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Holt, Renfrew
& COMPANY LIMITED

ANNUAL REPORT

For the year ended January 31, 1946

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HOLT, RENFREW & COMPANY LIMITED

Head Office: 1300 SHERBROOKE ST. WEST
MONTREAL

Directors

LIEUT.-COL. G. HAROLD AIKINS, K.C.
L. J. ADJUTOR AMYOT
HENRY BORDEN, K.C.
GEORGE B. FOSTER, K.C.
R. G. LIDDY
JOHN G. McCONNELL
RT. HON. ARTHUR MEIGHEN, K.C., P.C.
ALVIN J. WALKER
R. HOWARD WEBSTER

Officers

ALVIN J. WALKER
President and Managing Director

JOHN G. McCONNELL
Vice-President

R. G. LIDDY
Secretary-Treasurer

Branches

QUEBEC - MONTREAL - TORONTO
WINNIPEG - OTTAWA - HAMILTON



Head Office

1300 SHERBROOKE ST. WEST
MONTREAL

President's Letter to the Shareholders

The 109th Annual Report of our Company for the year ended January 31st, 1946, is presented herewith and reflects the result of operations, partly under wartime and partly under peacetime conditions.

Sales, in spite of the ever-growing difficulty of obtaining suitable merchandise, have shown a considerable increase and have reached an all-time high.

During the period under review:—

- 1) We disposed of the Huron Manufacturing Company Limited, a wholly-owned subsidiary, manufacturing moccasins and working gloves, together with the land and buildings that they occupied, located at Loretteville, Que.
- 2) We purchased the building in which our store is located at 182 Queen Street in Ottawa.
- 3) We leased a building in April, 1945, at 28 King Street East in Hamilton, Ont., and opened a branch store there.
- 4) We leased the property at 126 Yonge Street, Toronto, immediately north of our present store at 118 Yonge Street, and have commenced alterations to remodel both buildings.
- 5) The building at 1312 Sherbrooke Street West was destroyed by fire on November 10th, 1945, and building alterations have since commenced to replace it.
- 6) We formed a new Company under Quebec Laws with a Quebec Provincial Charter, called Amcan Furs Limited, a wholly-owned subsidiary, to take care of our extra Canadian business, which is business wholly transacted outside of Canada.

The Preferred Dividend of 7% for the complete year was paid, and in addition thereto 1 $\frac{3}{4}$ % on account of arrears. Due to the need of erecting a new building at 1312 Sherbrooke Street West in Montreal, to replace that destroyed by fire, the Directors decided to withhold further payments of dividends in arrears until a later date.

The net profit retained, after providing for Income and Excess Profits taxes is \$144,282.54, out of which dividends of \$87,500 were paid. The refundable portion of Excess Profits taxes now amounts to \$177,278.54.

The books of the Company have been audited by Price, Waterhouse & Co., whose certificate is appended.

The loyalty and co-operative spirit, which is characteristic of all the personnel, is responsible, in no small measure, for the increasing success of the Company's activities and it is desired to give full credit and extend to them sincere appreciation of their valuable contribution.

We are pleased also to welcome back those employees who have been serving their Country and who have quickly readjusted themselves to civilian life.

ALVIN J. WALKER,
President and Managing Director.

HOLT, RENFREW &
BALANCE SHEET,

Assets

CAPITAL ASSETS:

Land and Buildings.....	\$1,256,712.19
Furniture and Fixtures, Automobiles, etc., less Depreciation.....	47,672.65

\$1,304,384.84

NOTE:—Under date of January 31, 1946, Canadian Appraisal Co., Limited, valued the properties at a depreciated value of \$1,781,651.77.

Goodwill.....	772,453.79
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\$2,076,838.63

CURRENT ASSETS:

Merchandise, as determined and valued by the Management at or below cost.....	\$1,819,181.88
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Trade Accounts Receivable, less Reserve.....	289,434.01
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Other Accounts Receivable, less Reserve.....	107,671.89
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Balance of Fire Loss Claim Receivable.....	45,122.84
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Cash Deposits with Fire Insurance Underwriters.....	63,361.28
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Dominion of Canada Bonds, at Cost.....	225,000.00
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Cash on hand and with Bankers.....	189,869.84
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2,739,641.74

