



Canadian Canners

LIMITED

ANNUAL
REPORT

FOR THE YEAR ENDING FEBRUARY 28

1947



YOUR FAMILY DESERVES AYLMER QUALITY

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McGILL UNIVERSITY

Hamilton, Ontario,
May 1, 1947.

TO THE SHAREHOLDERS OF
CANADIAN CANNERS LIMITED:

The Twenty-fourth Annual Report of the Company for year ending February 28, 1947, together with the report of the Auditors, is submitted herewith by the Board of Directors.

Dividends paid during the year were \$757,768.59.

Production—In our report last year mention was made that we were arranging for maximum production and we are pleased to say that owing to favourable weather conditions, and other factors, our production was the largest in the history of the Company. This has resulted in a larger Inventory at the end of our financial year, but shipments are moving steadily. The Inventory of Supplies is also heavy as we have partly anticipated our requirements in advance of next season, which accounts for the nominal bank loans.

We mentioned in our last year's report that it was our intention to expand operations in order to take care of the heavy demand for those of our products which we have been unable to supply in full, in past seasons. We have three factories now under construction, which it is hoped will be ready for the coming season's pack.

Property account has increased mainly by purchase of additional equipment.

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

Working Capital—It will be noticed there is an increase of \$663,823.88.

Serial Notes—A further reduction is shown and another \$250,000.00 was paid May 1st, 1947, leaving \$750,000.00 outstanding.

Sales—Our Sales have been very heavy. In fact we have, in many instances, been able to make percentage deliveries only, against our orders. Our Export sales are again in excess of those of the previous year and we anticipate that this export business will continue to increase as the markets are opened up.

Taxes—Recently announced reductions of taxes will at least partly compensate for the anticipated higher costs of supplies and labour in the coming season.

Profits—Our improved showing is due to increased volume of business, reduced taxation and the removal of subsidies.

Directors—It is with regret that we record the death of Mr. Gordon C. Edwards. He had been a member of this Board for many years, and his experience and advice were most valuable to your Company.

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 28, 1947

PROFIT from operations after deducting all expenses of manufacturing, selling, administration and taxes (See Note 1)	\$ 1,701,485.45
Interest on serial notes	23,447.86
Net Profit for the year	<u>\$ 1,678,037.59</u>
 EARNED SURPLUSES as at March	
1, 1946	3,695,015.28
	<u>\$ 5,373,052.87</u>
 LESS:	
Amount provided for Employees' Benefit Fund	100,000.00
	<u>\$ 5,273,052.87</u>
 LESS Dividends paid during year:	
First Preference Shares	\$ 228,875.10
Convertible Preference Shares ..	327,413.00
Common Shares	201,480.49
	<u>757,768.59</u>
	<u>\$ 4,515,284.28</u>
 EARNED SURPLUSES as at February 28, 1947:	
Reserve for redemption of Preference Shares	\$ 682,754.63
Investment and Contingent Reserve	2,750,000.00
Earned Surplus Account (See Note 2)	1,082,529.65
	<u>\$ 4,515,284.28</u>

Note 1: The above profits from operations are after providing \$600,000.00 for depreciation of plants, \$2,400,000.00 for income and excess profits taxes, \$81,601.18 for other taxes, \$11,000.00 for directors' fees and \$88,549.18 for legal fees and executive salaries.

Note 2: After transferring \$800,000.00 to Investment and Contingent Reserve.

CANADIAN CANNERS LIMITED

AND

SUBSIDIARY COMPANIES

Consolidated Balance Sheet—February 28, 1947

ASSETS

CURRENT

Cash on hand and in banks	\$ 146,060.95
Marketable securities—Government Bonds at cost (Market value \$2,640,000.00)	2,557,550.00
Accounts and bills receivable, less reserve	1,796,807.28
Manufactured goods, raw materials and supplies, priced at approximate cost, as determined and certified to by responsible officials, less reserve	9,264,215.20
Unexpired insurance, etc.	19,766.12
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	\$13,784,399.55

SHARES held for account Employees' Stock Participation 19,650.85

REFUNDABLE portion of Excess Profits Tax 937,000.00

PROPERTY ACCOUNT

Land, buildings and plants based, chiefly, on appraised sound values as reported by Canadian Appraisal Company Limited in 1923, plus the cost of subse- quent additions	16,047,972.94
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INTANGIBLES

