Acklands

Annual Report

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Annual Meeting

The Annual Meeting of Acklands Limited will be held on Tuesday, May 3, 1988 at 2:30 p.m. in the Signal Room of the Admiral Hotel, 249 Queen's Quay West, Toronto, Ontario.

Rapport Annuel

Si vous désirez recevoir un exemplaire en français de ce rapport, veuillez vous adresser au Secrétaire, Acklands Limitée.

Corporate Profile

The 100th anniversary of the founding of Acklands is next year, 1989. The genesis of the modern-day Acklands was in the Winnipeg area in that day's transportation mode – the buckboard; a strong thread of continuity has been maintained, through the years, to present-day involvement in the automotive aftermarket.

Approximately half of our business is derived from the distribution and sale of parts for cars and trucks and a good portion of the remainder is in industrial supplies; there is a strong overlap and interdependence in both of these major segments. We also distribute consumer-oriented lawn care equipment in the four Western Provinces.

Distribution centres of automotive parts and industrial supplies extend from Quebec City to Victoria. Sales are made to independent jobbers and through a network of 249 company-owned stores. The number of specialized branches for the sale of fasteners, paint and body supplies, hand tools and power tools, machine tools and welding supplies has grown in recent years.

Western Automotive Rebuilders operates 2 plants in Saskatoon for the rebuilding of engines, brakes, clutches, water pumps and a number of other small components.

Programmed distribution for auto parts stores utilizing existing wholesale bases and extending business to the retail level is handled under the Bumper To Bumper banner.

Financial Highlights

	1987	1986
Sales	**$414,934,000**	$384,869,000
Income before extraordinary item	**3,158,000**	2,573,000
Extraordinary item	**610,000**	645,000
Net Income	**3,768,000**	3,218,000
Earnings per common share		
Income before extraordinary item	**0.64**	0.59
Extraordinary item	**0.12**	0.15
Net Income	**0.76**	0.74
Dividends paid – common shareholders	**2,969,000**	2,612,000
Dividends paid per common share	**0.60**	0.60
Shareholders' equity	**100,383,000**	97,651,000
Equity per common share	**20.28**	20.19
Total Assets	**$230,487,000**	$218,549,000

Financial: Income of \$3.2 million (64¢ per share) before extraordinary item for the year ended November 30, 1987 compared with \$2.6 million (59¢ per share) in the previous year. The 22.7% increase in income was largely due to lower interest charges resulting from the full year effect of the issue of one million shares in the prior year as well as a reduction in interest rates. Expressed as earnings per share, the increase was 8.5% because of the larger average number of shares outstanding. After extraordinary income arising from the reduction of income taxes due to the application of prior years' taxable losses, net income amounted to \$3.8 million (76¢ per share).

Consolidated sales of \$414.9 million were up 7.8%, half of which was attributable to the acquisition of Canadian Performance Distributors. Sales improved in the Alberta, British Columbia, Ontario and Quebec Divisions. Sales were flat in Manitoba and Saskatchewan.

The Company's financial condition remained satisfactory with an increase of \$1.8 million in working capital to \$84.5 million and debt to equity ratio of .71 to 1. Shareholders' equity was \$100.4 million (\$20.28 per share).

The economic forecasts of strong markets in British Columbia, Alberta, Ontario and Quebec coupled with a levelling in Manitoba and Saskatchewan provide us with an encouraging outlook. New management initiatives, described later in this report, have been put in place to expand our market position in Ontario and improve the profitability of the Quebec division.

Changes have been made in order to capture a larger share of the Ontario and Quebec markets.

Changes Made: The goal is to achieve the same level of market penetration in the Ontario and Quebec markets as is currently enjoyed in Western Canada. Ontario operations have been restructured into three distinct divisions to provide greater focus on the needs of the customer.

