

CANADIAN CANNERS

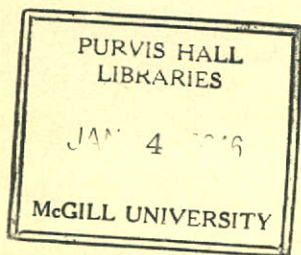
Limited

HAMILTON CANADA



HEAD OFFICES OF CANADIAN CANNERS LIMITED
AT HUGHSON STREET SOUTH, HAMILTON, ONTARIO

TWENTY-FIRST
ANNUAL REPORT
for the YEAR ENDED
FEBRUARY 29, 1944



Hamilton, May 3, 1944.

TO THE SHAREHOLDERS OF
CANADIAN CANNERS LIMITED.

The Annual Report of the Company for the year ended February 29, 1944, 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; 80c per share on the Convertible Preference Stock and 50c per share on the Common Stock.

As authorized under By-law No. 16 passed at the last General Meeting, the Board was increased from ten to eleven Directors. Mr. W. I. Drynan was added to the Board.

The Report shows a net profit slightly less than that of the previous year. Considering the difficulties of operation which the Company had to face last year, particularly with regard to crop shortages and labor, the showing in the opinion of the Directors, should be satisfactory.

In some parts of Ontario and also of Quebec, some of the crops, especially fruits, were almost a complete failure, and as a result it was impossible to meet the demand for our products. Quite a substantial percentage of our production was held for Government War Services.

Export sales fell off sharply due to short supplies, transportation difficulties and Government regulations.

The margin of profit on sales, with only one turn-over annually, shows about 4.6% or the small amount of about one-half cent a unit (tin).

The taxes due the Dominion Government are somewhat lower than that of the previous year. Attention is drawn to the refundable portion of Excess Profits Tax owing to us by the Government; now \$412,000.00 as compared with \$200,000.00 the previous year. This is not included in the statement of Profit and Loss.

Under the heading "Sinking Fund Cash" there was deposited with the Trustee an amount of \$150,000.00 as referred to in the President's report of last year, and bonds have been drawn by the Trust Company for this amount as provided in the Trust Deed. On May 1 this year a further \$150,000.00 was deposited with the Trustees for the same purpose.

The increase in Property Account is due to the installation of new equipment, buildings, etc., required for general expansion and dehydration operations. Three dehydration plants were operated last year for Government account, and two for commercial purposes.

A further \$170,000.00 has been allocated for redemption of Preference shares and \$100,000.00 has been transferred to the Investment and Contingent Reserve.

Your Directors desire to record their appreciation of the loyal and efficient services of the Company's employees who, in the opinion of the Directors, have succeeded under very trying conditions, in contributing materially to the financial showing as submitted herewith.

STATEMENT OF CONSOLIDATED PROFIT AND LOSS
AND EARNED SURPLUSES FOR THE FISCAL
YEAR ENDED FEBRUARY 29, 1944

PROFIT from operations after deducting all expenses of manufacturing, selling, administration and taxes (See Note 1)	\$ 947,522.18
Interest on funded debt	96,800.00
	\$ 850,722.18
EARNED SURPLUSES as at March 1, 1943	2,967,037.66
	\$ 3,817,759.84
LESS Dividends paid during year:	
First Preference shares	\$ 229,049.99
Convertible Preference shares	283,924.80
Common shares	68,891.85
	581,866.64
	\$ 3,235,893.20
EARNED SURPLUSES as at February 29, 1944:	
Reserve for redemption of Preference shares	\$ 602,754.63
Investment and Contingent Reserve	\$ 1,600,000.00
Earned Surplus (see Note 2)	1,033,138.57
	2,633,138.57
	\$ 3,235,893.20

NOTE 1: The above profits from operations are after providing \$521,000.00 for depreciation of plants, \$1,660,000.00 for income and excess profits taxes (including refundable portion \$212,000.00), \$80,150.02 for other taxes, \$10,750.00 for directors' fees and \$81,275.30 for legal fees and executive salaries.

NOTE 2: After transferring \$170,000.00 to Reserve for redemption of Preference Shares and \$100,000.00 to Investment and Contingent Reserve.

