

Holt, Renfrew
& COMPANY LIMITED



N O W A C R O S S C A N A D A

Annual Report

1954

PURVIS HALL
LEBANON
APR 4 1955
MICHIGAN STATE UNIVERSITY

H O L T , R E N F R E W & C O M P A N Y , L I M I T E D

HEAD OFFICE •

1300 SHERBROOKE STREET WEST,
MONTREAL, P.Q.

DIRECTORS

GEORGE H. BEESTON
GEORGE B. FOSTER, Q.C.
WILFRID GAGNON
R. GLENN LIDDY
DUNCAN K. MacTAVISH, Q.C.
JOHN G. McCONNELL
PAUL L. NATHANSON
ALVIN J. WALKER
R. HOWARD WEBSTER

OFFICERS

ALVIN J. WALKER
President and Managing Director
JOHN G. McCONNELL
Vice-President
R. GLENN LIDDY
Secretary-Treasurer

BRANCH STORES

Toronto—*Yonge and Adelaide Streets*
Quebec City—*City Hall Square*
Ottawa—*182 Queen Street*
Hamilton—*28 King Street East*
London—*196 Dundas Street*
Winnipeg—*Portage and Carlton Streets*
Calgary—*227 Seventh Avenue West*
Edmonton—*10336 Jasper Avenue*

FOREIGN OFFICES

U.S.A.—*1440 Broadway, New York, N.Y.*
England—*315-317 Oxford Street, London W.1*
France—*13, rue Royale, Paris*
Belgium and Holland—*19, rue des Chartreux,
Brussels*
Germany—*Rathenauplatz 1A, Frankfurt-am-
Main*
Italy—*via Tornabuoni 2, Florence
via Pietro Verri 10, Milan*
Austria—*Strauchgasse 1, Vienna*
Ireland—*59, Scottish Temperance Building,
Belfast*
Portugal—*Ave. Defensores-de-Chavez 42,
Lisbon*
Spain—*Balmes 205, Barcelona*
Sweden—*Drottninggatan 14, Stockholm*
Switzerland—*Bahnhofstrasse 57A, Zurich*



HEAD OFFICE — MONTREAL

HOLT, RENFREW & CO., LIMITED...founded in 1837...now have nine stores across Canada. The store in Quebec City opened in 1837; Toronto in 1889; Montreal and Winnipeg in 1910; Ottawa in 1942; Hamilton in 1945; Edmonton in 1950; Calgary in 1952; London in 1953. Branch Shops are maintained in the leading hotels in five of Canada's most important cities. Also a large Branch Shop in the Dorval Gardens Shopping Centre, adjacent to Montreal. The Company also operates its own Mink Ranch in the Province of Quebec.

H O L T , R E N F R E W & C O M P A N Y , L I M I T E D

TO THE SHAREHOLDERS • Your Directors submit the 118th Annual Report of operations of your Company together with statements of Assets and Liabilities, Earnings and Earnings Retained in the Business for the year ended January 31st, 1955 as audited by Price Waterhouse & Co.

The year upon which we are reporting, has resulted in steady progress. Sales and gross profits have increased but our costs have increased materially also. The figures will indicate that the net result, a profit of \$247,584 represents an increase over the previous year of 12.1%. We are pleased to report that the Current Assets at \$3,860,431 represent \$3.36 for each \$1 of Current Liabilities.

Earnings before providing for Income Taxes were \$475,584, an increase of \$61,756. Federal, Provincial and other taxes absorbed slightly less than one-half of this amount, leaving \$247,584. Of this amount we paid First Preferred dividends of \$46,790, Bond Issue expense of \$24,287, and provided a Sinking Fund for First Preferred shares of \$66,931. These and other charges reduced Earnings Retained in the Business by \$172,671 bringing the accumulated earnings retained to \$1,021,395.

During the year we retired the outstanding balance of 5% First Mortgage Bonds due July 1st, 1967 of \$374,000 and created a new Twenty-Year 5% First (Closed) Mortgage Sinking Fund Bond issue of \$1,500,000. From this, funds were provided with which we retired the Bank Loan of \$670,000 as at January 31st, 1954.

Your Directors considered that a more informative statement of our financial position would be exhibited by increasing the value of Land and Buildings to their appraised value, resulting in the creation of an Appraisal Surplus of \$1,138,882. To that surplus was charged the Goodwill item heretofore carried as an Asset at \$772,453, leaving a balance in Appraisal Surplus of \$366,429.