- **The Automotive Warehouse Distribution Division** includes Regent Automotive in Toronto, Regent Automotive in Ottawa, and Canadian Performance Distributors in Burlington. This division provides warehouse distribution of both traditional automotive aftermarket parts and performance parts to independent jobbers and Acklands stores.
- **The Automotive Branch Division** is responsible for the management of auto parts branches throughout the Province, as well as the acquisition, recruitment and development of new Acklands outlets to increase market penetration.
- **The Ontario Industrial Division** is responsible for the management of the large industrial distribution centre located in Toronto and the network of sales branches.

Marketing: In 1987, a "Customer Focus" program was instituted to identify the specific needs of industry groups. This ongoing program will be coupled with a specific approach to address the "Basics" of our business in 1988. Specific attention will be given to the following:

- Identifying and understanding the product and service needs of our customers.
- Better product acquisition including improved use of supplier programs.
- Development of innovative programs for automotive and industrial customers.
- Increased employee training and career planning.

To address these concerns, two new Canada-wide programs will be instituted for automotive aftermarket customers – one for dealer associates and one for jobber associates.

Continued emphasis will be placed on maintaining and improving our leadership in warehouse distribution through innovative marketing and strategic programs.

Computerized Information Services which provide timely and focused information to management are vitally important to effectively serve customers in the distribution business. Continuing progress was made in extending on-line computer capability as well as electronic mail throughout our facilities across the country.

To further improve the reliability, accuracy and speed of product requests, pilot projects have been undertaken that establish Electronic Data Interchange (EDI) communication, and thus computer compatibility, with customers. Terminals in selected customer premises are linked to our distribution centres so that jobbers and wholesalers can place direct stock orders. In the first half of this year, a standardized transmitting format will be introduced to facilitate customer access to distribution centre computers.

The introduction of sophisticated computer technology has greatly improved the effectiveness of the product distribution, resource management and customer service.

Future: **The automotive aftermarket is in a period of change.** Trends evident over the past few years are intensifying and accelerating – the demand for faster and more specialized services, fewer full-service gas stations and the concentration of stores owned by warehouse-distributors. These developments have had a substantial impact on distribution methods. Leading-edge market studies will be conducted to anticipate and keep pace with these changes. Organization structures will be adjusted to respond to customer realities.

Acklands' businesses are customer-driven and we are strongly focused on speed and quality of customer service. Market forecasts, especially of the macro-kind, are of less importance today than the specific demands of customers for improved fill rates, improved responsiveness and faster information.

The new fiscal year is positive in two respects. First, economic growth rates are encouraging and should provide increased consumer spending on our products in all regional markets. Second, the restructured approach to the buoyant Ontario market and concentration on the Quebec market should generate improved sales and profitability in Central Canada.

Corporate: Mr. Donald Dawson, our former President, left the Company on November 24, 1987 to pursue his own business interests. We wish to thank him for his 35 years of service and participation in the growth of Acklands.

Subsequent to year end, Mr. Robert H. Lane was appointed President and Chief Executive Officer, bringing to the Company a significant business experience gained through association with major sophisticated corporations. His leadership is anticipated to accelerate the improvement in Company performance.

The efforts of many people are reflected in the results for fiscal 1987. Special appreciation is expressed to our employees, associates and shareholders for their contributions. We continue to seek the support of our suppliers and commit to our customers a promise to provide outstanding service in 1988.

David Blank

David Blank, *Chairman of the Board*
February 9, 1988

Consolidated Balance Sheet

Assets As at November 30, 1987			**1987**		1986
Current Assets	Cash	**$**	**133,000**	$	3,765,000
	Accounts receivable		**66,519,000**		58,228,000
	Inventories		**113,513,000**		109,668,000
	Prepaid expenses		**1,421,000**		1,414,000
			181,586,000		173,075,000
Other Assets	Mortgages and lien notes receivable and other assets		**7,688,000**		6,433,000
Fixed Assets (note 3)	Land, buildings and equipment		**71,979,000**		66,361,000
	Accumulated depreciation		**30,766,000**		27,320,000
			41,213,000		39,041,000
		$	**230,487,000**	$	218,549,000