On behalf of the Board,

W. R DRYNAN,
President.

CANADIAN CANNERS LIMITED

AND

SUBSIDIARY COMPANIES

Consolidated Balance Sheet—February 29, 1944

ASSETS

CURRENT

Cash on hand and in banks	\$ 842,366.65	
Marketable securities—Government Bonds, (at cost)	1,075,000.00	
Accounts and bills receivable, less reserve	1,525,905.04	
Manufactured goods, raw materials and supplies, priced at approximate cost, as determined and certified to by responsible officials, less reserve	6,584,233.47	
Unexpired insurance, etc.	13,525.34	
	<hr/>	\$ 10,041,030.50

SINKING FUND CASH

Deposit with Trustee for redemption of First Mortgage Bonds	150,000.00
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SHARES held for account Employees' Stock Participation	19,650.85
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REFUNDABLE portion of Excess Profits Tax	412,000.00
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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	14,797,740.50
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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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\$ 28,663,041.32

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	\$ 1,244,062.33	
Bond interest accrued	32,266.66	
Reserve for income, excess profits and other taxes	1,685,491.30	
	<hr/>	\$ 2,961,820.29

FUNDED DEBT

First Mortgage Bonds, Series A—	
Authorized, less redeemed to date—\$3,920,000.00	
Issued—	
Convertible Four Per Cent. Fifteen-Year Sinking Fund First	

3,420,000.00

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—213,020 shares at \$20 each—\$4,260,400.00.

Issued—190,877½ shares.....

3,817,550.00

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—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.....

\$ 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

6,906,862.05

10,724,412.05

412,000.00

DEFERRED SURPLUS—refundable portion of Excess Profits Tax.....

EARNED SURPLUSES

Reserve for redemption of Preference Shares.....

1,600,000.00

602,754.63

Investment and Contingent Reserve.....

1,033,138.57

Earned Surplus.....

2,633,138.57

\$ 28,663,041.32

On behalf of the Board,
AVERN PARDOE,
Director.

W. R. DRYNAN,
Director.

AUDITORS' REPORT

To the Shareholders of
CANADIAN CANNERS LIMITED:

Toronto, Ontario,
May 1, 1944.

We have examined the books and accounts of Canadian Canners Limited and its subsidiary, Canadian Cannery (Western) Limited, for the year ended February 29, 1944, 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. McCABILL, 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, Thamesville, 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.

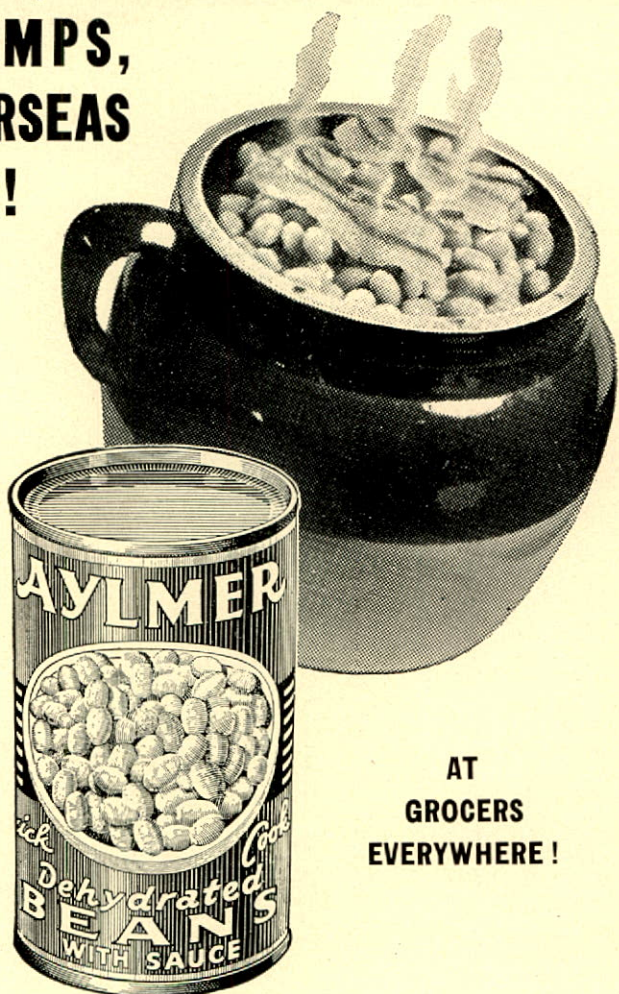
FARMS

- 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.

**FOR HOME, FOR SUMMER COTTAGE,
FOR CAMPS,
FOR OVERSEAS
PARCELS!**



**AT
GROCERS
EVERYWHERE!**

**COOKING
THEM IS
A SIMPLE**

**MATTER OF ADDING WATER ONLY (NO EXTRAS . . .
SAUCE AND ALL ARE IN THE TIN); COOK FOR
TWENTY MINUTES, AND THEY ARE **READY TO EAT.****

**OVERSEAS LETTERS TELL US THAT AYLMER
DEHYDRATED BEANS ARE A MOST APPRECIATED
FOOD. INCLUDE A TIN OR TWO IN YOUR NEXT
PARCEL FOR OVERSEAS!**

AYLMER
C A N N E D F O O D S
for Quality

CANADIAN CANIMERE, LIMITED

AYLMER SOUPS · · MADE FROM FRESH VEGETABLES IN SEASON

AYLMER: CANADA'S HOUSEHOLD NAME FOR CANNED FOODS