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# BLUE RIBBON CORPORATION LIMITED



## ANNUAL REPORT CONSOLIDATED BALANCE SHEET AND SURPLUS ACCOUNT

PURVIS HALL FOR YEAR ENDING 30TH JUNE, 1949  
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# ANNUAL REPORT

Toronto, Canada, September 10, 1949

## TO THE SHAREHOLDERS OF BLUE RIBBON CORPORATION LIMITED:

The Board of Directors submit herewith the Nineteenth Annual Report of your Company for the year ending June 30th, 1949, together with the Consolidated Balance Sheet and the Consolidated Surplus Account.

After providing for all taxes; depreciation on plants; buildings and equipment, and after providing \$25,000.00 reserve against future decline in inventory values and taking care of operating expenses; the net earnings from operations for the year amounted to \$123,680.52 compared with \$105,808.92 for the previous year. Also included in the consolidated earned surplus account is \$45,900.00 representing a wartime inventory reserve of Willards Chocolates, Limited, payment of which was deferred under the terms of sale until the second year after cessation of hostilities.

Regular dividends were paid on the Preferred Stock at the rate of 5% per annum leaving a balance of \$846,715.56 in the consolidated earned surplus account.

The Pension Plan for employees of the Company and its Subsidiaries as mentioned in our last Annual Report is now in effect. Future service pensions will be paid for jointly by the Company and each employee who comes under the Plan. For past services the Company will pay the entire cost which has been amortized over a period of years. The first annual payment has been made but no liability has been set up for the balance.

As at December 31st, 1948, Blue Ribbon Limited, a Subsidiary which owned the majority of the outstanding shares of Pure Gold Manufacturing Company Limited, purchased from the Blue Ribbon Corporation Limited the balance of the outstanding Pure Gold Shares, including all the Assets (other than the refundable part of the Excess Profits Tax), and assumed their liabilities. We now operate in Toronto under the name Blue Ribbon Limited, Pure Gold Division.

Our total sales value was the highest on record. The cost of most of our products, especially tea and coffee, showed considerable advance during the year and our operating costs were also increased. However, your Company enjoys a steady and increasing consumer demand for its products and while we cannot anticipate the future, especially when markets are so unsettled, we have every hope that your Company will continue to make progress.

The Directors again record their grateful appreciation of the loyalty and co-operation of all the employees of the Company over the past year.

Submitted on behalf of the Board of Directors.

J. BALL,  
*President.*

CONSOLIDATED BALANCE SHEET

ASSETS

Current Assets:

Cash on hand and in banks.....	\$ 76,968.31
Accounts receivable, less reserve.....	766,594.61
Inventories of merchandise and supplies valued at the lower of cost or market, as determined and certified to by the management.....	\$1,584,493.19
Less reserve against future decline in inventory values.....	100,000.00
	<u>1,484,493.19</u>
	\$2,328,056.11

Refundable portion of excess profits tax due 31st March, 1951.....	9,286.38
Stocks and bonds in customer companies.....	7,948.26
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.....	1,521,437.62
Less reserve for depreciation.....	707,607.47
	<u>813,830.15</u>
Trade-marks, patent rights and goodwill.....	1.00
Deferred charges.....	81,567.92
	<u>\$3,240,689.82</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 the 30th June, 1949, 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, and the balance sheet is in our opinion properly drawn up so as to exhibit the true consolidated financial position of the Corporation as at the 30th June, 1949, according to the best of our information and the explanations given to us. We have also seen the report of Messrs. Black, Hanson & Company above referred to.

Toronto, Ontario, 15th September, 1949.

PORATION LIMITED  
RY COMPANIES

HEET - 30TH JUNE, 1949

LIABILITIES

Current Liabilities:

Accounts and bills payable.....	\$ 631,380.77
Provision for taxes on income.....	50,517.38

681,898.15

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
65,000 Common shares of no par value.....	859,226.11

\$1,712,076.11

Earned surplus.....	846,715.56
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2,558,791.67

\$3,240,689.82

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  
essrs. Black, Hanson & Company, Chartered Accountants. The above consolidated  
position of Blue Ribbon Corporation Limited and the two subsidiaries as at 30th  
nd 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, 1949

Balance at credit, 30th June, 1948.....		\$719,777.56
<i>Add:</i>		
Profit for year, before depreciation and income taxes but after \$46,975.00 for salaries of full-time executive officers of the company and its subsidiaries, and legal fees \$9,450.00.....	\$294,053.94	
<i>Less:</i>		
Additional reserve against future decline in inventory values.....	\$ 25,000.00	
Depreciation, building, plant and trucks.....	51,004.77	
Income and excess profits taxes....	94,368.65	
	<u>170,373.42</u>	123,680.52
Additional amount received this year in the sale of Willards shares, being the net amount of inventory reserve not required.....		45,900.00
		<u>\$889,358.08</u>
Less four quarterly dividends paid on preference shares at 5%.....		42,642.52
		<u>\$846,715.56</u>
Balance at credit, 30th June, 1949, being earned surplus.....		<u>\$846,715.56</u>



## Blue Ribbon Limited

Winnipeg      Toronto      Vancouver  
Calgary              Edmonton

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Manufacturing and Merchandising  
Tea, Coffee, Baking Powder, Extracts,  
Jelly Powders, Chocolate,  
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

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

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### Bankers

The Canadian Bank of Commerce

### Transfer Agent

The Toronto General Trusts Corporation

### Registrar

National Trust Company, Limited

### Auditors

Wilton C. Eddis and Sons