Liabilities and Shareholders' Equity					
Current Liabilities	Bank advances (note 4)	**$**	**42,013,000**	$	43,411,000
	Accounts payable and accrued liabilities		**50,332,000**		44,278,000
	Income and other taxes payable		**2,007,000**		345,000
	Principal due within one year on long-term debt		**2,768,000**		2,347,000
			97,120,000		90,381,000
Long-Term Debt (note 5)			**26,958,000**		25,902,000
Deferred Real Estate Income			**3,090,000**		3,183,000
Deferred Income Taxes			**2,936,000**		1,432,000
Shareholders' Equity					
Capital Stock (note 6)	4,948,731 Common shares (4,835,511 in 1986)		**53,707,000**		51,774,000
Retained Earnings			**46,676,000**		45,877,000
			100,383,000		97,651,000
		$	**230,487,000**	$	218,549,000

Approved by the Board

David Blank

P. Burns

David Blank, Director

P. Burns, Director

Consolidated Statement of Income

Year Ended November 30, 1987			1987		1986
Sales		**$**	**414,934,000**	$	384,869,000
	Cost of sales, selling and administrative expenses		**396,879,000**		367,290,000
			18,055,000		17,579,000
Other Expenses	Depreciation		**4,280,000**		3,964,000
	Interest on long-term debt		**3,213,000**		3,297,000
	Other interest		**5,356,000**		6,388,000
			12,849,000		13,649,000
			5,206,000		3,930,000
	Gain on sale of fixed assets		**1,003,000**		867,000
	Income before income taxes and extraordinary item		**6,209,000**		4,797,000
	Income taxes (note 9)		**3,051,000**		2,224,000
	Income before extraordinary item		**3,158,000**		2,573,000
	Extraordinary item Income tax reduction on application of unrecognized tax benefits of prior years		**610,000**		645,000
Net Income		**$**	**3,768,000**	$	3,218,000
Earnings Per Share (note 12)	Income before extraordinary item	**$**	**.64**	$	.59
	Net income		**.76**		.74

Auditors' Report

To the Shareholders of Acklands Limited

We have examined the consolidated balance sheet of Acklands Limited as at November 30, 1987 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at November 30, 1987, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

January 25, 1988

Thorne Ernst & Whinney

Chartered Accountants

Consolidated Statement of Retained Earnings

Year ended November 30, 1987			1987		1986
	Balance at beginning of year	$	**45,877,000**	$	45,500,000
	Net income		**3,768,000**		3,218,000
			49,645,000		48,718,000
Deduct	Dividends declared on common shares		**2,969,000**		2,612,000
	Share issue costs, net of income taxes		**—**		229,000
			2,969,000		2,841,000
Balance at End of Year		$	**46,676,000**	$	45,877,000

Consolidated Statement of Changes in Financial Position

Year ended November 30, 1987			1987		1986
Cash provided by (used for):					
Operations	Income before extraordinary item	$	**3,158,000**	$	2,573,000
	Items not involving cash				
	Depreciation		**4,280,000**		3,964,000
	Income taxes		**2,114,000**		2,224,000
	Gain on sale of fixed assets		**(1,003,000)**		(867,000)
	Other items		**300,000**		(558,000)
	Change in non-cash working capital		**(1,480,000)**		(8,445,000)
			7,369,000		(1,109,000)
Financing	Proceeds from issue of long-term debt		**3,593,000**		2,218,000
	Reduction of long-term debt		**(2,725,000)**		(4,330,000)
	Dividends		**(2,969,000)**		(2,612,000)
	Issue of common shares on acquisition of business		**1,933,000**		—
	Issue of common shares for cash		**—**		18,818,000
	Share issue costs		**—**		(467,000)
			(168,000)		13,627,000
Investments	Additions to fixed assets		**(5,569,000)**		(6,693,000)
	Proceeds from sale of fixed assets		**1,762,000**		1,712,000
	Acquisition of net assets of business		**(3,888,000)**		—
	Increase in mortgages and lien notes receivable and other assets		**(1,740,000)**		(1,383,000)
			(9,435,000)		(6,364,000)
Increase (Decrease) in Cash Position			**(2,234,000)**		6,154,000
Cash Position at Beginning of Year			**(39,646,000)**		(45,800,000)
Cash Position at End of Year		$	**(41,880,000)**	$	(39,646,000)

Cash position is represented by bank advances net of cash.

