



THE TUCKETT TOBACCO COMPANY Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENT

March 31, 1949

BOARD OF DIRECTORS

HOWARD S. AMBROSE

H. H. CHAMP

JOHN J. MCGILL

T. HAROLD MCGUIRE

CHARLES H. SCLATER

ROSCOE I. TATUM

FRANCIS VILA

OFFICERS OF THE COMPANY

President

CHARLES H. SCLATER

Vice-President

T. HAROLD MCGUIRE

Secretary and Treasurer

ROSCOE I. TATUM

Thirty-Seventh Annual Report

of

THE TUCKETT TOBACCO COMPANY Limited

Hamilton, May 10, 1949.

To the Shareholders,

The Tuckett Tobacco Company Limited:

Your Directors have pleasure in presenting their Annual Report, together with the Audited Balance Sheet and Statement of Profit and Loss for the year ended March 31, 1949.

The Net Profit for the year, after deducting all charges and expenses for management and providing for Income Taxes, amounted to \$395,441.09. Dividends on Preference and Ordinary Shares totalled \$390,000.00, leaving \$5,441.09 which, together with Excess Profits Tax refunded amounting to \$50,210.67, brings the Earned Surplus at the close of the year to \$3,084,833.05, or an increase of \$55,651.76 over that brought forward from the previous year.

Mounting costs continue to be a serious factor which, coupled with extremely high rates of Excise Taxation, account for the wide difference in retail prices of tobacco products in Canada and the United States.

The Canadian excise tax on a package of 20 cigarettes is approximately 21½¢. The tax on a similar package of cigarettes in the United States is 7¢. This difference of over 14½¢ per package of 20 encourages large-scale smuggling from the United States into Canada, and it is hoped that the time is not far distant when downward revision of Canadian Excise Taxes on tobacco products will be made.

Your Company has a long tradition of interest in its employees, and its programme of benefits covers a wide range for their welfare and security.

On behalf of the Directors,

CHARLES H. SCLATER,

President.

AUDITORS' REPORT

To the Shareholders,

The Tuckett Tobacco Company Limited:

We have examined the books and accounts of The Tuckett Tobacco Company Limited for the year ended March 31, 1949, and have obtained all the information and explanations we have required. In our opinion the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company at March 31, 1949, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Pursuant to Section 114 of the Dominion Companies Act, we report that the profit of the Company for the year ended March 31, 1949, includes the profit of the subsidiary company for the year ended that date.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS,

Auditors.

24 King Street West,
Toronto, May 7, 1949.

THE TUCKETT TOBACCO COMPANY Limited

BALANCE SHEET MARCH 31, 1949

ASSETS

Dominion Government Securities (Market Value \$25,593.75)	\$	25,000.00
Sundry Debtors		121,000.86
Inventories of Leaf Tobacco, Manufacturing Materials and Supplies (at average cost or under) and Advances for Purchases of Leaf Tobacco		5,339,660.59
		\$ 5,485,661.45
Investment in Subsidiary Company:		
Shares	\$	10,000.00
Advances (largely represented by Manufactured Goods at cost and other net current Assets)	2,560,803.85	2,570,803.85
Shares in other Companies (at cost)		50.00
Excess Profits Tax not Currently Refundable		92,344.43
Real Estate, Buildings, Machinery, etc. (at cost)		1,202,212.04
Taxes, Insurance, etc., Paid in Advance		11,441.37
Goodwill and Trade Marks		2,478,672.06
		\$11,841,185.20

LIABILITIES

Bank overdrafts	\$	2,079,096.93
Sundry Creditors		423,195.58
Income and Excise Taxes		438,761.18
Dividends Payable April 15, 1949:		
On Ordinary Shares	\$100,000.00	
On 7% Cumulative Preference Shares	35,000.00	135,000.00
		\$ 3,076,053.69
Reserve for Buildings, Machinery, etc.		1,087,954.03
Capital Authorized and Issued:		
7% Cumulative Preference Shares:		
20,000 shares of the par value of \$100.00 each	\$2,000,000.00	
Ordinary Shares:		
25,000 shares of the par value of \$100.00 each	2,500,000.00	4,500,000.00
Deferred Surplus—Excess Profits Tax not Currently Refundable		92,344.43
Profit and Loss Account (Earned Surplus) Balance as per Statement herewith....		3,084,833.05
		\$11,841,185.20

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 1949

Operating Profit, after deducting all charges and expenses for management (remuneration to all executive officers and salaried directors including amounts paid into the Superannuation Fund, \$73,761.88, directors' fees \$880.00, legal expense \$291.43) but before any charge for income tax	\$	416,963.00
Income from Investments		174,391.25
		\$ 591,354.25
Income Taxes		195,913.16
		\$ 395,441.09
Net Profit for the Year		
ADD:		
Balance as at April 1, 1948		3,029,181.29
Excess Profits Tax Refunded		50,210.67
		\$ 3,474,833.05
DEDUCT:		
Dividends on Preference Shares	\$140,000.00	
Dividends on Ordinary Shares	250,000.00	390,000.00
		\$ 3,084,833.05
Balance (Earned Surplus) as per Balance Sheet		\$ 3,084,833.05

Approved on Behalf of the Board:
 CHARLES H. SCLATER }
 T. HAROLD McGUIRE } *Directors*
 Hamilton, Canada,
 May 10, 1949.

NOTE:—The charge against Operating Profit in respect of depreciation amounted to \$112,888.46. This is the Balance Sheet referred to in our report to the Shareholders dated May 7, 1949.
 (Signed) DELOITTE, PLENDER, HASKINS & SELLS,
 Auditors.

1949
The Tuckett Tobacco
Company Limited

ANNUAL REPORT

For the Year Ended
March 31, 1949

