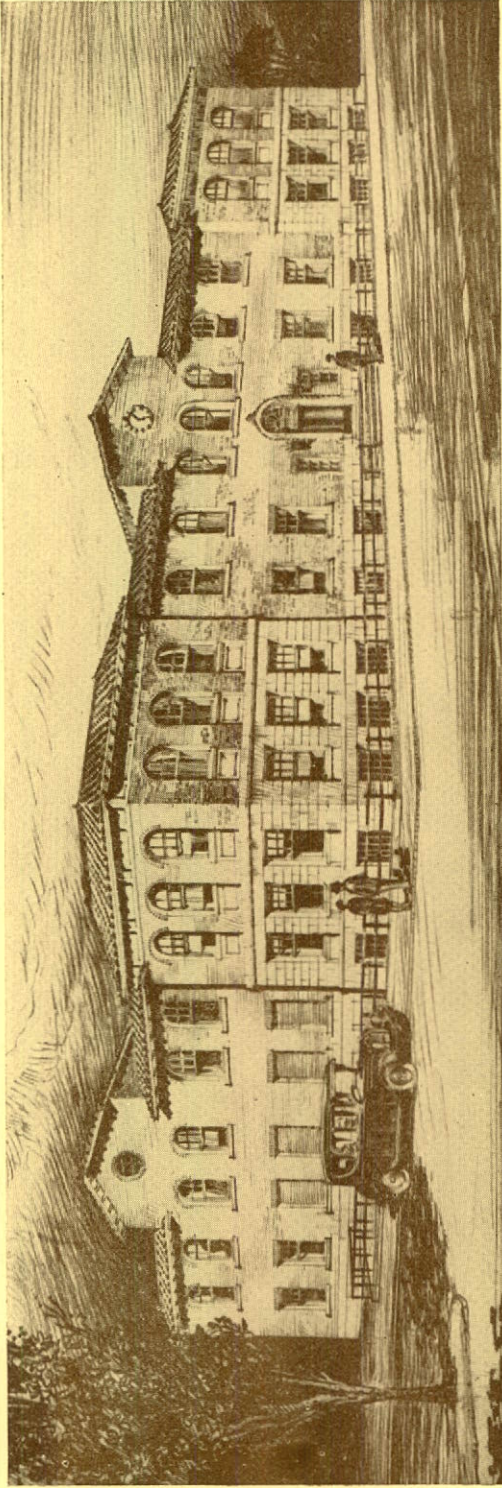
McGILL UNIVERSITY

EASTERN DAIRIES, LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED
MARCH 31st,
1928

*Submitted at the Second Annual Meeting
held on the 12th day of June
Nineteen Twenty-Eight*



New Building of Elmhurst Dairy, Limited and Head Office of Eastern Dairies Limited.

EASTERN DAIRIES, LIMITED

OFFICERS

President

P. A. THOMSON, Montreal

Vice-President and Managing-Director

W. R. AIRD, Montreal

DIRECTORS

W. R. AIRD	Montreal
A. J. NESBITT	Montreal
C. B. PRICE	Montreal
P. A. THOMSON	Montreal
H. R. TRENHOLME	Montreal

E. W. KING, Secretary-Treasurer

Fiscal Agents

NESBITT, THOMSON & COMPANY, LIMITED

Transfer Agents

MONTREAL TRUST COMPANY

Auditors

P. S. ROSS & SONS

EASTERN DAIRIES, LIMITED

To the Shareholders:

YOUR DIRECTORS have pleasure in submitting their Annual Report, for the year ended March 31st, 1928, accompanied by the Profit and Loss Account and a Consolidated Statement of Assets and Liabilities, duly certified by the Company's auditors.

To further strengthen and maintain its liquid position it has been deemed advisable by your Directors to transfer to Depreciation Reserve the entire profits of your Company for the past year, notwithstanding the fact that all of the plants of your subsidiaries have been maintained in a high state of efficiency.