Notes to Consolidated Financial Statements

Year ended November 30, 1987

1. General

The company is incorporated under the laws of Manitoba and is engaged in the integrated distribution of automotive and industrial products in Canada.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation
These consolidated financial statements include the accounts of all subsidiary companies. The operating results of all subsidiaries are included in the consolidated financial statements from the dates of acquisition.

(b) Inventories
Inventories are valued at the lower of cost and net realizable value.

(c) Fixed assets
Fixed assets are stated at cost. Depreciation is recorded on a basis to amortize the cost of fixed assets over their estimated useful lives and the rates applied are substantially as follows:

Buildings
  2% Straight-line
Equipment, other than automotive
  10% Straight-line
Equipment, automotive
  30% Diminishing balance
Leasehold improvements
  Over the unexpired terms of the lease

(d) Deferred real estate income
The profits realized on the sale and lease back of property have been deferred and are being amortized over various periods according to the terms of the related leases.

(e) Leases
Leases are classified as either capital or operating leases. Leases that substantially transfer all of the benefits and risks of ownership of property to the company are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is being depreciated on the same basis as described in note (c) above. Rental payments under operating leases are expensed as incurred.

(f) Pension plan
The pension amount reflected in income includes the amortization of the difference between plan assets and benefit obligations calculated on a straight-line basis over the estimated average service life of the employee group. The plan assets are valued on a moving average basis related to market.

3. Fixed Assets

			1987	1986
	Cost	**Accumulated depreciation**	**Net**	Net
Land	**$ 3,121,000**	**$ —**	**$ 3,121,000**	$ 3,100,000
Buildings	**21,019,000**	**4,815,000**	**16,204,000**	15,387,000
Equipment	**25,308,000**	**17,194,000**	**8,114,000**	8,148,000
Equipment under capital leases	**14,560,000**	**5,316,000**	**9,244,000**	7,577,000
Leasehold improvements	**7,971,000**	**3,441,000**	**4,530,000**	4,829,000
	$71,979,000	**$30,766,000**	**$41,213,000**	$ 39,041,000

4. Bank Advances

Bank advances are secured by a first charge on receivables and a first floating charge on inventories.

The company's banking facility has specified repayment terms. Total bank debt of $60,019,000 has been segregated between current and long-term liabilities, with $18,006,000 classified as long-term debt. Long-term bank debt will be adjusted to 30% of total bank debt, ultimately being fixed on May 1, 1989 or such later date as may be agreed between the company and its bankers.

5. Long-Term Debt

	1987	1986
Term Bank Loans, payable in three equal annual instalments, commencing May 1, 1991 (note 4)	**$18,006,000**	$18,605,000
Obligations under capital leases with maturities to 1997 (note 8)	**8,738,000**	7,370,000
9¼% to 13% Mortgages, agreements and notes, payable in monthly or quarterly instalments	**2,982,000**	2,274,000
	29,726,000	28,249,000
Principal included in current liabilities	**2,768,000**	2,347,000
	$26,958,000	$25,902,000

Interest on the Term Bank Loans is at prime commercial lending rates plus ¼ of 1% until May 1, 1992 and ½ of 1% thereafter.

Principal due within each of the next five years is as follows:

1988	$2,768,000
1989	2,641,000
1990	1,753,000
1991	7,236,000
1992	8,394,000

6. Capital Stock

(a) Authorized share capital of the company is as follows:

(i) 623,116 preference shares issuable in series without maximum individual or aggregate consideration.

(ii) an unlimited number of common shares without maximum individual or aggregate consideration.

(b) During the year the company issued 113,220 common shares as part of the consideration in the purchase of the business referred to in note 11.

(c) 494,871 of the authorized but unissued common shares have been reserved for the employee stock option plan which was introduced during the year. As at November 30, 1987 no options have been granted.

7. Contingent Liabilities and Commitments

(a) Employees' and officers' bank loans of $3,127,000 have been guaranteed by the company to accommodate the purchase of company shares.

