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# **Walter M. Lowney Company**

**LIMITED**

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## **ANNUAL REPORT**

**1946**

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For the Year Ending December 31, 1946

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# WALTER M. LOWNEY COMPANY LIMITED

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## BOARD OF DIRECTORS

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

## OFFICERS

EDMUND LITTLER  
*President and Chairman of the Board*

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

E. J. ROBERTS  
*Vice-President in Charge of Sales*

R. E. EVANS  
*Secretary-Treasurer*

# WALTER M. LOWNEY COMPANY, LIMITED

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of the Shareholders of Walter M. Lowney Company, Limited, will be held at the head office of the Company, 350 Inspector Street, in the City of Montreal, on Friday, April 11th, 1947, at the hour of 12 o'clock Noon, for the following purposes, namely:

- (a) To receive the Annual Report of the Directors, Balance Sheet and Auditors' Report for the year ended 31st December, 1946.
- (b) To elect Directors for the ensuing year.
- (c) To appoint an Auditor for the ensuing year.
- (d) To transact such other business as may properly be brought before the Meeting.

By order of the Board,

R. E. EVANS,  
Sec.-Treas.

Montreal, P.Q.,  
March 12th, 1947.

*If unable to attend the Meeting kindly sign and return the proxy attached hereto.*





# WALTER M. LOWNEY COMPANY LIMITED

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Montreal, March 12, 1947.

To the Shareholders:

The Board of Directors is pleased to submit the Annual Report of the Company together with the Financial Statement and report of the Auditor for the fiscal year ended December 31st, 1946.

The net profit for the year, after making provision for Income and Excess Profits taxes, amounted to \$161,916.12, equal to 78 cents per share on the outstanding 207,190 shares of common stock of the Company, being a slight increase over the net profit for the year 1945.

Progressively through the year the allocation of sugar was increased from 50% to 70% and the Canadian Government has now announced a further increase in the sugar allocation to 80% based on 1941 consumption. This additional sugar will mean a further increase in the volume of the Company's sales in 1947. During the year under review the sale of LOWNEY'S products in the export field expanded considerably, particularly in South Africa, and this expansion was accomplished without reducing quotas in the Canadian market.

Work was commenced in 1946 on the construction of a new warehouse in Vancouver suitable to the requirements of the Company in British Columbia. This building will comprise four storeys, including the basement, being fabricated of reinforced concrete.

For a considerable time your Directors had contemplated the creation of a Pension Plan for the benefit of the Company's employees, and in the year 1946 such a Plan was inaugurated in the form of a Pension Trust. Future service pensions will be built up by contributions from the employee of a sum equal to 5% of the employees earnings and the Company will contribute a like amount. The Company has also purchased Past Service Pensions for the employees on the basis of 1% of their current earnings and an initial payment of \$37,635.28 for this purpose was made to The Royal Trust Company, the Corporate Trustees of the Plan.

At the annual meeting of the Company held on April 12, 1946, Mr. W. C. LePetrie, Vice-President of the Company since its inception, retired from that office, and also resigned as a Director of the Company. He was succeeded by Mr. Kenneth A. Rodgers, as a Director and Vice-President in Charge of Production. Mr. Rodgers has been associated with the Company for over thirty years and was formerly Plant Superintendent.

Your Directors desire to express their appreciation of the loyal and capable services of the staff and employees in the conduct 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**

## A S S E T S

### CURRENT ASSETS:

Cash on Hand and in Bank .....	\$ 36,285.89
Accounts Receivable .....	\$ 595,843.73
Less: Reserve for Doubtful Accounts .....	15,655.33    580,188.40
	<hr/>
Due from Subsidiary Company .....	9,144.37
Investments in Marketable Securities .....	306,644.75
(Market value \$324,060.00)	
Merchandise Inventories — as certified and valued by responsible Officials of the Com- pany at cost or market whichever is lower	<hr/> 988,699.08
<b>TOTAL CURRENT ASSETS</b> .....	<b>\$1,920,962.49</b>
Investments in entirely owned subsidiaries ....	7,800.00
Fixed Assets: Valued at cost	
Land and Buildings .....	\$ 527,355.99
Machinery and Equipment .....	1,145,055.79
	<hr/> 1,672,411.78
Less: Reserve for Depreciation .....	1,307,753.88    364,657.90
	<hr/>
Deferred Assets and Prepaid Expenses:	
Refundable portion of Excess Profits Tax	121,447.87
Insurance Deposits and Prepaid Expenses	72,485.10    193,932.97
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Trade Marks and Copyrights .....	65,000.00
	<hr/>
<b>TOTAL ASSETS</b> .....	<b><u><u>\$2,552,353.36</u></u></b>

*Signed on behalf of the Board:*

# COMPANY LIMITED



December 31st, 1946

## LIABILITIES AND CAPITAL

### CURRENT LIABILITIES:

Accounts Payable .....	\$ 350,754.47	
Dividend Payable .....	25,898.75	
Excise and Sales Taxes accrued .....	133,181.21	
Provision for Income and Excess Profits		
Taxes .....	73,861.80	
	<hr/>	
TOTAL CURRENT LIABILITIES .....		\$ 583,696.23

### 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, as per Statement attached ..	824,209.46	1,968,657.13
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TOTAL LIABILITIES AND CAPITAL .....	<u><u>\$2,552,353.36</u></u>
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EDMUND LITTLER, *Director*

GEORGE HOGG, *Director*

# WALTER M. LOWNEY COMPANY LIMITED

## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED DECEMBER 31ST, 1946

Net Profit for year before taking into account the charges shown below .....		\$ 394,207.01
ADD:		
Income from Investments .....	\$ 17,698.27	
Gain from sale of securities .....	13,940.75	31,639.02
		<hr/> 425,846.03
DEDUCT:		
Provision for Depreciation .....	34,083.63	
Directors fees .....	135.00	
Remuneration to Executive Officers .....	71,537.39	
Payment to Pension Fund .....	39,078.83	
Legal Fees .....	233.26	145,068.11
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Net Profit for year before providing for Income Taxes thereon .....		280,777.92
DEDUCT:		
Provision for Income and Excess Profits Taxes .....		118,861.80
		<hr/>
Net Profit for year carried to Earned Surplus Account .....		<u><u>\$ 161,916.12</u></u>

## STATEMENT OF EARNED SURPLUS

Earned Surplus as at 1st January, 1946 .....	\$ 765,888.34	
ADD: Net Profit for year as above .....	161,916.12	
		<hr/> 927,804.46
DEDUCT: Dividends declared and paid .....	\$ 77,696.25	
Dividend declared payable January 15, 1947 .....	25,898.75	103,595.00
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Earned Surplus as at 31st December, 1946 .....		<u><u>\$ 824,209.46</u></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, 1946, 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, 1946, and the results of its operations for the year.*

FREDERIC STEWART,

*Auditor*

Montreal, P.Q.  
February 8th, 1947.

WATER & POWER

WATER & POWER