

C Stack

Blue Ribbon

CORPORATION LIMITED



ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

AT 30th JUNE, 1958

PURVIS HALL
LIBRARIES

MAY 20 1959

MCGILL UNIVERSITY

Blue Ribbon Corporation Limited

BOARD of DIRECTORS

H. L. KEEN L. G. KEITH J. B. BRYDON
W. T. KENNEDY G. T. F. HILLIER

President

H. L. KEEN

Secretary-Treasurer

L. G. KEITH

Bankers

THE CANADIAN BANK OF COMMERCE

Transfer Agent

THE TORONTO GENERAL TRUSTS CORPORATION

Registrar

NATIONAL TRUST COMPANY LIMITED

Auditors

CLARKSON, GORDON & Co.

DIRECTORS' REPORT

Winnipeg, Canada, September 29, 1958.

To THE SHAREHOLDERS OF
BLUE RIBBON CORPORATION LIMITED:

Your Directors submit the Consolidated Balance Sheet of the Company and Consolidated Statements of Earned Surplus and Profit and Loss for the year ended 30th June 1958.

The Statement of Consolidated Profit and Loss shows a net profit after income taxes of \$41,328. The profit before taxes but after charging all expenses including depreciation on Fixed Assets, amounted to \$71,828. This figure compares with \$100,283 for the previous year when losses carried forward cancelled the tax liability thereon.

It is with regret that we must refer once again to the adverse effect of the coffee market on the trading results of the year under review. Markets in both mild coffees and Brazils have continued their steady decline. In this highly competitive coffee business, these progressive reductions in primary costs have been reflected immediately in our selling prices to the consumer. In just under two years the shelf prices of national brands have been reduced some thirty cents per pound, to bring consumer prices to their lowest level since 1950.

Notwithstanding most careful buying on a strict replacement basis, margins have been narrow. With the current world surplus of coffee, further declines are threatened making the future outlook most uncertain.

Fortunately, the tea markets have been relatively steady. There has been little or no change in retail prices and satisfactory margins have been earned on improved tea volume.

During the year the regular quarterly dividends were declared and paid on the 5% Cumulative Convertible Redeemable Participating Preferred Stock. In addition, your Directors were pleased to announce the payment of the arrears of dividends amounting to \$42,642.

In accordance with the terms of the letter of April 8, 1958 addressed to the preferred shareholders, a copy of which was mailed to all common shareholders, the company invited tenders of preferred shares for purchase for cancellation. As a result, a total of 6,194 shares have been redeemed and cancelled. The Financial Statements submitted herewith record a transfer to Capital Surplus account from Earned Surplus account of an amount equivalent to the par value of these shares in compliance with the provisions of the Dominion Companies Act.

After serving as President for the last five years Mr. S. W. Hoare resigned to take up a senior appointment with an associated company. It is with pleasure that we record our appreciation of his services.

The Directors again wish to express their grateful appreciation of the support and efficient co-operation of all the employees of the Company.

Submitted on behalf of the Board of Directors.

H. L. KEEN, President

Blue Ribbon Cor

(Incorporated under
AND SUBSIDIAR

CONSOLIDATED

June 30

ASSETS

CURRENT:

Cash.....	\$ 147,997
Accounts receivable, less allowance for doubtful accounts.....	729,092
Inventories of merchandise and supplies determined on the basis of physical count and valued at cost or under.....	1,862,427
Prepaid expenses.....	62,017
	<hr/>
	\$2,801,533
Mortgage receivable, 5½% due January 17, 1961....	113,750

FIXED:

Land, buildings, machinery and equipment — as appraised by Sterling Appraisal Co. Ltd. — 1928, plus subsequent additions at cost.....	\$1,204,838
Less accumulated depreciation.....	775,669
	<hr/>
	429,169
Trade-marks, patent rights and goodwill.....	1
	<hr/>
	<u>\$3,344,453</u>

On behalf of the board,
H. L. KEEN, Director
L. G. KEITH, Director

AUDITOR'S

To the Shareholders of
Blue Ribbon Corporation Limited:

We have examined the consolidated balance sheet of Blue Ribbon Corporation consolidated profit and loss and consolidated earned surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such other matters as may be required in the circumstances.