(b) On sale of a subsidiary in 1983, the buyer agreed to indemnify the company with respect to its continuing guarantee of certain obligations of which $1,727,000 (U.S. $1,320,000) were outstanding at November 30, 1987 and provided mortgages on real property as collateral security for such indemnity.

8. Obligations Under Leases

(a) Capital leases

The following is a schedule by year of future minimum lease payments together with the balance of the obligations under capital leases.

	1987	1986
1987	**$ —**	$2,615,000
1988	**3,252,000**	2,407,000
1989	**2,701,000**	1,856,000
1990	**1,992,000**	1,144,000
1991	**1,312,000**	476,000
1992	**906,000**	212,000
1993 to 1997	**867,000**	846,000
	11,030,000	9,556,000
Amount representing interest	**2,292,000**	2,186,000
Balance of obligations included in long-term debt	**$ 8,738,000**	$7,370,000

(b) Operating leases

The company has operating leases which, after recoveries from subtenants totalling $5,279,000, call for future net rentals of $57,610,000. Net rentals are as follows:

1988	$ 7,154,000
1989	6,583,000
1990	5,640,000
1991	3,891,000
1992	3,571,000
1993 to 2006	30,771,000

9. Income Taxes

(a) Provision for income taxes
The company's provision for income taxes is accounted for as follows:

	1987	1986
Income taxes based on Canadian statutory income tax rates applied to income before income taxes and extraordinary item	**$ 3,167,000**	$ 2,446,000
Decrease in taxes resulting from		
Inventory allowance	**—**	390,000
Lower effective income tax rates on capital gains	**242,000**	102,000
Other	**(126,000)**	(270,000)
	116,000	222,000
Provision for income taxes	**$ 3,051,000**	$ 2,224,000

(b) Losses carried forward
At November 30, 1987 the company has the following available to reduce future years' income for tax purposes, the tax effect of which has not been recorded in the accounts:

Losses carried forward for tax purposes until	
1989	$ 68,000
1991	103,000
1992	205,000
1993	20,000
	396,000
Net timing differences resulting from revenue and expense items reported for tax purposes in different periods than for financial purposes	40,000
	$ 436,000

10. Pension Plan

The company maintains a contributory defined benefit pension plan covering substantially all of its employees. The plan provides benefits based on length of service and final average earnings.

Actuarial reports prepared during the year indicate that as at November 30, 1987 the approximate present value of accrued pension benefits amounts to $41,539,000 and the value of the pension fund assets amounts to approximately $48,006,000.

11. Acquisition of Business

In 1987 the company acquired the operations and net assets of Canadian Performance Distributors an automotive parts distributor. The results of operations have been included in these financial statements from the date of acquisition. Details of the acquisition are as follows:

Net Assets acquired		
Current assets		$ 5,661,000
Current liabilities		3,039,000
		2,622,000
Fixed assets	$ 1,875,000	
Long-term debt	(609,000)	1,266,000
		$ 3,888,000
Consideration		
Cash		$ 1,955,000
Common shares of Acklands Limited		1,933,000
		$ 3,888,000

12. Earnings Per Share

The calculation of 1987 earnings per share has been made using the weighted monthly average number of common shares outstanding, 4,942,132 (4,349,046 in 1986).

