

WALTER M. LOWNEY
COMPANY LIMITED



ANNUAL REPORT
1947



For the Year Ending December 31, 1947

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WALTER M. LOWNEY COMPANY LIMITED

BOARD OF DIRECTORS

EDMUND LITTLER ARNOLD WAINWRIGHT, K.C.
GEORGE HOGG KENNETH A. RODGERS
EDMUND LITTLER, JR. T. R. HARRISON
A. C. PICARD

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

pres - direct

WALTER M. LOWNEY COMPANY LIMITED

Montreal, March, 15 1948

To the Shareholders:

The Directors of your Company are pleased to submit the Annual Report of the operations of the Company for the year ended December 31, 1947, together with the Auditor's Report.

The net earnings for the year, after making provision for Dominion and Provincial Income and Excess Profits taxes, amounted to \$330,409.40, equal to \$1.59 per share on the outstanding common shares of the Company.

During the year under review raw materials became gradually more plentiful; sugar quotas were progressively increased until rationing was finally discontinued in November 1947. As a result of these increases in essential raw materials more candy was made available to the Canadian Market, and more LOWNEY merchandise was in evidence in the retail stores.

The new warehouse, which was under construction in the City of Vancouver, was formally opened in September 1947. Other construction undertaken during the year, as part of Lowney's expansion program, involved the erection of a new building, and the installation of equipment at our Dairy located at St. Cuthbert, near Berthierville, P.Q. At this Dairy, milk collected from farms in the surrounding countryside, is processed by evaporation and from thence conveyed in tank trucks of stainless steel to your factory in Montreal, thus ensuring an adequate supply of pure milk for LOWNEY'S products.

In August 1947, your Export Sales Manager, Mr. Eric Shorey, set out on a trip around the world by air, using the first 'Round the World' Air Passenger ticket issued by the Trans-Canada Air Lines. The purpose of the trip was to survey export markets; to confer with established Importers overseas, and to appoint Agents in Countries where we had not hitherto been represented.

At the Annual Meeting of the Company held on April 11, 1947, Mr. E. J. Roberts, formerly a Director and Vice-President in Charge of Sales, due to the condition of his health, tendered his resignation as a Director and Officer of the Company. He was succeeded as a Director by Mr. A. C. Picard of Quebec City. Mr. Picard is well known as a man of broad business experience and sound judgment.

At the meeting of Directors held immediately following the Annual meeting of Shareholders, Mr. Edmund Littler, Jr., was elected a Vice-President of the Company. Mr. Littler Jr. joined the Company in 1929 and had held the position of Assistant to the President.

Your Directors are happy to record their appreciation of the efficient services rendered by the employees during the year.

By order of the Board of Directors,

EDMUND LITTLER,

President and Chairman of the Board

WALTER M. LOWNEY



BALANCE SHEET AS A

ASSETS

CURRENT ASSETS:

Cash on Hand and in Bank	\$ 265,189.96
Accounts Receivable	\$ 652,702.36
Less: Reserve for Bad Debts	15,655.33
	637,047.03
Due from Subsidiary Company	78,545.94
Refundable portion of the Excess Profits Tax for 1942 receivable in 1948	12,855.10
Investments in Marketable Securities — at Cost (Market Value \$322,580)	306,644.75
Merchandise Inventories — as Certified and valued by responsible Officials of the Company at the lower of cost or market	728,730.44
TOTAL CURRENT ASSETS	\$2,029,013.22
Investments in entirely owned Subsidiaries	7,800.00
Fixed Assets — at Cost	
Land and Buildings	\$ 654,626.98
Machinery and Equipment	1,258,531.68
	\$1,913,158.66
Less: Reserve for Depreciation	1,343,606.31
	569,552.35
Refundable portion of Excess Profits Tax not receivable within 12 months	108,592.77
Insurance Deposits and Prepaid Expenses	76,883.85
Trade Marks and Copyrights	60,000.00
TOTAL ASSETS	\$2,851,842.19

Signed on behalf of the Board:

EDMUND LITTLER, *Director*

A. C. PICARD, *Director*

COMPANY LIMITED



DECEMBER 31st, 1947

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

Accounts Payable	\$ 254,561.70
Dividend Payable	36,258.25
Excise and Sales Taxes Accrued	137,750.58
Provision for Dominion and Provincial In- come and Excess Profits Taxes	248,519.13
TOTAL CURRENT LIABILITIES	\$ 677,089.66

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	1,030,304.86
As per statement attached	<u>2,174,752.53</u>

TOTAL LIABILITIES AND CAPITAL.....	<u><u>\$2,851,842.19</u></u>
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Submitted with my Report dated February 7th, 1948.

FREDERIC STEWART,

Auditor

Montreal, P.Q.

WALTER M. LOWNEY COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED DECEMBER 31ST, 1947

Net Profit for Year before taking into account the charges shown below		\$ 827,974.89
ADD: Income from Investments		9,384.00
		<u>\$ 837,358.89</u>
DEDUCT:		
Provision for Depreciation	\$ 35,353.42	
Directors' Fees	270.00	
Remuneration to Executive Officers	119,884.07	
Payment to Pension Fund	57,349.05	
Legal Fees	573.82	213,430.36
		<u>213,430.36</u>
Net Profit for Year before providing for income taxes		\$ 623,928.53
DEDUCT:		
Provision for Income and Excess Profits Taxes Dominion and Provincial		293,519.13
		<u>293,519.13</u>
Net Profit for the Year Carried to Earned Surplus Account		<u><u>\$ 330,409.40</u></u>

STATEMENT OF EARNED SURPLUS DECEMBER 31ST, 1947

Earned Surplus as at January 1st, 1947		\$ 824,209.46
ADD: Net Profit for the Year — as above		330,409.40
		<u>\$1,154,618.86</u>
DEDUCT:		
Dividends Declared and Paid	\$ 88,055.75	
Dividends Declared Payable January 15, 1948	36,258.25	124,314.00
		<u>124,314.00</u>
Earned Surplus as at December 31st, 1947		<u><u>\$1,030,304.86</u></u>
<small>(Including refundable portion of Excess Profits taxes \$121,447.87 of which sum \$12,855.10 is refundable in 1948)</small>		

WALTER M. LOWNEY COMPANY LIMITED

REPORT OF THE AUDITOR TO THE SHAREHOLDERS

I have examined the Balance Sheet of Walter M. Lowney Company, Limited, as of December 31st, 1947, 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 procedures as I considered necessary.

On the above basis and according to the best of my information and the 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, 1947, 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 7th, 1948

