

**WALTER M. LOWNEY
COMPANY LIMITED**

**ANNUAL
REPORT
1952**

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**FOR THE YEAR ENDING DECEMBER THIRTY-FIRST
NINETEEN HUNDRED AND FIFTY-TWO**

Walter M. Lowney Company Limited

BOARD OF DIRECTORS

EDMUND LITTLER	T. R. HARRISON
ARNOLD WAINWRIGHT	KENNETH A. RODGERS
EDMUND LITTLER, JR.	A. C. PICARD
NORMAN HOLLAND	

OFFICERS

EDMUND LITTLER
Chairman of the Board

EDMUND LITTLER, JR.
President

KENNETH A. RODGERS
Vice-President

RICHARD E. EVANS
Secretary-Treasurer

Auditors
GEORGE A. TOUCHE & Co.

TRANSFER AGENT

CROWN TRUST COMPANY

MONTREAL

TORONTO

Walter M. Lowney Company Limited

To the Shareholders :

The Directors of your Company are pleased to submit the Annual Report covering the operations for the year ended December 31st, 1952, together with the Auditors' report.

The sales volume of your Company's products reached a new peak in 1952. The Chocolate Division attained an increase of 22.3% and the Ice Cream Division 18.4% averaging a consolidated increase of 22% over the previous year.

Operating profit for the year was \$1,307,526.00 compared with \$947,057.05 for the previous year. Full depreciation allowable for Dominion and Provincial Income Tax purposes has been applied against operations for the year and amounted to \$307,618.39 as compared with \$260,422.81 in 1951. Net profit for the year was \$374,296.51 compared to \$244,577.12 for 1951. The net earnings being equal to \$1.80 per share on the 207,190 shares issued and outstanding as compared to \$1.18 per share for the previous year.

Provision has been made in the accompanying Balance Sheet for the redemption of First Mortgage Serial Bonds in the amount of \$50,000.00, being the fourth repayment on this Issue and reducing same to \$300,000.

On December 12th your Chairman, Mr. Edmund Littler, was tendered a Dinner to commemorate the occasion of the Fiftieth Anniversary of his service and association with Lowney's. A Trans-Canada Sales Convention was held at that time with all sales representatives attending the Dinner.

Your Management was most disappointed that the Federal Budget for 1953 did not lessen the heavy burden of excise tax borne by the Industry, particularly when confectionery and allied products in Great Britain and the United States are classed as food and carry no excise taxes.

The increased demand for your Company's products continues unabated and augurs well for the future.

Your Directors wish to acknowledge the loyal and efficient services of the Officers and Employees during the past year.

Submitted on behalf of the Board.

EDMUND LITTLER, Jr.,
President

WALTER M. LOWNEY

BALANCE SHEET AT

ASSETS

CURRENT ASSETS :

Cash in Banks and on Hand	\$ 88,908.26
Accounts Receivable, less Allowance for Doubtful Accounts	1,457,949.36
Due from Subsidiary Company	50.70
Investments in Marketable Securities (Market Value — \$21,495.00)	6,644.75
Inventories as determined by the Management and valued at the lower of Cost or Market ..	1,704,770.84
TOTAL CURRENT ASSETS	\$ 3,258,323.91

OTHER ASSETS :

Investments in entirely owned Subsidiaries — at Cost	\$ 7,800.00
Trade Marks and Copyrights, less written off to date	35,000.00 42,800.00

FIXED ASSETS — AT COST :

Land and Buildings	\$1,718,615.77
Machinery and Equipment	3,362,562.41
	\$5,081,178.18
Less: Accumulated Depreciation	2,435,767.49 2,645,410.69

DEFERRED CHARGES :

Insurance Deposits and Prepaid Expenses	\$ 153,267.83
Bond Discount, less written off to date	4,500.00 157,767.83

\$6,104,302.43

Approved on behalf of the Board :

EDMUND LITTLER, Director

A. C. PICARD, Director

COMPANY LIMITED

31ST DECEMBER, 1952

LIABILITIES AND CAPITAL

CURRENT LIABILITIES :

Accounts Payable	\$ 595,995.38
Bank Loan	1,254,649.32
Dividend Payable	51,797.50
Sales and Excise Taxes Accrued	158,773.28
Income Taxes — Estimated	335,182.23
First Mortgage Serial Bonds maturing 16th April, 1953	50,000.00

TOTAL CURRENT LIABILITIES .. \$2,446,397.71

FIRST MORTGAGE BONDS :

Authorised	<u>\$2,000,000.00</u>
Issued	<u>\$ 500,000.00</u>
Outstanding :	\$ 350,000.00

Series "A" Serial Bonds 3½% maturing in
instalments of \$50,000.00 annually to 16th
April, 1959.

