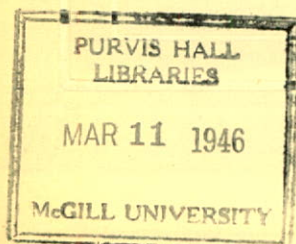


Penmans

LIMITED



THIRTEENTH ANNUAL REPORT 1918



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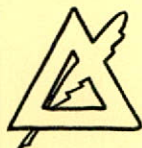
Penmans Limited

Corporate Office, Montreal, Que.

General Offices, Paris, Ont.

MILLS AT

Paris, Ont.	Brantford, Ont.
Thorold, Ont.	Waterford, Ont.
Port Dover, Ont.	Almonte, Ont.
Coaticook, Que.	London, Ont.
St. Hyacinthe, Que.	Ayr, Ont.



ANNUAL REPORT

For the Year Ending
December the 31st, 1918

Submitted at the Thirteenth Annual Meeting
Held on the Third Day of March, 1919

Directors' Report

YOUR Directors are pleased to submit to the Shareholders their Annual Report of the operations of the Company for the year ending 31st of December, 1918.

Sales for the year amounted to \$8,648,382.63, an increase of \$1,751,886.59 as compared with 1917.

The Net Profits, after providing for all cost of administration, payment of Bond Interest, and allowance for Depreciation on Plant, amount to \$1,137,171.22, appropriated as follows:—

Preferred Stock Dividends	\$ 64,500.00
Common Stock Dividends and Bonuses	161,295.00
Patriotic Contributions	13,907.11
War Tax	355,169.58
Transferred to Reserve Account	500,000.00
Amount carried forward	42,299.53
	<hr/>
	\$1,137,171.22

The Surplus of Liquid Assets over Liabilities has been increased during the year by \$504,673.25, the active surplus now amounting to \$3,154,235.50.

The Reserve Account and Surplus, as will be seen from the Balance Sheet, now amount to \$3,350,167.46.

During the year the Common Stock Dividend was placed upon a 6% per annum basis, beginning with the Quarter ending 30th of April.

The Company subscribed for \$200,000 of Canada's VICTORY LOAN BONDS and also made a number of contributions to various Patriotic Funds connected with the War, and a Resolution will be submitted to the Shareholders for approval of the Directors' action.

The Books and Accounts of the Company have been audited during the year by Mr. C. S. Scott, F. C. A., Hamilton, and his report is presented herewith.

Respectfully submitted,

C. B. GORDON,

President.

Board of Directors

1918—1919

President

SIR CHARLES GORDON, G. B. E.

Vice-President

R. B. MORRICE

V. E. MITCHELL, K. C.

J. P. BLACK

H. B. MacDOUGALL

J. R. GORDON

WM. McMASTER

JOHN BAILLIE

J. N. LAING

I. BONNER, *General Manager*

C. B. ROBINSON, *Secretary-Treasurer*

Stock Transfer Agents—ROYAL TRUST Co., MONTREAL AND TORONTO

Bankers—THE BANK OF MONTREAL

Auditor—C. S. SCOTT, F. C. A., HAMILTON

Hennmans Limited

Profit and Loss Account

For the Year Ending 31st December, 1918

Gross Profits for year ending 31st December, 1918 - -	\$1,953,643.50
Less Operating Expenses - -	<u>595,312.10</u>
	<u>\$1,358,331.40</u>

DEDUCT

Interest on Bonds - - -	\$100,000.00
Depreciation on Plant - -	<u>121,160.18</u>
	221,160.18
Net Earnings for the year 1918	<u>1,137,171.22</u>
Brought forward from 31st December, 1917	<u>807,867.93</u>
	<u>1,945,039.15</u>

APPROPRIATION

To Four Quarterly Dividends of 1½% each on Preferred Stock	\$64,500.00
“ One Quarterly Dividend of 1%, three Quarterly Divi- dends of 1½%, and two Bonuses of 1% each on Common Stock - -	161,295.00
“ Patriotic Contributions -	13,907.11
“ War Tax - - - -	355,169.58
Transferred to Reserve Account	500,000.00
BALANCE FORWARD	<u>850,167.46</u>
	<u><u>\$1,945,039.15</u></u>

Penmans

General

As at the 31st

ASSETS

FIXED

Comprising Real Estate, Build-
ings, Plant, Dwelling
Houses, Water Powers,
Etc. - - -

Less depreciation

\$3,163,577.36

Goodwill, Trade Marks, Etc.

2,257,954.60

CURRENT

Cash on hand and in Bank - \$ 48,654.12

War Bonds - - - 141,750.00

Accounts Receivable - - 1,026,506.44

Bills Receivable - - - 6,784.60

INVENTORY

Raw and Manufactured Stock - 3,820,188.60

TOTAL CURRENT ASSETS

5,043,883.76

\$10,465,415.72

Approved { C. B. Gordon
R. B. Morrice

Limited

Statement

December, 1918

LIABILITIES

CAPITAL STOCK

Authorized, Preferred	-	-	-	\$1,500,000.00	
Common	-	-	-	2,500,000.00	
				<u>4,000,000.00</u>	
Issued, Preferred	-	-	-	1,075,000.00	
Common	-	-	-	2,150,600.00	
					3,225,600.00
Reserve Account	-	-	-	2,500,000.00	
Surplus—Balance Profit and Loss Account				850,167.46	
					<u>3,350,167.46</u>

FIVE PER CENT. FIRST MORTGAGE BONDS

Due 1st November, 1926 2,000,000.00

CURRENT LIABILITIES

Unclaimed Dividends	-	-	-	163.10	
Accounts Payable	-	-	-	117,773.56	
Wages	-	-	-	10,537.42	
Bills Payable	-	-	-	61,174.18	
Bank Advances	-	-	-	1,700,000.00	
TOTAL CURRENT LIABILITIES					<u>1,889,648.26</u>
					<u>\$10,465,415.72</u>

INDIRECT LIABILITIES

Customers' Paper under Discount \$36,758.11

C. I. Scott, F. C. A.
Accountant, Trustee, etc.

Spectator Building

Hamilton, Ont.

I have examined the books, vouchers and securities of Penmans Limited for the year ended 31st December, 1918, and have obtained all the information and explanations I have required; and in my opinion the Balance Sheet referred to in the Report is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of my information and the explanations given me, and as shown by Books of the Company.

C. I. Scott

F. C. A.

Auditor

February 1st, 1919

