

WILLIAM NEILSON LIMITED

Manufacturers of Chocolates and Ice Cream

The annual meeting of the above Company was held at the office, 307 Gladstone Ave., on Wednesday, March 25th, at 2.30 p.m. There was a good representation of shareholders present. The financial statement and the President's message to shareholders were read and adopted unanimously. The shareholders expressed themselves as being well pleased with the year's business and passed a resolution of thanks to the management and employees of the Company.

The Directors, Messrs. Wm. Neilson, Morden Neilson, D. M. Sanson, A. R. Cochrane, and J. Firstbrook, were all re-elected unanimously.

At a subsequent meeting of the Directors the officers of the Company were re-elected.

PRESIDENT'S ADDRESS

In presenting the Annual Balance Sheet of our Auditors to you to-day, it is with a very great deal of satisfaction that we are able to show a continued growth of the business of the Company, which was founded by myself, with small capital, over 20 years ago.

Some interesting comparisons might be made—for instance, the first year's Ice Cream business amounted to less than one-eighth of the smallest day's sales we had in July or August of last year. The increase in this branch of the business in 1913 was in itself as large as the total business done in the year 1907. The year just passed has been one of considerable anxiety on the part of most manufacturing concerns because of the unusual stringency in the domestic money markets, and in fact the money markets of the world, nearly all classes of manufacturing business finding it necessary to retrench rather than expand the development of their trade.

It will, I am sure, be very gratifying to you to note that our anticipations of a year ago were realized. The increase in our business for the year 1913 was approximately 35%. Under the new management which assumed control during the closing weeks of 1912, the business has prospered as never before.

Another cause of congratulation is that notwithstanding the increase in our business, the overhead charges for the past year do not show an increase over that of 1912. By setting a high standard and by adhering to the principle of giving absolutely nothing but the highest quality and the best service, the name of "Neilson's" found upon the package of products stands for the highest possible standard of purity and quality.

The prospects for the future were never so bright as at present. This year to date the sales show most gratifying increases. We live in the most prosperous and fast growing city in the Dominion and as the foundations of our business are broad and deep and by adhering to our present principles and policy we feel satisfied the business will be favored by increased prosperity.

Notwithstanding our Company has earned a very considerable surplus after providing for all charges, including management, reserve for bad and doubtful accounts, and the sum of \$18,000 for renewals and repairs, it is thought advisable to increase the contingent reserve and to carry forward the balance of profit and loss, before paying any dividend upon the common stock.

A monthly audit of the Company's books has been maintained throughout the year. All property of the Company has been kept in first class physical condition.

During the year 1912 we expended on buildings, plant, machinery, etc., the large sum of \$250,000, and at the close of that year we deemed it advisable to sell securities, hence the bond issue of which you are aware.

This address would fall short of its object if I did not express the gratitude which I feel for the services of the staff, and all employees of our Company, each of whom has shown him or herself to be capable and loyal. We have now built up a working organization in which there exists harmony and unity of purpose.

FINANCIAL STATEMENT

BALANCE SHEET (December 31st, 1913).

ASSETS.		LIABILITIES.	
Cash on Hand and in Banks.....	\$ 36,201.47	Accounts and Bills Payable.....	\$ 63,285.64
Accounts and Bills Receivable.....	28,049.18	6% First Mortgage 20 Year Sinking	
(Bad and Doubtful Accounts fully provided for).		Fund Gold Bonds.....	\$300,000.00
Sundry Debtors	3,844.39	Accrued Interest	4,438.35
Inventories	79,579.70		304,438.35
Endowment Insurance.....	9,315.60	Payment for Shares not allotted.....	3,887.40
Real Estate and Buildings.....	\$240,497.05	Contingent Reserve	63,062.02
Plant, Machinery and Equipment.....	352,099.80	Capital Stock Paid-up (authorized \$1,000,000)—	
	592,596.85	Preferred	\$250,200.00
Goodwill	463,583.49	Common	499,900.00
Deferred Expenses	33,779.17		750,100.00
	\$1,246,949.85	Balance at Credit of Profit and Loss Account.....	62,226.44
	<u>\$1,246,949.85</u>		<u>\$1,246,949.85</u>

NOTE:—Contingent Liability on Bills Receivable Discounted \$49,139.92

PROFIT AND LOSS ACCOUNT (Year Ending December 31st, 1913).

Profits for the year (after deducting cost of management, renewals, repairs, and reserve for bad and doubtful debts).....	\$ 118,565.80	Interest on bonds, bank advances, etc.	\$ 21,901.23
Revenue from other sources.....	1,991.07	Contingent reserve	33,535.00
	\$120,556.87	Sundry legal and contingent expenses	1,926.14
	<u>\$120,556.87</u>	Reorganization expenses written off.....	968.06
			\$58,330.43
		Balance at credit of profit and loss	\$ 62,226.44
			<u>\$120,556.87</u>

We certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs, as shown by the books as of December, 1913.

All our requirements as auditors have been complied with.
(Signed) Thorne, Mulholland & Co., Auditors.