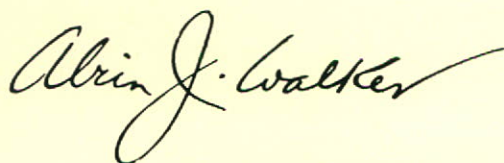
There were retired through Sinking Fund, 642 First Preferred shares, reducing the outstanding number to 9,358. A Capital Surplus of \$32,100 has resulted.

Shareholders will be requested to consider By-Law No. XXIV, increasing the number of Directors from 9 to 10.

The new Bloor Street Store in Toronto will be ready for occupation about the middle of August this year and when we move, the store at Yonge and Adelaide Streets will be closed.

The Directors and Officers again wish to record their appreciation of the continued loyalty and splendid efforts of the employees, without whose co-operation the results of the year 1954 could not have been attained.

Submitted on behalf of the Board of Directors,



President and Managing Director

APRIL 1ST, 1955



Holt, Renfrew & COMPANY LIMITED

BALANCE

ASSETS

	1955	1954
CURRENT ASSETS:		
Cash	\$ 348,903	\$ 78,987
Accounts receivable, less allowance for doubtful accounts	1,696,235	1,641,845
Merchandise valued at the lower of approximate cost or market	1,700,805	1,424,924
Prepaid taxes, insurance, etc., including deposits with insurance underwriters	114,488	120,453
	<u>\$3,860,431</u>	<u>\$3,266,209</u>
CAPITAL ASSETS:		
Land and buildings (see note)	\$1,828,797	\$1,022,540
Deduct: Accumulated depreciation	—	304,259
	<u>\$1,828,797</u>	<u>\$ 718,281</u>
Furniture and fixtures, automobiles, etc., at cost	\$ 674,598	\$ 635,379
Deduct: Accumulated depreciation	485,974	439,309
	<u>\$ 188,624</u>	<u>\$ 196,070</u>
GOODWILL (see note)	\$2,017,421	\$ 914,351
	<u>—</u>	<u>772,453</u>
	<u>\$2,017,421</u>	<u>\$1,686,804</u>
OTHER ASSETS AND DEFERRED CHARGES:		
Investment in wholly-owned subsidiary, at cost	\$ 24,000	\$ 24,000
Securities of Mottly Eitingon Inc. stated at written down value	1	25,000
Alterations to leased premises — unamortized balance	82,165	29,260
Unamortized bond discount	43,500	—
	<u>\$ 149,666</u>	<u>\$ 78,260</u>
SIGNED ON BEHALF OF THE BOARD:	<u>\$6,027,518</u>	<u>\$5,031,273</u>
ALVIN J. WALKER, Director		
R. GLENN LIDDY, Director		

NOTE TO FINANCIAL STATEMENTS

Land and buildings at January 31 1955 are stated at depreciated replacement values as at that date as appraised by Canadian Appraisal Company Limited; at January 31 1954 these assets were valued at cost less accumulated depreciation. The excess of the appraised value over cost less depreciation at January 31 1955, amounting to \$1,138,882, has been credited to appraisal surplus against which goodwill, previously carried at \$772,453, has been written off.

S H E E T A S A T J A N U A R Y 3 1 1 9 5 5

L I A B I L I T I E S

CURRENT LIABILITIES:	1 9 5 5	1 9 5 4
Demand loans from bank	\$ —	\$ 670,000
Accounts payable and accrued liabilities	686,326	700,801
Dividend payable on first preferred shares	23,395	25,000
Bond interest due and accrued	15,938	1,558
Bond redemption payment due within one year	75,000	10,000
Prepaid storage and interest and sundry credit balances	115,476	110,232
Income and other taxes	230,554	137,924
	<u>\$1,146,689</u>	<u>\$1,655,515</u>
 LONG-TERM DEBT:		
5% First mortgage bonds — redeemed June 1 1954	\$ —	\$ 364,000
5% First (closed) mortgage sinking fund bonds — maturing June 1 1974, \$75,000 redeemable annually	1,500,000	—
<i>Deduct:</i> Redemption payment due June 1 1955, included with current liabilities	75,000	—
	<u>\$1,425,000</u>	<u>\$ 364,000</u>
 SHAREHOLDERS' EQUITY:		
Capital stock —		
Cumulative redeemable first preferred —		
Authorized and issued — 10,000 shares of \$50 each, less 642 shares redeemed during the year ended January 31 1955	\$ 467,900	\$ 500,000
Redeemable second preferred —		
Authorized and issued — 10,000 shares of \$50 each	500,000	500,000
Common —		
Authorized and issued — 10,000 shares of \$100 each	1,000,000	1,000,000
Surplus arising from restatement of land and buildings at appraised values, less goodwill written off (see note)	366,429	—
Capital surplus, representing par value of first preferred shares redeemed	32,100	—
Reserve for redemption of first preferred shares	68,005	65,276
Earnings retained in the business, per statement attached	1,021,395	946,482
	<u>\$3,455,829</u>	<u>\$3,011,758</u>
	<u>\$6,027,518</u>	<u>\$5,031,273</u>

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS
DATED MARCH 29 1955

PRICE WATERHOUSE & Co.
Chartered Accountants.



