



Canadian Cannery

LIMITED

22nd

Annual Report

FOR THE YEAR ENDING FEBRUARY 28

1945



McGill

UNIVERSITY

Hamilton, May 1, 1945.

TO THE SHAREHOLDERS OF
CANADIAN CANNERS LIMITED.

The Twenty-second Annual Report of the Company for the year ending February 28, 1945, together with the report of the Auditors, is submitted herewith by the Board of Directors.

Dividends were paid during the year at the rate of 5% per annum on the First Preference Stock, plus a participating dividend of 5c per share per quarter; 83c per share on the Convertible Preference Stock and 57½c per share on the Common Stock.

In last year's report reference was made to the poor crops and reduced production. This year we have to report a larger production; in fact the largest in the history of the Company, most of which has been disposed of and there will be very little to carry forward into the 1945-6 season.

Plans have been made to operate this coming season at maximum capacity. The results will depend on weather conditions, ability to procure sufficient labor and supplies of tin containers. A ready sale for our entire output is anticipated. The large production referred to resulted in substantial reduction of overhead costs, as evidenced by the statement.

The margin of profit on our sales, particularly as we have only one turnover a year, is very reasonable, and figures approximately 4.4% or less than ½c per unit (tin).

Export sales were greater than in the previous year, and could have been larger were it not for war service and heavy domestic requirements. Numerous enquiries for our products from foreign countries indicate a good export market in the post-war period.

Increase in Property Account is for additional equipment, etc., required to secure increased production and efficiency.

Government Income Taxes are in excess of those of last year. The refundable portion of the Excess Profits Tax now stands at \$712,000. compared with \$412,000. the previous year. This is not included in the statement of Profit and Loss.

All the outstanding bonds were paid off during the year. The Company is now entirely without mortgage indebtedness. The required funds have been provided, partly through the sale of Serial Notes, and the balance including all premiums and costs of redemption, from the Company's own funds. The saving in interest charges will be substantial. The first serial note of \$250,000. due May 1st has been paid.

Under the caption of "Funded Debt" there remains authorized First Mortgage Bonds, Series A, to the amount of \$1,500,000. which will be available without additional expense, for post-war expansion plans and other purposes, if required.

The amount of \$80,000. has been allocated for redemption of Preference shares, and \$150,000. has been transferred to the Investment and Contingent Reserve.

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

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS AND
EARNED SURPLUSES FOR THE FISCAL YEAR
ENDED FEBRUARY 28, 1945**

PROFIT from operations after deducting all expenses of manufacturing, selling, administration and taxes (See Note 1)....	\$ 1,026,483.08
Interest on funded debt and serial notes	73,746.37
	<u>952,736.71</u>
Net Profit for the year	\$ 952,736.71
EARNED SURPLUSES as at March 1, 1944..	3,235,893.20
	<u>\$ 4,188,629.91</u>
LESS:	
Premium and expenses in connection with redemption of First Mortgage Bonds	\$ 50,000.00
Amount provided for Employees' Benefit Fund	50,000.00
	<u>100,000.00</u>
	\$ 4,088,629.91
LESS Dividends paid during year:	
First Preference shares	\$ 229,050.00
Convertible Preference Shares	305,219.16
Common Shares	89,559.48
	<u>623,828.64</u>
	\$ 3,464,801.27
EARNED SURPLUSES as at February 28, 1945:	
Reserve for redemption of Preference Shares	\$ 682,754.63
Investment and Contingent Reserve	1,750,000.00
Earned Surplus Account (See Note 2)....	1,032,046.64
	<u>\$ 3,464,801.27</u>

NOTE 1: The above profits from operations are after providing \$550,000.00 for depreciation of plants, \$2,460,000.00 for income and excess profits taxes (including refundable portion \$300,000.00), \$79,167.73 for other taxes, \$11,000.00 for directors' fees and \$86,294.79 for legal fees and executive salaries.

NOTE 2: After transferring \$80,000.00 to Reserve for redemption of Preference Shares and \$150,000.00 to Investment and Contingent Reserve.

On behalf of the Board,

W. R. DRYNAN,
President.

CANADIAN CANNERS LIMITED

AND

SUBSIDIARY COMPANIES

Consolidated Balance Sheet — February 28, 1945

ASSETS

CURRENT

Cash on hand and in banks	\$ 692,804.75	
Marketable securities—Government Bonds at cost (Market value \$1,732,929.50)	1,732,550.00	
Accounts and bills receivable, less reserve	1,349,754.96	
Manufactured goods, raw materials and supplies, priced at approximate cost, as determined and certified to by responsible officials, less reserve	6,498,471.70	
Unexpired insurance, etc.	14,727.52	
	<hr/>	\$ 10,288,308.93

SHARES held for account Employees' Stock Participation

19,650.85

REFUNDABLE portion of Excess Profits Tax

712,000.00

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 subsequent additions		15,109,989.48
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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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\$ 29,372,568.73

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	\$ 1,471,881.66	
Interest accrued on Serial Notes	12,113.03	
Reserve for income, excess profits and other taxes	2,002,497.94	
	<hr/>	\$ 3,486,492.63

SERIAL NOTES maturing 1945 to 1950

1,500,000.00

FUNDED DEBT

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

RESERVE FOR EMPLOYEES' BENEFIT FUND

50,000.00

GENERAL AND DEPRECIATION RESERVE

9,434,862.78

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—213,020 shares at \$20 each—\$4,260,400.00. Issued—190,877½ shares				
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—390,338 shares, having no nominal or par value, of which 354,910 shares are issued. Common Stock— Authorized—400,840 shares, having no nominal or par value, of which 137,784 shares are issued				\$ 3,817,550.00
				\$ 6,762,316.68
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	
			<u>6,906,862.05</u>	10,724,412.05
SURPLUSES				
Deferred Surplus—refundable portion of Excess Profits Tax			\$ 712,000.00	
Earned Surpluses—				
Reserve for redemption of Preference Shares		\$ 682,754.63		
Investment and Contingent Reserve		1,750,000.00		
Earned Surplus account		<u>1,032,046.64</u>		
			<u>3,464,801.27</u>	4,176,801.27
				<u>\$ 29,372,568.73</u>
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, 1945.

We have examined the books and accounts of Canadian Canners Limited and its subsidiary, Canadian Canners (Western) Limited, for the year ended February 28, 1945, 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 and General Manager.
W. L. INNES, First Vice-President.
E. A. PEARCE, Second Vice-President.
D. R. McCAHILL, Assistant General Manager.
W. I. DRYNAN.
G. C. EDWARDS.
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—St. Isidore, St. Hyacinthe, Chambly.

In Nova Scotia—Middleton.

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

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



Research

- ★ FOR HIGHEST QUALITY
- ★ FOR NEW PRODUCTS

Throughout the difficult war years the AYLNER RESEARCH LABORATORY has consistently carried on its important task of maintaining and improving AYLNER Quality. Research has also been continued on new products and new methods. Your Company is ready and waiting to take its rightful place in post-war development.



Your Family
Deserves
Aylmer Quality

