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# *Canadian Canners*

L I M I T E D

# ANNUAL REPORT

FOR THE YEAR ENDING FEBRUARY 29th.

1948



YOUR FAMILY DESERVES AYLMER QUALITY

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MCILL UNIVERSITY

Hamilton, Ontario,  
May 3rd, 1948.

TO THE SHAREHOLDERS OF  
CANADIAN CANNERS LIMITED:

The Twenty-fifth Annual Report of the Company for year ending February 29th, 1948, together with the report of the Auditors, is submitted herewith by the Board of Directors.

Dividends were paid during the year totalling \$768,692.85.

Production was not as heavy as anticipated, particularly on vegetables, owing to early frosts and unfavorable weather conditions in the growing season. On the other hand, fruits gave a very satisfactory production.

The Inventory is somewhat larger than that of last year, but not burdensome, as the increase is particularly due to increased purchases of Supplies in anticipation of higher costs which have since been announced. Our production costs this year will be appreciably higher than last year.

Providing weather conditions prove favorable, all of our factories will be operating to capacity this season.

Sales have been somewhat slow during the past few months owing to buyers' desire to reduce their surplus stocks, but indications are that we will have an active season again this year.

Last year opening prices on principal staple lines, in most cases, were lower than the official prices named by the Wartime Prices and Trade Board.

During the year, AYLMER Brand continued in popularity, the demand exceeding the supply.

Finances—It will be noticed from the statement that our Government Bonds have been disposed of at a premium, the receipts being used to finance the building of the new factories and other major improvements in our equipment, also in reducing our current liabilities.

Our financial position is steadily improving and it is hoped the statement presented herein will be satisfactory to the shareholders.

Serial Notes—It will be further noticed that the Serial Notes are reduced by \$250,000.00; another payment having been made May 1st, leaving the amount owing \$500,000.00.

Employees' Benefit Fund—An amount of \$100,000.00 has been placed in this account.

Directors—It is with deep regret record is made of the death of Mr. John A. Northway, who during many years of service gave unstintedly of his time and experience, to the best interest of your Company.

By-law—You will be asked to confirm a by-law reducing the number of Directors from eleven to ten.

Staff—Your Directors wish to record their appreciation of the loyal and faithful service rendered by the entire Staff throughout the year.

On behalf of the Board,

W. R. DRYNAN,  
President.

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS AND  
EARNED SURPLUSES FOR THE FISCAL YEAR  
ENDED FEBRUARY 29, 1948**

PROFIT from operations after deducting all expenses of manufacturing, selling, administration and taxes (see Note 1) .....	\$ 1,716,138.67
LESS: Interest on Serial Notes .....	17,838.48
	\$ 1,698,300.19
LESS: Net Profit for the year .....	\$ 1,698,300.19
Amount provided for Employees' Benefit Fund .....	100,000.00
	\$ 1,598,300.19
ADD:	
Adjustment of prior years' Income Taxes .....	\$ 194,942.77
Surplus from disposal of Fixed Assets and Bonds .....	255,408.22
	450,350.99
	\$ 2,048,651.18
EARNED SURPLUSES as at March 1, 1947 .....	4,515,284.28
	\$ 6,563,935.46
LESS Dividends paid during year:	
First Preference Shares .....	\$ 228,766.80
Convertible Preference Shares .....	304,968.00
Common Shares .....	234,958.05
	768,692.85
	\$ 5,795,242.61
EARNED SURPLUSES as at February 29, 1948:	
Reserve for redemption of Preference Shares .....	\$ 682,754.63
Investment and Contingent Reserve ..	3,750,000.00
Earned Surplus Account (See Note 2) .....	1,362,487.98
	\$ 5,795,242.61

Note 1: The above profits from operations are after providing \$700,000.00 for depreciation of plants, \$1,800,000.00 for income and excess profits taxes, \$96,750.87 for other taxes, \$10,250.00 for directors' fees and \$99,289.05 for legal fees and executive salaries.

Note 2: After transferring \$1,000,000.00 to Investment and Contingent Reserve.

# CANADIAN CANNERS LIMITED

AND

## SUBSIDIARY COMPANIES

### Consolidated Balance Sheet—February 29, 1948

#### ASSETS

##### CURRENT ASSETS

Cash on hand and in banks .....	\$ 136,817.04	
Accounts and bills receivable, less reserve .....	1,952,467.07	
Manufactured goods, raw materials and supplies valued at the lower of approximate cost or market, as determined and certified to by responsible officials, less reserve .....	9,942,752.66	
		<u>\$ 12,032,036.77</u>

##### OTHER ASSETS

Refundable portion of excess profits tax .....	\$ 937,000.00	
Shares of the Company held by Trustees for account Employees' stock participation .....	19,650.85	
Prepaid insurance, etc. ....	27,844.16	
		<u>984,495.01</u>

##### FIXED ASSETS

Land, buildings, plant and equipment based chiefly on appraised sound values as reported by Canadian Appraisal Company, Limited, in 1923, plus subsequent additions at cost .....		17,250,960.58
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INTANGIBLES, brand names, trade marks, patents, processes, goodwill, etc. ....		3,242,619.47
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\$ 33,510,111.83

#### LIABILITIES

##### CURRENT LIABILITIES

Accounts payable and accrued liabilities .....	\$ 1,622,880.86	
Reserve for income, excess profits, and other taxes .....	2,144,961.04	
Serial note due May 1, 1948 .....	250,000.00	
		<u>\$ 4,017,841.90</u>

SERIAL NOTES maturing 1949 and 1950 .....		500,000.00
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##### FIRST MORTGAGE BONDS, Series A:

Authorized—\$1,500,000.00, but not issued.

