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BLUE RIBBON CORPORATION LIMITED



ANNUAL REPORT
CONSOLIDATED BALANCE SHEET

PURVIS HALL AND SURPLUS ACCOUNT
LIBRARIES FOR YEAR ENDING 30TH JUNE, 1948

OCT 20 1948

MCGILL UNIVERSITY

ANNUAL REPORT

Toronto, Canada, September 15th, 1948

To THE SHAREHOLDERS OF
BLUE RIBBON CORPORATION LIMITED:

Your Directors submit herewith the Eighteenth 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, 1948.

After providing for all taxes, depreciation on plants, buildings, and equipment, and after providing a special reserve of \$25,000.00 against decline in inventory values, and taking care of all operating expenses, the net earnings for the year amounted to \$105,808.92 compared with \$108,419.19 for the previous year.

Owing to increased cost of production and selling, the profit margin in relation to sales was down compared to the previous year.

Regular dividends were paid on the preferred stock at the rate of 5% per annum, leaving a balance of \$719,777.56 in the Consolidated Earned Surplus Account, being an increase of \$73,827.03 for the year.

Since our last Shareholders' Meeting Mr. W. T. D'Arcy Ellis resigned as a Director of the company and Mr. H. J. Coon was appointed to fill the vacancy on the Board until the next Annual Meeting.

Regarding the future—it is impossible to predict what may happen during the present year. Prices of all commodities continue at a very high level and already there is some evidence of buyer resistance. Also these higher costs mean greater demands on the Corporation's working capital and necessitate increased borrowings from the bank. Furthermore, most of our products take from two to three months to arrive from country of growth. However, your company enjoys the confidence and goodwill of its many customers and we are confident that we will continue to meet and solve the problems as they arise.

The establishment of a Pension Plan for employees of the Company and its Subsidiaries has been under consideration for some time, and a plan has now been approved by the Directors which is expected to be in operation later on this year.

The Directors desire to express their appreciation for the co-operation received during the year from all the officials and employees of the Company.

Submitted on behalf of your Directors.

J. BALL,
President.

Prof. Woods. Oct 19 / 48

CONSOLIDATED BALANCE SHEET

ASSETS

Current Assets:

Cash on hand and in banks.....		\$ 24,600.32
Accounts receivable, less reserve.....		724,879.16
Inventories of merchandise and supplies valued at cost, as determined and certified to by the management.....	\$1,986,028.38	
Less reserve against future decline in inventory values.....	75,000.00	
	<hr/>	1,911,028.38
Refundable portion of excess profits tax, due 31st March, 1949.....		7,580.16
		<hr/>
		\$2,668,088.02
Stocks and bonds in customer companies.....		31,135.18
Land, buildings, machinery and equipment:		
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.		
Plus additions at cost.....	\$1,484,194.27	
Less reserve for depreciation.....	666,390.30	
	<hr/>	817,803.97
Trade-marks, patent rights and goodwill.....		1.00
Deferred charges.....		59,040.56
Refundable portion of excess profits tax, due 31st March, 1951.....		9,286.38
		<hr/>
		<u>\$3,585,355.11</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 as at 30th June, 1948, and have obtained all the information and explanations which we require. We have seen the balance sheet as of the same date with the report thereon by its auditors, Messrs. Black, Hanson & Company. This balance sheet is in our opinion properly drawn up so as to exhibit the true consolidated financial position of the Corporation as at 30th June, 1948, according to the best of our information and the explanations given to us and is in accordance with the report of Messrs. Black, Hanson & Company above referred to.

Toronto, Ontario, 2nd September, 1948.

MEET - 30TH JUNE, 1948

LIABILITIES

Current Liabilities:

Bank loans (secured \$304,307.00)	\$ 885,000.00	
Accounts and bills payable	240,343.44	
Provision for income taxes	48,316.77	
	<u> </u>	\$1,173,660.21

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 \$50.00 each	\$ 852,850.00	
63,475 common shares of no par value	839,067.34	

\$1,691,917.34

Earned surplus	719,777.56	
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2,411,694.90

\$3,585,355.11

REPORT

ted and its subsidiary, Pure Gold Manufacturing Co. Limited, for the year ended
quired. While we have not examined the accounts of Blue Ribbon Limited, we have
ssrs. Black, Hanson & Company, Chartered Accountants. The above consolidated
osition of Blue Ribbon Corporation Limited and the two subsidiaries as at 30th
d as shown by the books of the companies whose accounts we have examined and

WILTON C. EDDIS & SONS,
Chartered Accountants.

BLUE RIBBON CORPORATION LIMITED

CONSOLIDATED SURPLUS ACCOUNT FOR YEAR ENDING - 30TH JUNE, 1948

Balance at Credit, 30th June, 1947.....		\$645,950.53
<i>Add:</i>		
Profit for year, before depreciation and income taxes but after \$52,450.00 for salaries of full-time executive officers of the company and its subsidiaries, and including income of \$1,944.40 from investments.....	\$286,588.12	
<i>Less:</i>		
Provision against decline in inventory values.....	\$25,000.00	
Depreciation, buildings, plant and trucks.....	71,254.21	
Income and excess profits taxes....	84,524.99	
	<u>180,779.20</u>	
		<u>105,808.92</u>
		\$751,759.45
<i>Deduct:</i>		
Four quarterly dividends paid on preference shares at 5 ⁵ / ₁₀	\$ 42,642.52	
Less dividend paid in August, 1947, but declared and provided for in the year ended 30th June, 1947.....	10,660.63	
	<u>31,981.89</u>	
Balance at Credit, 30th June, 1948, being earned surplus		<u><u>\$719,777.56</u></u>



Blue Ribbon Limited

Winnipeg Vancouver Edmonton
Calgary

Manufacturing and Merchandising
Tea, Coffee, Baking Powder, Extracts,
Jelly Powders, Spices.

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Pure Gold Mfg. Co. Limited

Toronto

Manufacturing and Merchandising
Tea, Coffee, Baking Powder, Extracts,
Jelly Powders, Chocolate, Peanut
Butter, Cocoa, Spices.

BLUE RIBBON CORPORATION LIMITED

BOARD OF DIRECTORS

J. Ball	-	-	-	-	R. C. Riley
F. G. Arnold	-	-	-	-	H. J. Coon
H. C. Watson	-	-	-	-	G. C. Metcalf

K. C. Weiss

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

Bankers

The Canadian Bank of Commerce

Transfer Agent

The Toronto General Trusts Corporation

Registrar

National Trust Company, Limited

Auditors

Wilton C. Eddis and Sons