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WALTER M. LOWNEY  
COMPANY LIMITED

ANNUAL  
REPORT  
1950



PURVIS HALL

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

APR 10 1951

McGILL UNIVERSITY



# 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*





# WALTER M. LOWNEY COMPANY LIMITED

Montreal, March 15th. 1951

To the Shareholders:

Your Directors submit the Annual Report of the Auditor covering the operations of the Company for the year ended, December 31st, 1950.

Operating profit for the year was \$1,180,689.89, and after making provision for depreciation and payments to Pension Fund, and Dominion and Provincial Income Taxes, the net profit for the year 1950 was \$432,669.92, equal to \$2.08 per share on the 207,190 shares outstanding. The net profit for the year 1949 was \$593,849.12, equal to \$2.86 per share on the outstanding shares.

Additions to the Plant, as mentioned in the last Annual Report, were undertaken during 1950 in order to meet the increased demand for the products of your Company. At the present time these additions have been practically completed. However, the imposition of Excise Tax in September, 1950, severely curtailed the sales of chocolates in the following months, with the result that the sales for the year 1950 were lower than those of the preceding year.

The initial payment of \$50,000. to be applied against the First Mortgage Serial "A" Bonds was made on April 16th, 1950, leaving a balance of \$450,000. A further payment of \$50,000. is to be made in April 1951 on this indebtedness.

Your Directors are happy to announce that LOWNEY'S ICE CREAM has now become firmly established in Montreal and is receiving the public recognition due to a product of superior quality. Sales for the second year of operations showed a considerable increase over sales for the prior year.

By Order of the Board of Directors,

EDMUND LITTLER,

*President and Chairman of the Board*

# WALTER M. LOWNEY

## BALANCE SHEET AS AT

### ASSETS

#### CURRENT ASSETS:

Cash on Hand and in Bank .....	\$	31,434.02
Accounts Receivable .....	\$	933,929.36
Less: Reserve for Doubtful Accounts .....	25,655.33	908,274.03
Due from Subsidiary Company .....		11,797.74
Refundable Excess Profits Tax .....		29,631.09
(Receivable in 1951)		
Investments in Marketable Securities — at cost (Market Value \$15,520.00)		6,644.75
Inventories as determined by the Management and certified to be valued at the lower of cost or market .....		2,440,342.70
TOTAL CURRENT ASSETS .....		\$3,428,124.33

Investments in entirely owned Subsidiaries — at cost .....	7,800.00
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Fixed Assets — at cost,		
Land and Buildings .....	\$1,477,815.35	
Machinery and Equipment .....	2,712,909.61	
	4,190,724.96	
Less: Reserve for Depreciation .....	1,880,264.97	2,310,459.99
Insurance Deposits and Prepaid Expenses .....		131,202.44
Trade Marks and Copyrights .....		45,000.00
TOTAL ASSETS: .....		<u>\$5,922,586.76</u>

*Signed on behalf of the Board:*

EDMUND LITTLER, *Director*

A. C. PICARD, *Director*

# COMPANY LIMITED

DECEMBER 31ST, 1950

## LIABILITIES AND CAPITAL

### CURRENT LIABILITIES:

Accounts Payable .....	\$ 895,090.42
Bank Loan .....	1,092,450.31
Dividend payable .....	51,797.50
Sales and Excise Taxes accrued .....	124,782.08
Provision for taxes on income .....	155,055.36
First Mortgage Serial Bonds — Series "A" ....	\$ 450,000.00
(Maturing \$50,000. annually to April 16, 1959)	
Less: Amount due after one year .....	400,000.00    50,000.00
TOTAL CURRENT LIABILITIES .....	<u>\$2,369,175.67</u>

### Deferred Liability,

First Mortgage Serial Bonds — Series "A" .....	400,000.00
TOTAL LIABILITIES .....	<u>2,769,175.67</u>

### CAPITAL STOCK AND SURPLUS

Authorized — 250,000 shares N.P.V. ....	
Issued — 207,190 shares N.P.V. ....	\$ 260,036.00
Capital Surplus .....	884,411.67
Earned Surplus (As per statement attached) .....	2,008,963.42    3,153,411.09
TOTAL LIABILITIES AND CAPITAL .....	<u><u>\$5,922,586.76</u></u>

*Submitted with my Report dated February 22nd, 1951.*

FREDERIC STEWART,

Montreal, P.Q.

Auditor

# WALTER M. LOWNEY COMPANY LIMITED

## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED DECEMBER 31ST, 1950

Net Profit for year before undernoted items .....	\$1,180,689.89
Add: Income from Investments .....	717.00
	<u>1,181,406.89</u>
Deduct:	
Provision for Depreciation .....	\$ 229,881.27
Directors' Fees .....	2,100.00
Remuneration to Executive Officers .....	118,565.90
Bond interest paid and accrued .....	16,260.61
Payment to Pension Fund .....	62,293.98
Legal Fees .....	2,642.05
	<u>431,743.81</u>
Net Profit for year before provision for Income Taxes .....	749,663.08
Deduct: Provision for Dominion and Provincial Income Taxes .....	316,993.16
	<u>432,669.92</u>
Net Profit for year carried to Earned Surplus Account .....	<u>\$ 432,669.92</u>

## STATEMENT OF EARNED SURPLUS AS AT DECEMBER 31ST, 1950

Earned Surplus as at January 1st, 1950 .....	\$1,776,806.57
Add: Refund of Income Tax for prior years .....	6,676.93
Net Profit for the year as above .....	432,669.92
	<u>2,216,153.42</u>
Deduct:	
Dividends paid .....	\$ 155,392.50
Dividend declared payable January 15, 1951 ....	51,797.50
	<u>207,190.00</u>
Earned Surplus as at December 31st, 1950 .....	<u>\$ 2,008,963.42</u>



# WALTER M. LOWNEY COMPANY LIMITED

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## REPORT OF THE AUDITOR TO THE SHAREHOLDERS

*I have examined the Balance Sheet of Walter M. Lowney Company, Limited, as of December 31st, 1950, and the related Statements of Profit and Loss and Earned Surplus for the year then ended. My examination was made in accordance with generally accepted accounting standards applicable in the circumstances and included such tests of the accounting records and other supporting evidence, and such other procedure as I considered necessary.*

*On the above basis and according to the best of my information and explanations given to me I report that in my opinion the attached Balance Sheet of Walter M. Lowney Company Limited, and the related Statements of Profit and Loss and Earned Surplus have been drawn up so as to exhibit a true and correct view of the financial position of the Company as at December 31st, 1950, and the results of its operations for the year ended on that date, as shown by the books of the Company.*

FREDERIC STEWART,

*Auditor*

Montreal, P.Q.,  
February 22, 1951.