RESERVE FOR EMPLOYEES' BENEFIT FUND .....		300,000.00
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GENERAL AND DEPRECIATION RESERVE .....		11,235,615.27
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Five Per Cent. Cumulative First Preference Stock (par value \$20; callable at \$23; convertible share for share into Common):		
Authorized—212,784 shares		
Issued—190,641½ shares		\$ 3,812,830.00
Convertible Preference Stock (without nominal or par value; callable at \$20; convertible share for share into Common):		
Authorized—334,439 shares		
Issued—299,011 shares		6,767,036.68
Common Stock (without nominal or par value)		
Authorized—456,975 shares		
Issued—193,919 shares		
CAPITAL SURPLUS—being par value of Five Per Cent. Cumulative First Preference Stock and cost of Convertible Preference Stock, redeemed under Section 61, The Companies' Act, 1934		144,545.37
		<u>10,724,412.05</u>
<b>SURPLUSES</b>		
Deferred Surplus—refundable portion of Excess Profits Tax		\$ 937,000.00
Earned Surpluses—		
Reserve for redemption of Preference Shares	\$ 682,754.63	
Investment and Contingent Reserve	3,750,000.00	
Earned Surplus account	1,362,487.98	
		<u>5,795,242.61</u>
		6,732,242.61
		<u>\$ 33,510,111.83</u>
On behalf of the Board,		
AVERN PARDOE,		W. R. DRYNAN,
Director.		Director.

### AUDITORS' REPORT

To the Shareholders of

CANADIAN CANNERS LIMITED:

Toronto, Ontario,

May 3rd, 1948.

We have examined the consolidated balance sheet of Canadian Cannery Limited and subsidiary companies as at February 29, 1948, and the related statement of profit and loss and surpluses for the year ending on that date, and have been furnished with all the information and explanations which we required. In connection therewith, we examined or tested the accounting records of Canadian Cannery Limited and its subsidiary, Canadian Cannery (Western) Limited. The accounts of the other subsidiary companies were examined by internal auditors of Canadian Cannery Limited and we have been furnished with financial statements as at February 29, 1948, certified by them, which are included in the accompanying consolidated statements.

In our opinion, the above consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of affairs of the combined companies as at February 29, 1948, according to the best of our information and the explanations given to us and as shown by the books which we examined and the financial statements furnished us as referred to in the preceding paragraph.

PRICE, WATERHOUSE & CO.,  
Chartered Accountants.

# CANADIAN CANNERS LIMITED

HEAD OFFICE: HAMILTON, ONTARIO, CANADA

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Directors

AVERN PARDOE, Chairman of the Board  
W. R. DRYNAN, President  
W. L. INNES, First Vice-President  
E. A. PEARCE, Second Vice-President  
D. R. McCAHILL, General Manager  
W. I. DRYNAN, Assistant General Manager  
F. S. CORRIGAN  
ALECK LEITCH  
W. G. LUMBERS  
LT.-COL. W. G. MacKENDRICK, D.S.O.

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P. CROUCHER, Secretary-Treasurer

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Auditors

PRICE, WATERHOUSE & CO., Chartered Accountants

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## Owning and Operating

### CANNING AND PRESERVING FACTORIES

In Ontario—Aylmer, Amherstburg, Alvinston, Brighton, Beamsville, Burford, Burlington, Belle River, Bloomfield, Blenheim, Bowmanville, Chatham, Cobourg, Colborne, Consecon, Delhi, Dresden, Dunnville, Exeter, Fontheill, Forest, Frankford, Grimsby, Grafton, Hamilton, Hillier, Highgate, Jordan Station, Kingsville, Lakeport, Niagara-on-the-Lake, Napanee, Northport, Orono, Picton, Port Burwell, Port Hope, Port Dalhousie, Port Milford, Petrolia, Rednersville, Ridgetown, Simcoe, St. Catharines, Strathroy, St. Davids, Stoney Point, Tilbury, Vineland, Waterford, Waterdown, Wellington, West Lorne, West Lake.

In Quebec—Chambly, St. Hyacinthe, St. Isidore.

In Nova Scotia—Middleton.