In our opinion the accompanying consolidated balance sheet and statement of profit and loss drawn up so as to exhibit a true and correct view of the state of the affairs of the corporation on that date, according to the best of our information and the explanations given to us.

Winnipeg, Canada, August 28, 1958.

poration Limited

(the laws of Canada)

RY COMPANIES

BALANCE SHEET

0, 1958

LIABILITIES

CURRENT:

Accounts payable and accrued expenses.....	\$1,004,296
Income taxes payable.....	32,914
	<u>\$1,037,210</u>

CAPITAL STOCK:

Authorized—

27,207 shares of 5% cumulative convertible redeemable participating preferred stock of \$50.00 each.....	<u>\$1,360,350</u>
--	--------------------

150,000 common shares of no par value.

Issued and fully paid—

10,863 preferred shares (6,194 shares redeemed during the year).....	\$ 543,150
65,000 common shares of no par value.....	859,226

\$1,402,376

RESERVES AND SURPLUS:

Reserve against future decline in inven- tory values.....	\$300,000
Reserve for replacement of fixed assets....	200,000
Surplus arising from the sale of fixed assets	4,539
	<u>504,539</u>
Capital surplus arising from the redemption of preferred shares.....	309,700
Earned surplus.....	90,628
	<u>2,307,243</u>
	<u>\$3,344,453</u>

NOTE: Contingent liability:

Commitments for forward delivery of Sterling
and U.S. dollar exchange at cost of \$439,090.

REPORT

ration Limited and subsidiary companies as at June 30, 1958 and the statements of
that date and have obtained all the information and explanations we have required.
sts of accounting records and other supporting evidence as we considered necessary

ments of consolidated profit and loss and consolidated earned surplus are properly
companies as at June 30, 1958 and the results of the operations for the year ended
o us and as shown by the books of the companies.

Signed CLARKSON, GORDON & CO.
Chartered Accountants.

Blue Ribbon Corporation Limited

AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

For Year Ended June 30, 1958

Profit for the year before deducting the undernoted items.....		\$ 196,349
DEDUCT:		
Depreciation — buildings, machinery and equip- ment.....	\$ 87,215	
Remuneration of executives.....	36,836	
Legal fees.....	470	
		124,521
Profit before income taxes.....		\$ 71,828
Deduct income taxes.....		30,500
		\$ 41,328

STATEMENT OF CONSOLIDATED EARNED SURPLUS

For Year Ended June 30, 1958

Balance June 30, 1957.....		\$ 65,703
ADD:		
Transfer from reserve against future decline in inventory values.....		400,000
Net profit for the year transferred from statement of con- solidated profit and loss.....		41,328
		\$ 507,031
DEDUCT:		
Loss on sale of investments.....	\$ 3,699	
Dividends paid on preferred shares.....	85,285	
Preferred shares redeemed:		
Transfer to capital surplus arising from redemption of 6,194 shares....	\$ 309,700	
Net premium on shares redeemed, income tax thereon and expenses....	17,719	
		416,403
Balance June 30, 1958.....		\$ 90,628

Blue Ribbon Limited

OFFICES

WINNIPEG.....	<i>334 McDermot Avenue</i>
TORONTO.....	<i>142 Bermondsey Road</i>
VANCOUVER.....	<i>1043 West Hastings Street</i>

PLANTS

WINNIPEG.....	<i>334 McDermot Avenue</i>
EDMONTON.....	<i>9908—65th Avenue</i>
VANCOUVER.....	<i>1043 West Hastings Street</i>

AGENTS

MONTREAL.....	<i>Brooke Bond Canada Limited</i>
---------------	-----------------------------------

BUYING OFFICES

LONDON, ENGLAND

CALCUTTA AND COIMBATORE, INDIA

COLOMBO, CEYLON

KERICHO, KENYA

DJAKARTA, JAVA