Holt, Renfrew & COMPANY LIMITED

STATEMENT OF EARNINGS FOR THE YEAR ENDED JANUARY 31 1955

	1955	1954
Profit from operations after deducting selling and general expenses and providing for doubtful accounts, but before deducting the undernoted items	\$ 722,534	\$ 659,266
Executive remuneration	\$ 74,200	\$ 73,500
Directors' fees	4,000	4,700
Interest on bonds	56,178	18,908
Interest on bank loans	16,040	40,448
Amortization of bond discount	1,500	—
Depreciation —		
Buildings	29,913	31,573
Furniture and fixtures, automobiles, etc.	50,088	51,761
Amortization of alterations to leased premises	15,031	24,548
	<u>\$ 246,950</u>	<u>\$ 245,438</u>
Earnings before providing for income taxes	\$ 475,584	\$ 413,828
Provision for income taxes	228,000	193,000
Net earnings for the year	<u>\$ 247,584</u>	<u>\$ 220,828</u>

STATEMENT OF EARNINGS RETAINED IN THE BUSINESS FOR THE YEAR ENDED JANUARY 31 1955

	1955	1954
Balance at beginning of year	\$ 946,482	\$ 921,647
Net earnings for the year, as above	247,584	220,828
	<u>\$1,194,066</u>	<u>\$1,142,475</u>
Dividends on first preferred shares	\$ 46,790	\$ 25,000
Transfer to reserve for redemption of first preferred shares	66,931	65,276
Adjustment of prior years' income taxes	3,250	(24,346)
Amount written off investment in securities of Motty Eitingon Inc.	24,999	27,563
Expenses of bond issue	24,287	—
Tax on premium on redemption of first preferred shares	6,414	—
Payment of \$10.25 per share to holders of 7% cumulative preferred shares redeemed in 1953	—	102,500
	<u>\$ 172,671</u>	<u>\$ 195,993</u>
Balance at end of year	<u>\$1,021,395</u>	<u>\$ 946,482</u>

A U D I T O R S ' R E P O R T

March 29 1955

TO THE SHAREHOLDERS,

HOLT, RENFREW & CO., LIMITED:

We have examined the balance sheet of Holt, Renfrew & Co., Limited as at January 31 1955 and the statements of earnings and earnings retained in the business for the year ended on that date and have obtained all the information and explanations we have required. With the exception of the Quebec, London and Edmonton branches whose accounts have been examined and reported upon by other auditors, our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and the related statements of earnings and earnings retained in the business, supplemented by the note appended thereto, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Holt, Renfrew & Co., Limited as at January 31 1955 and the result of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the branches which we examined and the audited statements of the branches which we did not examine.

PRICE WATERHOUSE & CO.

Chartered Accountants.



