

WALTER M. LOWNEY  
COMPANY LIMITED

ANNUAL REPORT  
1948

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*For the Year Ending December 31, 1948*

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*

R. E. EVANS  
*Secretary-Treasurer*



# WALTER M. LOWNEY COMPANY LIMITED

To the Shareholders:

Montreal, March 15, 1949

Your Directors submit herewith the Annual Report of your Company, with Balance Sheet, for the year ended December 31st, 1948, certified correct by the Company's Auditor.

The result of the year's operations, after making provision for Dominion and Provincial Income Taxes shows earnings of \$567,032.58, equal to \$2.73 per share on the outstanding common stock of the Company, reflecting a considerable increase over the previous fiscal period.

During 1948 for the benefit of the shareholders in Ontario and elsewhere your Company applied for listing of its stock on the Toronto Stock Exchange. The application was approved and the stock was called for listing on September 20th, 1948.

An ever increasing demand for LOWNEY products is reflected in a further expansion of Plant output in excess of the production for the year 1947.

Towards the close of the year your Directors approved the purchase of the Ice Cream Division of Domestic Brands Inc., together with the building situated at 10320 Lajeunesse Street, Montreal, which comprises an up-to-date Ice Cream Plant of the most modern type. The Management is happy to announce that before the close of April LOWNEY'S Ice Cream will be manufactured for the Montreal market and vicinity.

With profound sorrow we record the death early in 1948 of one of the Company's Directors, in the person of Mr. George Hogg, who had been a member of the Board for many years, and who through his sound advice and wise counsel served our Organization so well.

At the last annual meeting of Shareholders, Mr. Norman Holland was elected as a Director to succeed the late Mr. Hogg. Mr. Holland who is well known in the world of business and philanthropy brings to the Board an abundance of experience in the commercial field.

The Directors again wish to acknowledge their appreciation of the contribution by the staff and employees towards the success of the year's operations.

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 .....	\$ 133,194.23	
Accounts Receivable .....	\$1,180,776.18	
Less: Reserve for Bad Debts .....	25,655.33	1,155,120.85
Due from Subsidiary Company .....		15,202.29
Refundable portion of Excess Profits Tax for 1943 receivable in 1949 .....		51,304.75
Investments in Marketable Securities — at cost (Market Value \$9,387.50) .....		6,644.75
Merchandise Inventories — as certified and valued by responsible Officials of the Company at the lower of cost or market ....		960,695.44
<b>TOTAL CURRENT ASSETS .....</b>		<b>\$ 2,322,162.31</b>
Investment in entirely owned Subsidiaries — at Cost .....		7,800.00
Fixed Assets — at Cost		
Land and Buildings .....	\$ 1,281,387.63	
Machinery and Equipment .....	1,791,738.96	
	3,073,126.59	
Less: Reserve for Depreciation .....	1,401,655.83	1,671,470.76
Refundable portion of Excess Profits Tax not receivable within 12 months .....		57,288.02
Insurance Deposits and Prepaid Expenses .....		94,621.96
Trade Marks and Copyrights .....		55,000.00
<b>TOTAL ASSETS .....</b>		<b>\$ 4,208,343.05</b>

*Signed on behalf of the Board:*

EDMUND LITTLER, *Director*

A. C. PICARD, *Director*

# COMPANY LIMITED

DECEMBER 31st, 1948

## LIABILITIES AND CAPITAL

### CURRENT LIABILITIES:

Accounts Payable and Accruals .....	\$ 444,438.76
Accounts Payable Properties .....	723,087.50
Dividend Payable .....	51,797.50
Excise and Sales Taxes accrued .....	231,100.20
Provision for Dominion and Provincial Income Taxes — after payments thereon ..	223,323.98
<b>TOTAL CURRENT LIABILITIES .....</b>	<b>\$ 1,673,747.94</b>

### CAPITAL STOCK AND SURPLUS

Authorized — 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 .....	1,390,147.44
As per statement attached	<u>2,534,595.11</u>

**TOTAL LIABILITIES AND CAPITAL .....** \$ 4,208,343.05

*Submitted with my Report dated February 18th, 1949.*

FREDERIC STEWART,

*Auditor*

Montreal, P.Q.

# WALTER M. LOWNEY COMPANY LIMITED

## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED DECEMBER 31ST, 1948

Net Profit for Year before taking into account the charges shown below .....		\$ 1,171,030.45
ADD: Income from Investments .....		10,595.61
		<u>1,181,626.06</u>
DEDUCT:		
Provision for Depreciation .....	\$ 57,630.32	
Directors' Fees .....	2,025.00	
Remuneration to Executive Officers .....	151,440.38	
Payment to Pension Fund .....	57,883.23	
Legal Fees .....	2,293.67	271,272.60
		<u>910,353.46</u>
Net Profit for Year before providing for Income Taxes .....		910,353.46
DEDUCT:		
Provision for Dominion and Provincial Income Taxes .....		343,320.88
		<u>567,032.58</u>
Net Profit for Year carried to Earned Surplus Account .....		<u>\$ 567,032.58</u>

## STATEMENT OF EARNED SURPLUS DECEMBER 31ST, 1948

Earned Surplus as at January 1st, 1948 .....		\$ 1,030,304.86
ADD: Net Profit for the Year — as above .....		567,032.58
		<u>1,597,337.44</u>
DEDUCT:		
Dividends Declared and Paid .....	\$ 155,392.50	
Dividends Declared payable Jan. 15, 1949 ..	51,797.50	207,190.00
		<u>\$ 1,390,147.44</u>
Earned Surplus as at December 31st, 1948 .....		<u>\$ 1,390,147.44</u>
(Including refundable portion of Excess Profits Taxes \$108,592.77, of which sum \$51,804.75 is refundable in 1949)		

# 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, 1948, 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, 1948, 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 18, 1949





