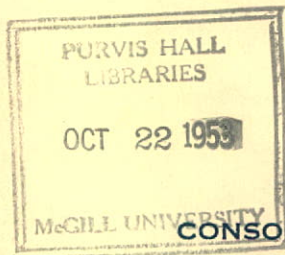


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Blue Ribbon

BLUE RIBBON CORPORATION LIMITED



ANNUAL REPORT
CONSOLIDATED BALANCE SHEET
AND SURPLUS ACCOUNT
FOR YEAR ENDING 30TH JUNE, 1947

ANNUAL REPORT

Toronto, Canada, September 10th, 1947

To THE SHAREHOLDERS OF
BLUE RIBBON CORPORATION LIMITED:

Your Directors submit herewith the Seventeenth Annual Report of the Corporation and its Subsidiaries, together with the Consolidated Balance Sheet and Consolidated Surplus Account for the fiscal year ending June 30th, 1947.

During the year your Company sold their interest in Willards Chocolates Limited for \$1,051,616.20. This enabled the Company to retire all their bonded indebtedness amounting to \$700,000.00. The sale of this investment will also help the Company to provide much needed equipment and machinery to help modernize the plants of the two subsidiaries. During the year an amount of \$64,882.99 has been spent and this amount will be increased as supplies are available.

After providing for all taxes, depreciation on plants and buildings, and taking care of all operating expenses, and including Bond Interest of \$13,167.87 to date of redemption and premium of \$13,750.00 on redemption bonds, the net earnings for the year were \$108,419.19 compared with \$119,052.43 for the three subsidiary companies for the previous year.

Regular dividends were paid on the preferred stock at the rate of 5% per annum totalling \$42,642.52, and the quarterly dividend of \$10,660.63 due on August 1st, 1947, was declared and provided for, leaving a balance of \$645,950.53 in the Consolidated Earned Surplus Account, being an increase of \$55,116.04 for the year.

Since our last Shareholders' Meeting we regret having to report the death of two of our Directors—Colonel J. F. Michie and Mr. J. Bruce MacKinnon. Mr. K. C. Weiss and Mr. F. G. Arnold were appointed to fill vacancies on the Board until the next Annual Meeting.

During the year, the Government discontinued the bulk purchasing of most of our commodities and we are now back to private buying after many years of control. With the removal of the subsidy, prices of most of our products have advanced considerably and at present all markets are substantially higher and very unsettled.

Your Directors desire to express their appreciation for the loyal and efficient services rendered by the officers and employees of the Company.

Submitted on behalf of the Board of Directors.

J. BALL,
President.

CONSOLIDATED BALANCE SHEET

ASSETS

Current Assets:

Cash on hand and in banks.....		\$ 33,695.96
Accounts receivable, less reserve.....		614,861.01
Inventories of merchandise and supplies valued at cost, as determined and certified to by the management.....	\$1,616,053.83	
Less reserve against future decline in in- ventory values.....	50,000.00	
		<u>1,566,053.83</u>
		\$2,214,610.80
Stocks and Bonds in customer companies.....		31,135.18
Land, buildings, machinery and equipment.....	\$1,416,455.99	
In Western Canada—as appraised by Sterling Appraisal Co. Ltd., 1928.		
In Ontario—as appraised by Wesley E. Barker and by Canadian Appraisal Co. Ltd., 1924.		
Less reserve for depreciation.....	612,689.99	
		<u>803,766.00</u>
Trade marks, patent rights and goodwill.....		1.00
Deferred charges.....		64,486.00
Refundable portion of excess profits tax, estimated		16,866.54
		<u><u>\$3,130,865.52</u></u>

Signed on behalf of the Board.

J. BALL

F. G. ARNOLD

Directors.

AUDITORS

To the Shareholders, Blue Ribbon Corporation Limited:

We have examined the books and accounts of Blue Ribbon Corporation Limited, June, 1947, and have obtained all the information and explanations which we required. This balance sheet as of the same date with the report thereon by its auditors, Messrs. Black, Hanson & Company, is, in our opinion, properly drawn up so as to exhibit the true consolidated position of the Corporation as at June 30, 1947, according to the best of our information and the explanations given to us and the report of Messrs. Black, Hanson & Company above referred to.

Toronto, Ontario, 27th August, 1947.

HEET - 30TH JUNE, 1947

LIABILITIES

Current Liabilities:

Bank loans (secured \$245,000.00).....	\$ 320,000.00	
Accounts and bills payable.....	414,137.44	
Provision for income taxes.....	48,199.58	
Dividend payable (declared payable August 1, 1947).....	10,660.63	
		<u>\$ 792,997.65</u>

Capital Stock:

Authorized—

40,000 shares of 5% cumulative convertible
redeemable participating preferred
stock of \$50.00 each, less 12,793
shares redeemed.

150,000 common shares of no par value.

Issued and Outstanding—

17,057 preferred shares of \$50 each.....	\$ 852,850.00
63,475 common shares of no par value.....	839,067.34

\$1,691,917.34

Earned Surplus.....	645,950.53
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2,337,867.87

\$3,130,865.52

REPORT

and its subsidiary, Pure Gold Manufacturing Co. Limited, for the year ended 30th
While we have not examined the accounts of Blue Ribbon Limited, we have seen the
ck, Hanson & Company, Chartered Accountants. The above Consolidated Balance
sition of Blue Ribbon Corporation Limited and the two subsidiaries as at 30th June,
as shown by the books of the companies whose accounts we have examined and the

WILTON C. EDDIS & SONS,

Chartered Accountants.

BLUE RIBBON CORPORATION LIMITED

CONSOLIDATED SURPLUS ACCOUNT FOR YEAR ENDING - 30TH JUNE, 1947

Balance at Credit, 30th June, 1946.....		\$590,834.49
<i>Add:</i>		
Profit for year, before depreciation and income taxes but after \$53,463.00 for salaries of seven full-time executive officers of the Company and its subsidiaries, including income of \$1,626.40 from investments.....		\$265,896.79
<i>Less:</i>		
Depreciation, buildings, plant and trucks.....	\$41,663.15	
Income and excess profits taxes....	88,896.58	
Bond interest paid.....	13,167.87	
Premium on redemption of bonds..	13,750.00	
	157,477.60	
		108,419.19
		\$699,253.68
<i>Deduct:</i>		
Dividends paid on preference shares at 5%.....	\$ 42,642.52	
Dividends declared, payable 1st August, 1947.....	10,660.63	
		53,303.15
Balance at Credit, 30th June, 1947, being Earned Surplus		\$645,950.53

BLUE RIBBON CORPORATION LIMITED

BOARD OF DIRECTORS

J. Ball	-	-	-	-	E. T. Godwin
F. G. Arnold	-	-	-	-	G. C. Lindsay
H. C. Watson	-	-	-	-	W. T. D'Arcy Ellis
					K. C. Weiss

President	-	-	-	-	-	J. Ball	
Secretary-Treasurer					-	-	H. Carr

Bankers

The Canadian Bank of Commerce

The Dominion Bank

Transfer Agent

The Toronto General Trusts Corporation

Registrar

National Trust Company, Limited

Auditors

Wilton C. Eddis and Sons