

STEDMAN BROS., LIMITED

136-152 PORTLAND STREET - TORONTO, CANADA

April 11, 1958

To the Shareholders of Stedman Bros., Limited:

Your Directors are pleased to submit for your consideration the Annual Report of the Company, together with the Balance Sheet and Statement of Income, for the year ending December 31, 1957, as certified by the auditors of the Company.

We feel the year 1957 was a satisfactory one. Our sales volume and net profit show further increases. The earnings for 1957 were \$3.33 per share compared with \$3.00 per share in 1956.

During the year four new stores were opened and two were closed. We continued our programme of improving the facilities of the stores in operation based on their earning record and spent \$730,303.11 on modernization and new fixtures. The past year has been one of uncertainty due, no doubt, to the many changes that are taking place.

The unsettled world conditions lead one to believe that changes will continue to occur for some time. Most countries are striving to establish a place in the world picture, but before that can be accomplished, a greater degree of world peace must be established, which may require the co-operation of people of all nations.

The retail business depends on prosperity and world peace. It also requires that retailers must be alive to changes in our economy and to opportunities, for nothing stands still.

Our organization justifies the belief that we realize this condition and are able to meet it. Providing there is no drastic change, we face the future with confidence.

On behalf of the Directors, I wish to express to our staff and all members of the organization our appreciation for their co-operation and help in obtaining the year's result.

Signed on behalf of the Board
S. W. STEDMAN,
Chairman.

STEDMAN BROS., LIMITED

INCORPORATED UNDER THE LAWS OF CANADA

BALANCE SHEET

December 31, 1957

(with comparative figures as at December 31, 1956)

	1957	1956
ASSETS		
<u>Current Assets</u>		
Cash.....	\$ 1,782,215.77	\$1,392,157.97
Marketable Securities at Cost.....		394,250.00
Accounts Receivable, less allowance for doubtful accounts.....	1,023,381.96	919,280.28
Merchandise inventories as determined by the management and certified to be valued at not more than the lower of cost or market.....	4,234,450.15	3,737,506.55
Advance Payments on Merchandise.....	92,800.70	62,225.87
Life Insurance, Cash Surrender Value.....	63,900.18	59,070.93
Prepaid Insurance and Expenses.....	72,338.71	22,392.00
	<hr/> 7,269,087.47	<hr/> \$6,586,883.60
<u>Mortgage Receivable</u>	6,000.00	\$ 8,000.00
	<hr/>	<hr/>
<u>Fixed Assets, at Cost:</u>		
Land and Buildings.....	2,515,436.50	\$2,215,139.37
Furniture, Fixtures and Leasehold Improvements.....	2,536,620.51	2,105,614.53
	<hr/> 5,052,057.01	<hr/> \$4,320,753.90
<u>Less: Accumulated Depreciation</u>	2,048,255.59	1,735,578.03
	<hr/> 3,003,801.42	<hr/> \$2,585,175.87
	<hr/> \$10,278,888.89	<hr/> \$9,180,059.47

LIABILITIES

	1957	1956
<u>Current Liabilities:</u>		
Accounts Payable and Accrued Expenses.....	218,539.63	\$ 152,794.28
Income Taxes Payable.....	665,918.37	569,819.00
Dividend Payable.....	122,150.40	101,792.00
	<hr/> \$ 1,006,608.40	<hr/> \$ 824,405.28
<u>Shareholders' Equity:</u>		
<u>Capital Stock:</u>		
Authorized, 500,000 Common Shares without nominal or par value		
Issued, 407,168 Shares.....	294,801.00	\$ 294,801.00
<u>Surplus:</u>		
Earned.....	8,972,279.49	8,055,653.19
Capital, Arising from Redemption of Preference Shares.....	5,200.00	5,200.00
	<hr/> \$ 9,272,280.49	<hr/> \$8,355,654.19
	<hr/> \$10,278,888.89	<hr/> \$9,180,059.47

Approved on behalf of the Board.

S. W. STEDMAN, *Director*

GEO. H. STEDMAN, *Director*

STEDMAN BROS., LIMITED

STATEMENT OF INCOME

Year ended December 31, 1957

(with comparative figures for the year ended December 31, 1956)

	1957	1956
Profit on Operations before Provision for the Undernoted Items.....	\$ 3,036,662.57	\$2,660,305.79
<u>Deduct:</u>		
Allowance for Depreciation.....	327,072.73	\$ 275,397.72
Employees' Pension Fund, Net.....	39,234.46	33,575.73
Remuneration of Directors:		
Salaried.....	61,861.28	61,050.86
Non-salaried.....	900.00	900.00
Taxes on Income.....	1,250,000.00	1,067,000.00
	<u>\$ 1,679,068.47</u>	<u>\$1,437,924.31</u>
<u>Net Income for Year.....</u>	<u>\$ 1,357,594.10</u>	<u>\$1,222,381.48</u>

STATEMENT OF EARNED SURPLUS

Year ended December 31, 1957

(with comparative figures for the year ended December 31, 1956)

	1957	1956
Earned Surplus, Beginning of Year.....	\$ 8,055,653.19	\$7,228,080.52
<u>Add:</u>		
Net Income for Year.....	1,357,594.10	1,222,381.48
Life Insurance, Adjustment.....	1,167.00	961.49
Surplus on Sale of Investments or Real Estate.....	5,750.00	11,397.70
	<u>9,420,164.29</u>	<u>\$8,462,821.19</u>
<u>Deduct Dividends Paid.....</u>	<u>447,884.80</u>	<u>407,168.00</u>
<u>Earned Surplus, End of Year.....</u>	<u>\$ 8,972,279.49</u>	<u>\$8,055,653.19</u>

AUDITOR'S REPORT

To the Shareholders of
Stedman Bros., Limited:

We have examined the balance sheet of Stedman Bros., Limited, as at December 31, 1957, and the statements of income and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above balance sheet and the accompanying statements of income and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1957, and the results of its operations for the year ended on that date, according to the best of our information and the explanations given us and as shown by the books.

Toronto, Ontario
April 3, 1958.

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

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STEDMAN BROS., LIMITED

ANNUAL REPORT

FOR THE

Year Ending 31st December, 1957

OFFICERS:

SAMUEL W. STEDMAN.....Chairman of the Board
GEORGE H. STEDMAN.....President
GEO. T. HUMBLE.....Vice-President and
 Managing Director
J. D. RAE.....Secretary-Treasurer
DOUGLAS J. MACDONALD.....Vice-President
J. R. MORRISON.....Vice-President
A. A. MACDONALD, Q.C.....Director
A. ROSS POYNTZ.....Director

STOCK TRANSFER AGENTS:

GUARANTY TRUST COMPANY OF CANADA
70 Richmond Street West
Toronto

BANKERS:

THE TORONTO-DOMINION BANK
Toronto