Value carried in books in respect of companies' brands, trade marks, processes, goodwill, etc.	3,242,619.47
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\$34,031,642.81

LIABILITIES

CURRENT

Bank loans (secured)	\$ 811,632.77
Accounts payable and accrued liabilities	2,766,661.23
Interest accrued on Serial Notes	7,458.56
Reserve for income, excess profits and other taxes	2,502,580.80
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	\$ 6,088,333.36

SERIAL NOTES maturing 1947 to 1950 1,000,000.00

FUNDED DEBT

First Mortgage Bonds, Series A—
Authorized, but not issued—\$1,500,000.00

RESERVE FOR EMPLOYEES' BENEFIT FUND 200,000.00

CAPITAL STOCK

Five Per Cent. Cumulative First Preference Stock (callable at \$23 on 60 days' notice from the Company, subject to the shareholders' right of conversion, share for share, into Common)—

Authorized—212,784 shares at \$20.00 each—\$4,255,680.00.

Issued—190,641½ shares

\$ 3,812,830.00

Convertible Preference Stock (callable at \$20. on 60 days' notice from the Company, subject to shareholders' right of conversion, share for share, into Common)—

Authorized—344,734 shares, having no nominal or par value, of which 309,306 shares are issued

Common Stock—

Authorized—446,680 shares, having no nominal or par value, of which 183,624 shares are issued

\$ 6,767,036.68

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

6,911,582.05

10,724,412.05

SURPLUSES

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

2,750,000.00

Earned Surplus account

1,082,529.65

4,515,284.28

5,452,284.28

\$34,031,642.81

On behalf of the Board,
AVERN PARDOE,
Director.

W. R. DRYNAN,
Director.

AUDITORS' REPORT

To the Shareholders of

CANADIAN CANNERS LIMITED:

Toronto, Ontario,

April 30, 1947.

We have examined the books and accounts of Canadian Canners Limited and its subsidiary, Canadian Cannery (Western) Limited, for the year ended February 28, 1947, and have been furnished with Balance Sheets of the remaining Subsidiary Companies, duly certified, and we report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up and exhibits a true and correct view of the state of the combined Companies' affairs according to the best of our knowledge, and the explanations given to us and as shown by the books and statements submitted. We have obtained all the information and explanations we have required.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

CANADIAN CANNERS LIMITED

HEAD OFFICE: HAMILTON, ONTARIO, CANADA

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
ALECK LEITCH
W. G. LUMBERS
LT.-COL. W. G. MacKENDRICK, D.S.O.
J. A. NORTHWAY

P. CROUCHER, Secretary-Treasurer

Auditors

PRICE, WATERHOUSE & CO., Chartered Accountants

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, Fonthill, 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.
Cider and Vinegar Plant, Brighton, Ont.
Pembroke Shook Mills Limited, Pembroke, Ont.
Research Laboratory, Hamilton, Ont.
Wagstaffe Limited, Hamilton, Ont.

Aylmer Quality Begins with Seeds

➔ At the Aylmer subsidiary, Cannery's Seeds Limited, Wellington, Ont.—in the heart of one of the world's greatest canning districts—trained agriculturists are constantly experimenting and improving the productivity of the seeds from which the finest vegetables and fruits are grown in Canada for Aylmer.

At right, an employee holds a "flat" of one hundred tomato plants, all exactly right in size and maturity to ensure rapid growth of a domestic tomato second to none—an *Aylmer tomato!*



**3,000
Seedlings**

Years of seed research and development produced the plump, virile Aylmer tomato seeds illustrated at right above. There is about half-an-ounce of seed in the pile—enough to grow the 3,000 seedlings needed to sow an acre.

The other pile of seed is ordinary seed. Observe how much bigger the Aylmer seed is—a difference

which helps explain the extra quality of Aylmer canned foods and which justifies your Company in saying *Your Family Deserves Aylmer Quality!*

Two Aylmer Products You'll Want to Enjoy Often

● Aylmer has always been famous for its rich-flavored Chicken Soup. And once again supplies of this nourishing delicacy are being made available across Canada.

Another light yet most delicious dinner soup that is winning wide popularity is Aylmer Mushroom Consomme. Truly a delicacy for a gourmet.

AYLMER CHICKEN SOUP

AYLMER MUSHROOM CONSOMME