Five Year Financial Summary

	1987	1986	1985	1984	1983
Sales	**$414,934,000**	$384,869,000	$377,086,000	$350,964,000	$328,565,000
Depreciation	**4,280,000**	3,964,000	3,480,000	3,004,000	2,830,000
Interest on long-term debt	**3,213,000**	3,297,000	3,446,000	4,061,000	4,696,000
Net income					
Including extraordinary items	**3,768,000**	3,218,000	8,387,000	4,356,000	4,652,000
Before extraordinary items	**3,158,000**	2,573,000	5,809,000	3,801,000	3,302,000
Dividends					
Preference shareholders	**—**	—	—	18,000	76,000
Common shareholders	**2,969,000**	2,612,000	2,322,000	2,319,000	1,153,000
Working capital	**84,466,000**	82,694,000	67,763,000	64,279,000	69,669,000
Fixed assets, net	**41,213,000**	39,041,000	37,390,000	32,964,000	31,553,000
Long-term debt	**26,958,000**	25,902,000	28,014,000	26,787,000	30,759,000
Shareholders' equity	**100,383,000**	97,651,000	78,456,000	72,391,000	71,031,000
Total assets	**230,487,000**	218,549,000	210,350,000	185,838,000	189,072,000
Earnings per common share					
Including extraordinary items					
Primary	**.76**	.74	2.17	1.12	1.43
Fully diluted	**—**	—	—	—*	1.42
Before extraordinary items					
Primary	**.64**	.59	1.50	.98	1.00
Fully Diluted	**—**	—	—	—*	1.01
Dividends paid per common share	**.60**	.60	.60	.60	.30
Equity per common share	**20.28**	20.19	20.27	18.70	18.19
Common shares outstanding	**4,948,731**	4,835,511	3,870,511	3,870,511	3,840,865
Number of branches	**249**	243	239	229	237

*preferred shares were redeemed in 1984

Return on Common
($ millions)

	Equity	Income	% Return
1983	$ 69.9	$ 4.7	6.7%
1984	72.4	4.4	6.1%
1985	78.5	8.4	10.7%
1986	97.7	3.2	3.3%
1987	**100.4**	**3.8**	**3.8%**

1987 Summary by Quarter
($ millions)

	Sales		Net Income		Earnings per share (dollars)	
	1987	1986	**1987**	1986	**1987**	1986
First Quarter	**$ 84.0**	$ 80.2	**$ .1**	$ .4	**$ .03**	$ .11
Second Quarter	**111.0**	102.3	**1.6**	1.7	**.31**	.44
Third Quarter	**104.8**	98.6	**.5**	.4	**.10**	.04
Fourth Quarter	**115.2**	103.8	**1.6**	.7	**.32**	.15
	$415.0	$384.9	**$3.8**	$3.2	**$0.76**	$0.74

Capitalization at Year End

	($ millions)			(percentage)		
	1987	1986	1985	**1987**	1986	1985
Common Equity	**$100.4**	$97.7	$78.5	**78.8%**	79.0%	73.7%
Long-Term Debt	**27.0**	25.9	28.0	**21.2%**	21.0%	26.3%
	$127.4	$123.6	$106.5	**100.0%**	100.0%	100.0%

Working Capital

Bank advances were $42.0 million at year end, compared with $43.4 million in 1986. Working capital at year end totalled $84.5 million, up $1.8 million from $82.7 in the prior year.

Ratio Analysis

	1987	1986	1985
Working Capital	**1.87:1**	1.91:1	1.68:1
Debt/Equity	**.71:1**	.73:1	1.01:1
Asset Turnover	**1.80:1**	1.76:1	1.79:1
Return on Assets	**1.6%**	1.5%	4.0%
Inventory Turnover			
– including inter-company	**3.9X**	3.8X	4.0X
– excluding inter-company	**2.6X**	2.5X	2.6X
Number of employees – end of year	**2,578**	2,540	2,474

Growth of Total Assets
($ millions)

1983	$189.1	– 6.6%
1984	185.8	– 1.7%
1985	210.4	+ 13.2%
1986	218.5	+ 3.8%
1987	**230.5**	**+ 5.5%**

Management's Reporting Responsibility

The accompanying consolidated financial statements of Acklands Limited and its subsidiaries, and all information in this annual report, are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in conformity with Canadian generally accepted accounting principles. The financial statements include some amounts that are based on best estimates and judgments. Financial information used elsewhere in the annual report is consistent with that in the financial statements.

Management of the corporation and its subsidiaries, in furtherance of the integrity and objectivity of data in the financial statements, has developed and maintains a system of internal accounting controls and supports an extensive program of internal audits. Management believes that this system of internal accounting controls provides reasonable assurance that financial records are reliable and form a proper basis for preparation of financial statements and that assets are properly accounted for and safeguarded. The internal accounting control process includes management's communication to employees of policies which govern ethical business conduct.