On April 1st, 1927, your Company acquired Crescent Creamery Company, Limited, Winnipeg, through the purchase of its entire Common Stock. This business has been operated successfully throughout the year.

On March 1st, 1928, The Producers Dairy, Limited, your subsidiary serving the city of Ottawa and surrounding territory, acquired all the capital stock of Hull Dairy Limited, Hull, Que. On the same date, The Producers Dairy Limited also purchased the business of the Shawville Creamery, Shawville, Que.

During the year a butter manufacturing plant was constructed in the Town of Almonte, Ont.

In the opinion of your Directors, these acquisitions and this addition were deemed both necessary and advisable, in order to extend the business and facilitate the service of your subsidiary.

In Toronto your Company made a determined and successful effort to increase the business of your subsidiaries in that city, particularly during the latter part of our fiscal year. An extensive advertising campaign was inaugurated, resulting in a large increase in the number of customers served. This should result in a substantial saving in operating costs during the current year.

Your Directors decided, after careful consideration, to enter the ice cream field in the Toronto territory. During March a modern ice cream plant was installed which, to date, has enjoyed a continual increase in both production and sales.

EASTERN DAIRIES, LIMITED

These increases and extensions to the business of your subsidiaries in Toronto have necessitated the placing in operation of several new motor trucks and a number of additional delivery waggons for service on new routes which have been established.

It is confidently expected that a large measure of success will be enjoyed from these activities during the present year.

In Montreal, the rapid and continuous increase in demand for the products of the Company has necessitated the erection of a new plant for Elmhurst Dairy, Limited. This building, which is now nearing completion, is situated at the corner of Western and Elmhurst Avenues. Its modern construction and latest appointments will provide for the handling of all dairy products according to the most efficient and sanitary methods.

This new building will also be the Head Office of Eastern Dairies, Limited.

Your Directors have made every effort to establish and maintain a continuous growth in the business of your subsidiaries. In doing so, considerable expense has been incurred through advertising, sales promotion and in the protection of the quality of the products of the various companies.

This expense has been charged to current operations and your Directors are confident that this policy will result in the continued successful operation of your properties.

The Officers and Staff have energetically carried on the operation of the Company during the past year and your Directors take pleasure in according to them full measure of acknowledgement for their attentive services and close co-operation.

Submitted on behalf of the Board.

P. A. THOMSON,

President.

EASTERN DAIRY
CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 1928.

Assets

CURRENT ASSETS

Cash on hand and in Bank.....	\$	85,157.70
Accounts Receivable, less Reserve for Bad Debts.....		257,358.36
Inventories.....		169,204.56
Investment Securities and Interest Accrued.....		867,341.60
Investments held in trust and balances due under Customer Ownership Plan.....		43,358.93
Life Insurance, Cash Surrender Value.....		2,085.00
		\$1,424,506.15
Investments, Real Estate		78,200.40
Fixed Assets: Land, Buildings, Plant, Machinery, Equipment etc., based on Canadian Appraisal Co. Ltd., valuation with subsequent additions at cost, together with amounts paid on Buildings and Plant under Construction.....		3,224,004.39
Goodwill		724,087.87
Deferred and Organization Expenses		69,513.66
		\$5,520,312.47

NOTE: Approximately \$264,000.00 will be added to Fixed Assets upon completion of Buildings and Plant under Construction and Securities correspondingly reduced.

**TO THE SHAREHOLDERS,
EASTERN DAIRIES LIMITED,
MONTREAL,**

GENTLEMEN:

WE have examined the books of account of Eastern Dairies, Limited Dairy, Limited for which we have accepted the Balance Sheet certificate.

We certify that, in our opinion, the foregoing Consolidated Balance Sheet of the combined companies as at 31st March 1928, according to the books of the Companies.

MONTREAL, 15th May 1928.

IES, LIMITED

BALANCE SHEET

April 31st, 1928.