Less :

Portion maturing within one year, as above	50,000.00	
		<u>300,000.00</u>

CAPITAL STOCK AND SURPLUS :

Authorised :	
250,000 Shares of No Par Value.	
Issued :	
207,190 Shares of No Par Value	\$ 260,036.00
Capital Surplus	884,411.67
Earned Surplus — per Statement attached	<u>2,213,457.05</u>
	<u>3,357,904.72</u>
	<u>\$ 6,104,302.43</u>

*The above is the Balance Sheet referred to in our
Report to the Shareholders dated 26th March, 1953.*

Dated at Montreal,
26th March, 1953.

GEORGE A. TOUCHE & CO.,
Chartered Accountants.

Walter M. Lowney Company Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEARS ENDED 31ST DECEMBER, 1952 AND 1951

	1952	1951
*Earnings for year before undernoted items	\$1,307,526.00	\$ 947,057.05
<i>Add :</i>		
Income from Investments	827.00	827.00
	<u>\$1,308,353.00</u>	<u>\$ 947,884.05</u>
<i>Deduct :</i>		
Provision for Depreciation	\$ 307,618.39	\$ 260,422.81
Remuneration to Executive Officers	94,698.58	86,537.78
Bond Interest	12,937.49	14,510.62
Payment to Pension Fund	73,360.48	66,001.83
Directors' Fees	2,100.00	2,100.00
Legal Fees	2,519.67	1,821.23
	<u>493,234.61</u>	<u>431,394.27</u>
Profit for year before provision for Income Taxes \$	815,118.39	\$ 516,489.78
<i>Deduct :</i>		
Provision for Federal and Provincial Income Taxes	440,821.88	271,912.66
Net Profit for year carried to Earned Surplus Account	<u>\$ 374,296.51</u>	<u>\$ 244,577.12</u>
<i>*After charging Amortization of:—</i>		
Trademarks and Copyrights	\$5,000.00	\$ 5,000.00
Bond Discount	750.00	750.00

STATEMENT OF EARNED SURPLUS FOR THE YEARS ENDED AT 31ST DECEMBER, 1952 AND 1951

	1952	1951
Earned Surplus at 1st January	\$2,046,350.54	\$2,008,963.42
<i>Add :</i>		
Net Profit for the year ended 31st December, as above	374,296.51	244,577.12
	<u>\$2,420,647.05</u>	<u>\$2,253,540.54</u>
<i>Deduct :</i>		
Dividends Paid	\$ 155,392.50	\$ 155,392.50
Dividend declared payable 15th January	51,797.50	51,797.50
	<u>207,190.00</u>	<u>207,190.00</u>
Earned Surplus at 31st December	<u>\$2,213,457.05</u>	<u>\$2,046,350.54</u>

Walter M. Lowney Company Limited

26th March, 1953.

To the Shareholders of

Walter M. Lowney Company Limited.

We have examined the Balance Sheet of Walter M. Lowney Company Limited at 31st December, 1952, and the related Statements of Profit and Loss and Earned Surplus for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have obtained all the information and explanations we have required.

The profits of the subsidiary companies have not been included in the attached accounts, but have been carried forward on the books of those companies.

In our opinion, the accompanying Balance Sheet and related Statements of Profit and Loss and Earned Surplus are properly drawn up in conformity with generally accepted accounting principles so as to exhibit a true and correct view of the state of the Company's affairs at 31st December, 1952, and the results of its operations for the fiscal year then ended according to the best of our information and the explanations given to us and as shown by the books of the Company.

GEORGE A. TOUCHE & CO.,

Chartered Accountants.