Holt, Renfrew & COMPANY LIMITED

CANADA'S LEADING FURRIERS AND SPECIALTY SHOPS
FOR MORE THAN 118 YEARS

H.R. BRANCH SHOPS IN CANADA'S LEADING HOTELS

CHATEAU FRONTENAC . . . *Quebec City*

SHERATON-MT. ROYAL HOTEL . . . *Montreal*

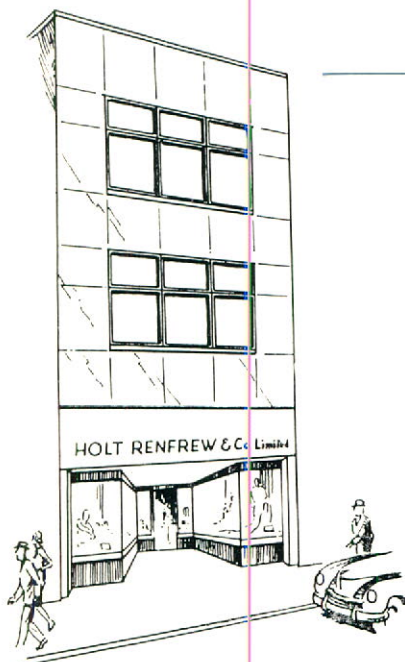
CHATEAU LAURIER . . . *Ottawa*

ROYAL YORK HOTEL . . . *Toronto*

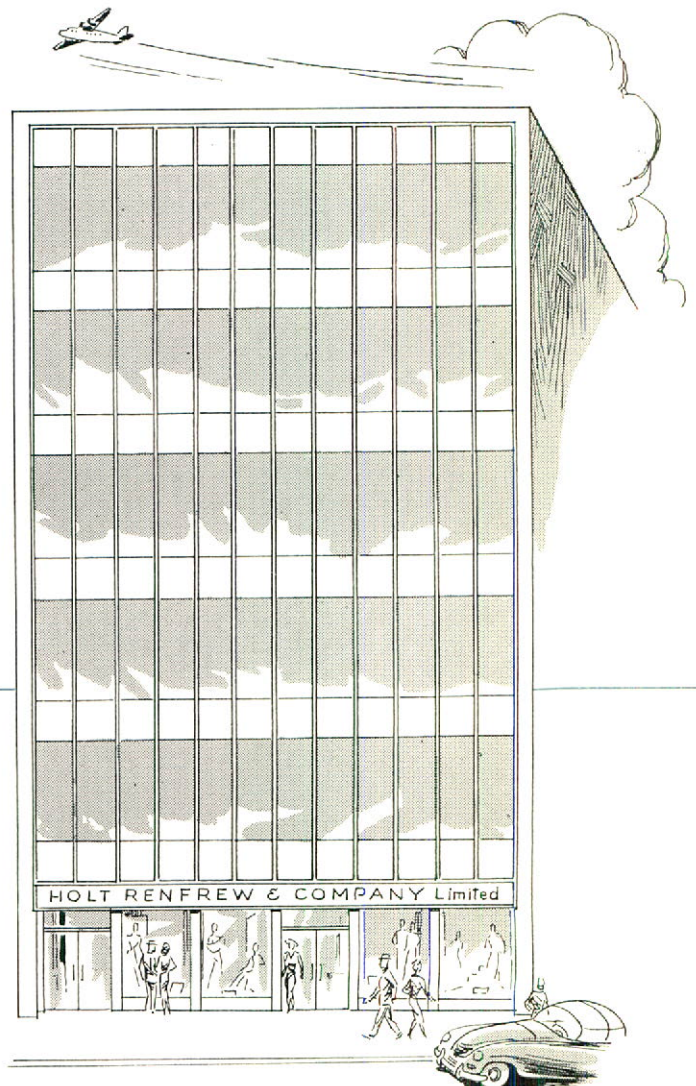
MACDONALD HOTEL . . . *Edmonton*

* * *

Also . . . a large shop in the
Dorval Gardens Shopping Centre
Montreal



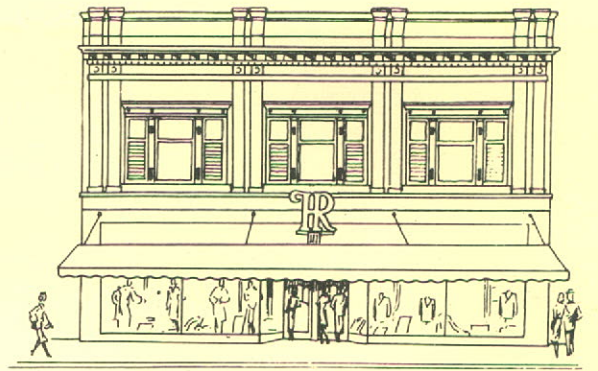
LONDON, ONT.



TORONTO, ONT.—HOLT RENFREW will move in the near future to 144 Bloor Street West. The building now under construction will be the first in Canada with an exterior of stainless steel and blue glass.



CALGARY, ALTA.



EDMONTON, ALTA.



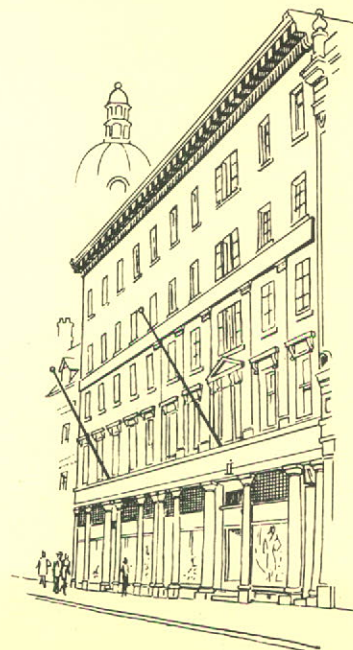
HAMILTON, ONT.



OTTAWA, ONT.



WINNIPEG, MAN.



QUEBEC CITY, P.Q.