Liabilities

CURRENT LIABILITIES:

Accounts Payable.....	\$	326,114.01
Salesmen's Bonds.....		20,405.01
Unredeemed Tickets.....		25,097.78
Preferred Dividends, payable 16th April 1928.....		60,893.00
Federal Income Tax Accrued.....		16,746.00

Total Current Liabilities..... \$ 449,255.80

Mortgage Payable.....		5,100.00
Reserve for Depreciation.....		714,334.61

CAPITAL STOCK:

Preferred—

Crescent Creamery Co., Ltd.:

Authorized 14,500, 7% Cumulative Preferred Shares
of \$100. each..... \$1,450,000.00

Issued 10,000, 7%, Cumulative Preferred Shares
of \$100. each..... 1,000,000.00

Eastern Dairies, Limited:

Authorized 50,000, 7%, Cumulative Preferred Shares
of \$100. each..... \$5,000,000.00

Issued 25,000, 7% Cumulative Preferred Shares
of \$100. each..... 2,500,000.00

Common—

Authorized 100,000 Shares No Par Value

Issued 69,099 Shares No Par Value..... 817,515.00

Surplus Account (Subject to 1928 Federal Income Tax)..... 34,107.00

\$5,520,312.47

Approved on behalf of the Board:

P. A. THOMSON (Director).

W. R. AIRD (Director).

and its Subsidiary Companies, with the exception of The Producers
and to by Messrs. Geo. A. Welch & Co., Chartered Accountants.

This Sheet presents a true and correct view of the state of the affairs
of our information and the explanations given to us, and as shown

P. S. ROSS & SONS,
Chartered Accountants

E A S T E R N D A I R I E S , L I M I T E D

CONSOLIDATED SURPLUS ACCOUNT AS AT 31st MARCH, 1928.

Balance at Credit 31st March 1927.....	\$	19,599.10
DEDUCT:		
Federal Income Tax for fifteen months to 31st March 1927.....		5,508.65
	\$	14,090.45
ADD:		
Profit from Operations.....	\$	350,450.89
Miscellaneous Income.....		63,060.42
		413,511.31
Available for Depreciation, Dividends, Etc.....	\$	427,601.76
DEDUCT:		
Dividends, Preferred Stock.....		229,112.60
	\$	198,489.16
Transferred to Depreciation Reserve Account.....		164,382.10
Balance at Credit 31st March 1928, before provision for 1928 Federal Income Tax.....	\$	34,107.06

SUBSIDIARY COMPANIES

MONTREAL, QUE.

ELMHURST DAIRY, Limited

Dairy	7040 Western Avenue
Distributing Depot	101 River Street, Verdun
"	187 des Carrieres Road
Creamery	Richmond, Que.
"	L'Avenir, Que.

C. B. PRICE, Managing Director

WINNIPEG, MAN.

CRESCENT CREAMERY COMPANY, Limited

Dairy	542 Sherburn Street
Ice Cream Plant	86 Burnell Street
Storage Plant	85 Lombard Street
Branch	Dauphin, Man.
"	Killarney, Man.
"	Portage la Prairie, Man.
"	Swan River, Man.
"	Vita, Man.
"	Yorkton, Sask.

F. J. DONEGANI, Manager

(Continued)

SUBSIDIARY COMPANIES

TORONTO, ONT.

ACME DAIRY, Limited

Dairy	21 Essex Avenue
Ice Cream Plant	254 Berkeley Street
Distributing Depot	132 Sixth Street, New Toronto
“ “	Centre Island
Creamery	Eastwood, Ontario

D. M. AIRD, President and Manager.

OTTAWA, ONT.

THE PRODUCERS DAIRY, Limited

Dairy	275 Kent Street
Distributing Depot	200 Boulevard St. Joseph, Hull, Que.
Creamery	Almonte, Ont.
“	Shawville, Que.
Cheese Factory	Township of Ramsay, Ont.
“	Appleton, Ont.

BOWER HENRY, President and Manager.

