

FIFTH ANNUAL
REPORT
DAVID & FRÈRE
Limitée

For the year ending December 31, 1932.

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DAVID & FRÈRE, LIMITÉE

Montreal, January 28th, 1933.

To the Shareholders,

We are herewith submitting to you the financial position of your Company for the year ending the 31st December 1932, duly certified by your Auditors, Messrs. LaRue & Trudel, C.A.

The result, though not very satisfactory, shows however a marked improvement when compared with the previous year in that we have succeeded in checking the losses which had been increasing for over a year.

During a crisis like the present, curtailment of profits seems to have become an accepted and indisputable fact. Accordingly, the important thing is the effort required to preserve one's resources by keeping down as much as possible both general and manufacturing expenses, an end which we diligently kept in view all last year. An unfortunately high percentage of the population of our Province was forced to depend on the Relief Societies for their subsistence. As these organisations did not think it proper to distribute products like ours, our gross sales dropped proportionately. The disloyal and utterly unbusiness like competition of a number of our competitors also contributed in no small degree to the reduction of our profits.

The Sales Tax, tripled in the course of the year, certainly contributed to some extent to the lesser consumption of our products, which we consider, more especially in our Province, as among the necessities of existence. We protested to the Government that we were being discriminated against, but without success.

Some improvements and additions were made to our equipment during the course of the year, besides which it was kept in perfect repair.

Your Directors note, with pleasure, the loyalty and faithfulness of the staff towards the Company.

On behalf of the Directors,

MRS. RENÉ-T. LECLERC,

President.

DAVID & FRÈRE, LIMITÉE

BALANCE SHEET, as at December 31st, 1932.

ASSETS

Cash On Hand and in Bank	\$ 8,120.60	
Accounts Receivable, less Reserves	116,737.50	
Notes Receivable	2,048.96	
Investments, less Reserves	5,852.00	
Inventories	46,588.55	
		\$179,347.61
Land, Buildings, Machinery, and equipment, rolling stock, furniture and goodwill	883,080.14	
Less Reserves for Depreciation	166,576.56	
		716,503.58
Prepaid expenses: Taxes, Insurance, Etc.		4,178.42
		<u>\$900,029.61</u>

LIABILITIES

Accounts Payable and Accrued Charges		40,763.96
Capital Stock Issued:		
Ordinary Shares, Class A, 23,000 shares, no par value	690,000.00	
Ordinary Shares, Class B, 23,000 shares, no par value	115,000.00	805,000.00
Surplus		54,265.65
		<u>\$900,029.61</u>

Approved on behalf of the board:

HENRI MERRILL }
L. R. PHILIE } Directors.

AUDITOR'S REPORT

We have examined the books and accounts of "DAVID & FRÈRE, LIMITEE" for the year ending 31st December 1932, and we have received all the information and explanations we have required.

We are of the opinion that the above Balance Sheet shows the true financial position of the Company as at December 31st, 1932, according to the best of our information and the explanations given to us as shown by the books of the Company.

(Signed) LARUE & TRUDEL,
Chartered Accountants.

Montreal, January 27th, 1933.

DAVID & FRÈRE, LIMITÉE

SURPLUS ACCOUNT

Balance 1st January, 1932		\$71,001.10
Net Profit for 1932, after deducting charges for manufacturing, sales, administration, sales tax, etc., ... but before depreciation	15,687.71	
Reserve for Depreciation	30,311.86	
Capital Loss, Demolition of Building..	2,111.30	32,423.16
Net charge to surplus		<u>16,735.45</u>
Balance 31st December, 1932		\$54,265.65