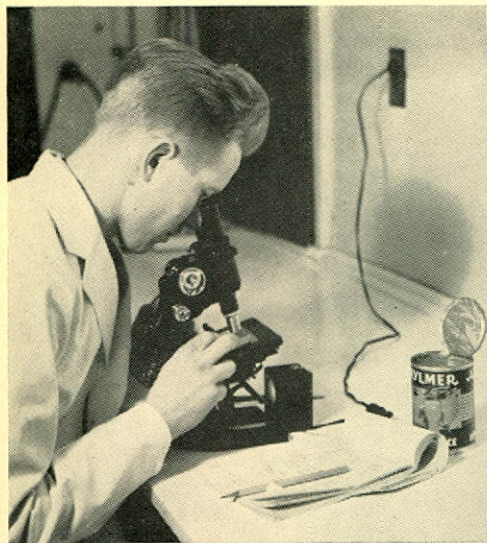
In British Columbia—Ashcroft, Kelowna, Keremeos, Lulu Island, Mission, Oliver, Penticton, Vancouver.

### FARMS

In Ontario—Counties: Brant, Elgin, Huron, Hastings, Lincoln, Lambton, Northumberland, Prince Edward, Rainy River District.

### SUBSIDIARIES

Canadian Cannery (Western) Limited.  
Cannery Machinery, Limited, Simcoe and Aylmer, Ont.  
Cannery Seeds Limited, Wellington, Ont.  
Pembroke Shook Mills Limited, Pembroke, Ont.  
Research Laboratory, Hamilton, Ont.  
Wagstaffe Limited, Hamilton, Ont.



● An assistant in the Aylmer "Quality Control" Laboratory at Head Office, Hamilton, is shown applying a "quality" test to a batch of Tomato Juice.



● A Coleman Fluorometer, such as will be used in the new Nutrition Laboratory, is shown in operation. It is used in the determination of ascorbic acid content.

## A New Nutrition Laboratory

The new Nutrition Laboratory has been established for the purpose of conducting basic research into the nutritional content of the various fruits, vegetables and other products processed by Canadian Cannery Limited.

For some years this Company has maintained a laboratory for the "quality control" of its products. This "Quality Control" Laboratory will still remain in operation.

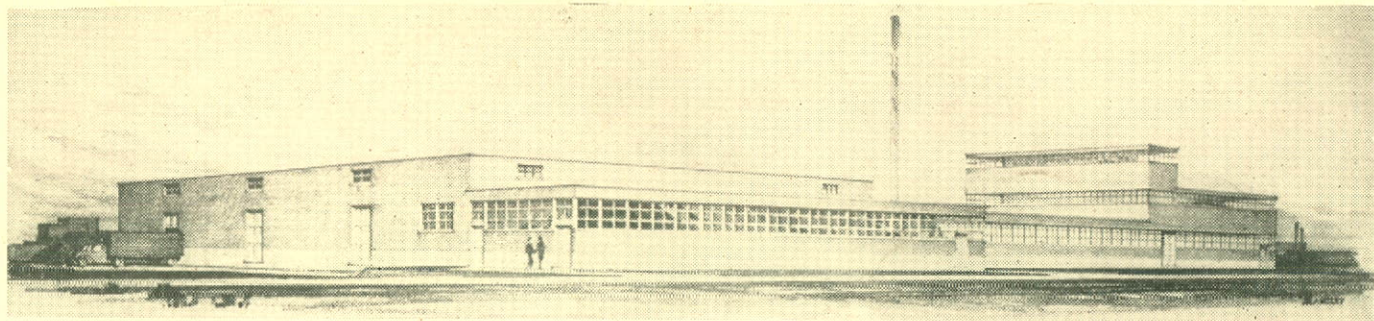
The new Nutrition Laboratory represents a forward step in that attention will be paid to nutritional value as well as appearance and flavor.

The research will include the biochemical and other assays of the various nutrients contained in raw foods, and the same after manufacture. Studies will be conducted

on different varieties of foods, and foods grown in various districts. The research programme will ultimately embrace all aspects of the problem of supplying foods of optimum nutritional value from the soil to the completed product.

The preliminary organization of the Nutrition Laboratory has been completed. The National Research Council has approved of the proposed work which is unique, in that no comparable programme exists in Canada. The arrangements include good scientific direction and co-ordination with other laboratories.

It is confidently expected that this additional research programme will not only lead to improved products, but will also contribute to the health and nutrition of the Canadian people.



## Aylmer Builds Canada's Most Modern Food Processing Plant At Dresden, Ont.

To keep up with increasing demand for Aylmer Soups a new plant was erected in 1947 at Dresden, Ont.

Modern in design, this factory, No. 47, is one of the finest and most up-to-date plants of its kind; a real asset to the community of Dresden, Ontario. It should go a long way towards satisfying the robust appetites of Canadians for Aylmer Soups.

Two other new Aylmer plants were opened in 1947. Factory No. 53, at Foxboro, Ont., north of Belleville, will be used to can Aylmer Peas and Corn. Factory No. 31, at Amherstburg, Ont., is an addition to our present fac-

tory in this locality. It has been designed for the packing of Aylmer Catsup from the excellent tomatoes grown in that territory.

Erecting plants right in the richest fruit and vegetable growing areas of Canada has always been the policy of Canadian Cannery Limited. A necessary policy, too, for your Company's enviable reputation for quality products is dependent on being able to pack fruits and vegetables as they are harvested. And as field and orchards cannot be taken to the canneries—Canadian Cannery Limited takes the canneries to them!