The Board of Directors carries out its responsibility for the financial statements in this annual report principally through its audit committee, consisting of a majority of outside directors. The audit committee reviews the corporation's annual consolidated financial statements and recommends their approval to the Board of Directors. The shareholders' auditors have full access to the audit committee, with and without management being present.

These financial statements have been examined by the shareholders' auditors, Thorne Ernst & Whinney, Chartered Accountants, and their report is presented herein.

David Blank

David Blank
Chairman of the Board

P. Burns

Paul Burns
Executive Vice-President

Board of Directors

David Blank
Chairman
Acklands, Toronto

Paul Burns
Executive Vice-President
Acklands, Toronto

Philip F. Connell, F.C.A.
Senior Vice-President Finance
The Oshawa Group Limited
Toronto

Thomas Cook
Retired Automotive Executive
Naples, Florida

Robert H. Lane
President and Chief Executive Officer
Acklands, Toronto

Grant W. MacLaren
President
Sylvan Ventures Ltd.
Vancouver, British Columbia

Walter Stracey
Chairman
Indal Limited, Toronto

Corporate Data

Auditors
Thorne Ernst & Whinney
Winnipeg

Transfer Agents and Registrars
Common Shares
Canada Trust
Vancouver, Winnipeg, Toronto and Montreal

Counsel
Fillmore & Riley, Winnipeg

Share Listings
Toronto and Winnipeg
Stock Exchanges

Ticker Symbol: ACK

Head Office
125 Higgins Avenue
Winnipeg, Manitoba R3B 0B6
Telephone: (204) 956-0880

Executive Office
945 Wilson Avenue
Downsview, Ontario M3K 1E8
Telephone: (416) 635-1200

Major Divisions

Acklands Automotive
Acklands House of Tools
Bumper To Bumper
Canadian Performance Distributors
Maurice Rousseau & Cie
Pro Fast'ners
Regent Automotive
Taylor, Pearson & Carson
T.P.C. Turfcare
Western Automotive Rebuilders
Western Warehouse Distributors
Westward Distributors
Westward Power

Audit Committee

Paul Burns
Philip F. Connell, *Chairman*
Grant W. MacLaren

Compensation Committee

Thomas Cook, *Chairman*
Robert H. Lane
Walter Stracey

Directory

Morton Biback
General Manager
Ontario Automotive Branches

Glen Black
General Manager
Manitoba & N.W. Ontario

David Blank
Chairman

Paul Burns
Executive Vice-President

M.A. Carroll
Manager, Advertising and Promotion

Gail Cooley
General Manager
Bumper To Bumper

Douglas G. Cumming
Group Vice-President
International

David Cummings
Director, Management Information Services

Bob Cushnaghan
General Manager
Body Shop Supply

Matt Dickson
Manager, Planning and Development

Walter Fedorak
General Manager
Alberta

Ingram Gillmore
General Manager
Ontario Automotive Warehouses

Arnold Harbour
Director of Corporate Industrial Purchasing

Bob Haynes
General Credit Manager

Eugene Hretzay
Corporate Counsel
Assistant Secretary

Ross Hurst
General Manager
British Columbia

Bob Jones
General Manager
Westward Distributors

Leonard J. Kenna
Vice-President, Special Projects

Alex Kozma
Vice-President, Internal Audit

Robert H. Lane
President and Chief Executive Officer

Len Lavoie
Personnel Manager

Pierre Maranda
General Manager
Quebec

Gerald W. McCallum
Director of Finance
Secretary-Treasurer

David Messenger
General Manager
Ontario Industrial

Kiyo Nonomura
Director of Corporate Automotive Purchasing

Ronald Rezetko
General Sales Manager

Dale Scruby
General Manager
Western Automotive Rebuilders

Al Simpson
General Manager
Canadian Performance Distributors

Samuel N. Smilski
Comptroller

Theodore Stokes
Group Vice-President
Saskatchewan, Manitoba and N.W. Ontario

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