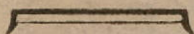


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**WALTER M. LOWNEY  
COMPANY LIMITED**

*Annual Report*  
**1951**



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# Walter M. Lowney Company Limited

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## BOARD OF DIRECTORS

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

## OFFICERS

EDMUND LITTLER  
*President and Chairman of the Board*

EDMUND LITTLER, JR.  
*Vice-President*

KENNETH A. RODGERS  
*Vice-President in Charge of Production*

RICHARD E. EVANS  
*Secretary-Treasurer*

## TRANSFER AGENT

CROWN TRUST COMPANY

MONTREAL

TORONTO



# Walter M. Lowney Company Limited

To the Shareholders:

Your Directors submit their Report for the year ended 31st December 1951, together with the Financial Statement and the Report of the Auditors.

The Excise Tax, re-imposed on confectionery by the Federal Government during the latter part of 1950, continued to affect sales adversely and consequently earnings during 1951 until some measure of relief was extended to the Industry by a reduction in the rate of tax, as outlined in the April Budget. The effect of this relief, however, was not felt until late August when retailers had disposed of the stocks which they had had on hand. Higher rates of Corporation Income Tax also contributed towards reduced earnings. Operating profit was \$947,057.05 and after provision for depreciation, income taxes etc., the net profit for the year was \$244,577.12, equal to \$1.18 per share on the 207,190 shares outstanding.

The additions to the Plant undertaken in the year 1950 were completed in the early months of 1951 and resulted in greater efficiency of operation.

Your Directors are very pleased to announce that the volume of sales of Ice Cream has for the third consecutive year shown a considerable increase with resultant improved earnings, and productive capacity of the Plant has been enlarged to meet the growing demand for this product.

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 third repayment on this Issue.

Mr. Frederic Stewart, who had been Auditor of the Company since its inception, was due to ill health compelled to tender his resignation towards the end of the year. Your Directors, on your behalf, accepted Mr. Stewart's resignation with expressions of profound regret.

Messrs. George A. Touche & Co., Chartered Accountants, were invited to succeed Mr. Stewart; their report is submitted herewith.

The Board of Directors wish to record their appreciation of the continued co-operation and efficient services of the officers and employees of your Company during the past year.

Submitted on behalf of the Board of Directors.

EDMUND LITTLER,

*President and Chairman of the Board*

# WALTER M. LOWNEY

## BALANCE SHEET AT 3

### ASSETS

#### CURRENT ASSETS :

Cash in Banks and on Hand .....	\$ 31,748.35
Accounts Receivable, less Reserve .....	1,160,074.18
Due from Subsidiary Company .....	10,637.28
Investments in Marketable Securities (Market Value — \$20,315.00) .....	6,644.75
Inventories as determined by the Management and valued at the lower of Cost or Market ..	1,626,643.88
<b>TOTAL CURRENT ASSETS .....</b>	<b><u>\$2,835,748.44</u></b>

#### OTHER ASSETS :

Investments in wholly owned Subsidiaries — at Cost .....	\$ 7,800.00
Trademarks and Copyrights, less written off to date .....	40,000.00
	<u>47,800.00</u>

#### FIXED ASSETS — AT COST :

Land and Buildings .....	\$1,718,615.77
Machinery and Equipment .....	3,054,057.35
	<u>\$4,772,673.12</u>
<u>Less:</u>	
Reserve for Depreciation .....	2,136,678.14
	<u>2,635,994.98</u>

#### DEFERRED CHARGES :

Insurance Deposits and Prepaid Expenses ..	\$ 108,267.05
Bond Discount, less written off to date .....	5,250.00
	<u>113,517.05</u>
	<u><u>\$5,633,060.47</u></u>

Approved on behalf of the Board :

EDMUND LITTLER, *Director*

A. C. PICARD, *Director*



# COMPANY LIMITED

1ST DECEMBER, 1951

## LIABILITIES AND CAPITAL

### CURRENT LIABILITIES :

Accounts Payable .....	\$ 529,530.57
Bank Loan .....	1,130,624.47
Dividend Payable .....	51,797.50
Sales and Excise Taxes Accrued .....	143,302.61
Income Taxes — Estimated .....	187,007.11
First Mortgage Serial Bonds maturing 16th April, 1952 .....	50,000.00

TOTAL CURRENT LIABILITIES .... \$2,092,262.26

### FIRST MORTGAGE BONDS :

Authorised .....	<u>\$2,000,000.00</u>
Issued .....	<u>\$ 500,000.00</u>
Outstanding : .....	<u>\$ 400,000.00</u>

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	<u>50,000.00</u>	350,000.00
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### 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>2,046,350.54</u>
	3,190,798.21
	<u><u>\$5,633,060.47</u></u>

*The above is the Balance Sheet referred to in our  
Report to the Shareholders dated 14th March, 1952.*

Dated at Montreal,  
14th March, 1952.

GEORGE A. TOUCHE & CO.,  
Chartered Accountants.

# Walter M. Lowney Company Limited

## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST DECEMBER, 1951

*Earnings for year before undernoted items .....	\$ 947,057.05
<u>Add :</u>	
Income from Investments .....	827.00
	<u>\$ 947,884.05</u>
<u>Deduct :</u>	
Provision for Depreciation .....	\$ 260,422.81
Remuneration to Executive Officers .....	86,537.78
Bond Interest .....	14,510.62
Payment to Pension Fund .....	66,001.83
Directors' Fees .....	2,100.00
Legal Fees .....	1,821.23
	<u>431,394.27</u>
Profit for year before provision for Income Taxes	\$ 516,489.78
<u>Deduct :</u>	
Provision for Dominion and Provincial Income Taxes .....	271,912.66
Net Profit for year carried to Earned Surplus Account .....	<u>\$ 244,577.12</u>
*After charging Amortization of :—	
Trademarks and Copyrights ....	\$5,000.00
Bond Discount .....	750.00

## STATEMENT OF EARNED SURPLUS AT 31ST DECEMBER, 1951

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



# Walter M. Lowney Company Limited

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14th March, 1952.

To the Shareholders of

Walter M. Lowney Company Limited.

We have examined the Balance Sheet of Walter M. Lowney Company Limited at 31st December, 1951, 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. The accounts of the Company as at 31st December, 1950, as reported on by the previous auditor have been accepted by us, and 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, 1951, 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.*