INVESTMENT in and advance to Amcan Furs Limited	108,109.92
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REFUNDABLE Portion of Excess Profits Tax.....	177,278.54
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DEFERRED CHARGES:

Taxes, Insurance and Expenses paid in advance.....	\$ 19,979.16
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Alterations to Premises—Unamortized Balance.....	4,040.10
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\$5,125,888.09

Approved on behalf of the Board:

A. J. WALKER, *Director.*

R. G. LIDDY, *Director.*

ANUARY 31, 1946

Liabilities

CAPITAL STOCK:

Seven per cent Cumulative Preferred—Authorized and Issued—
10,000 shares of \$100.00 each.. \$1,000,000.00

NOTE:—Preferred Dividends in arrears amount
to \$647,500.00.

Common—
Authorized and Issued—
10,000 shares of \$100.00 each.. 1,000,000.00

\$2,000,000.00

MORTGAGE PAYABLE 5%:

maturing in semi-annual instalments from April 1, 1946, and
balance due October 1, 1947..... 194,500.00

CURRENT LIABILITIES:

Bank Loan re Employees' Victory Bonds.....	\$ 44,428.50	
Accounts Payable and Accrued Liabilities.....	709,651.00	
Bills Payable and Accrued Interest thereon.....	56,912.11	
Prepaid Storage, Interest and Sundry Credit Balances.....	70,121.90	
Accrued Mortgage Interest.....	3,241.68	
Provision for Income and Profits Taxes, (Less Prepayments), and Contingencies.....	648,388.85	
		<hr/> 1,532,744.04

RESERVE:

Depreciation of Buildings.....		300,000.00
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DEFERRED SURPLUS:

Refundable Portion of Excess Profits Tax (Contra).....	-	177,278.54
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EARNED SURPLUS:

per statement attached.....		921,365.51
		<hr/> <hr/> \$5,125,888.09

CONTINGENT LIABILITY:

Trade Paper under Discount.....	\$434,927.81
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HOLT, RENFREW & COMPANY LIMITED

Statement of Profit and Loss and Surplus for the year ending January 31, 1946

Profit from Operations and Miscellaneous Income after deducting Selling, General and Administration Expenses, and making provision for Income and Excess Profits Taxes.....		\$ 226,800.54
DEDUCT:		
Mortgage Interest.....	\$ 10,591.08	
Less: Interest Earned (Net).....	4,595.46	
		5,995.62
Profit after interest and before depreciation.....		220,804.92
DEDUCT:		
Depreciation of Furniture and Fixtures and Automobiles.....	\$ 32,794.01	
Depreciation of Buildings.....	35,000.00	
Amounts written off Alterations to Premises.....	8,728.37	
		76,522.38
*Net Profit for the year.....		\$144,282.54
Surplus—January 31, 1945.....	\$846,439.54	
Add: Profit on Sale of Properties and Investments.....	18,143.43	
	864,582.97	
Less: Preferred Dividends Paid.....	87,500.00	
		777,082.97
Surplus—January 31, 1946.....		<u>\$921,365.51</u>

*This does not include the refundable portion of Excess Profits tax amounting to \$110,502.36.

HOLT, RENFREW & COMPANY LIMITED

Auditors' Report to the Shareholders

We have made an examination of the books and accounts of Holt, Renfrew & Company Limited in Montreal, Winnipeg and Hamilton for the year ending January 31, 1946, and have been furnished with a Balance Sheet and Profit & Loss Account of the Toronto, Quebec and Ottawa Branches certified to by the Chartered Accountants who audited the books of these Branches. We have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Balance Sheet at January 31, 1946, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company which we have examined and the Certified Accounts of the Branches which were furnished to us.

PRICE, WATERHOUSE & CO.,
Auditors.

MONTREAL, April 9, 1946.



HOLT, RENFREW & COMPANY LIMITED
FURRIERS IN CANADA
FOR MORE THAN
109 YEARS

THE DOMINION'S LEADING
SPECIALTY SHOPS

Also . . . Operators of their own Silver Fox and Mink Ranches
in the Province of Quebec

WHOLESALE DIVISIONS for Raw and Dressed Furs
in Montreal and Quebec City

HOLT, RENFREW & COMPANY LIMITED now have six
stores in Canada—Quebec City, opened in 1837; Toronto in 1889;
Montreal and Winnipeg in 1910; Ottawa in 1942; and Hamilton
in 1945.

