

# STEDMAN BROS., LIMITED

27 WELLINGTON ST. WEST

TORONTO, CANADA

March 7th, 1944

## TO THE SHAREHOLDERS:

The Board of Directors of our Company have pleasure in submitting the Annual Statement, together with Balance Sheet, covering the operations for the year 1943. The year's operation shows little change from 1942 with the exception that Excess Profits Taxes are on a 100% basis for 1943 as compared with 75% for part of 1942.

The year has been most difficult, both for the management and the staff. Merchandise has been available in only limited quantities and labor turnover has been continuous due to military call up and essential employment demands. Under the circumstances, the year has been satisfactory.

For the future there is little room for comment; little improvement can be expected until the war ends.

The problem facing both management and labor is to be ready for peace when it comes. To achieve this, there is great need to realize that the many proposals made for better living conditions are based on full employment and that in the final analysis we can only have what we can pay for.

For that reason, our first responsibility is to see that every effort is made to provide work. This can be attained only by continuing the same united effort with which we have faced the war.

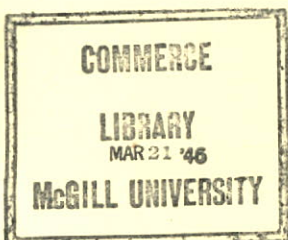
Your Directors have declared the regular dividend of Seventy Five Cents for the quarter on the Preferred and the regular Fifteen Cents, plus a bonus of Sixty Cents on the Common Stock.

Your Directors would also like to express their appreciation to the staff and management for their loyal support during the past year.

Yours very truly,

S. W. STEDMAN,

*Chairman of the Board.*



# STEDMAN BROS., LIMITED

## BALANCE SHEET AS AT DECEMBER 31st, 1943

### ASSETS

Cash on Hand and in Banks .....		\$ 602,764.04
Dominion of Canada Bonds .....		198,000.00
Accounts Receivable (Less Reserve for Bad Debts, \$5,000.00) .....		326,530.04
Inventories at Cost .....	\$ 973,651.40	
Less: Reserve for Warehouse Profit on Store Inventories .....	\$ 53,709.89	
Less: Reserves for Increased Prices re Excess Profits Tax .....	103,169.59	
	156,879.48	
Cash Surrender Value of Life Insurance .....		816,771.92
Real Estate (at Cost Less Depreciation, \$24,496.75) .....		13,627.70
Furniture and Fixtures (Less Depreciation, \$298,021.85) .....		176,171.23
Advances to Employees re Purchase Dominion of Canada Bonds .....		115,402.40
Refundable Portion of Excess Profits Tax .....		6,865.90
Prepaid Insurance .....		107,272.75
Prepaid Expenses and Other Assets .....		1,702.12
Trade Creditors (Prepayment of Merchandise) .....		8,850.54
Goodwill .....		3,995.44
		1.00
		\$2,377,955.08

### LIABILITIES

Reserves:		
Income Tax for 1940 .....		\$ 23,262.02
Income Tax for 1941 .....		61,890.80
Income Tax for 1942 .....		51,846.14
Income Tax for 1943 (after Prepayment of \$460,000.00) .....		60,129.42
Preferred Dividend 1½% .....		4,500.00
Common Dividends 15 cents per share .....		13,500.00
		\$ 215,128.38
Reserve re Real Estate .....		176,171.23
Capital Stock:		
Preferred—6,000 Shares, Par Value \$50.00 per Share .....	\$ 300,000.00	
Common—90,000 Shares, No Par Value .....	1.00	
		300,001.00
Earned Surplus .....		1,579,381.72
Deferred Surplus .....		107,272.75
		\$2,377,955.08

### AUDITOR'S CERTIFICATE

I have examined the above Balance Sheet of Stedman Bros., Limited, as at December 31st, 1943, and report that, in my opinion, it 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 the books of the Company.

All my requirements, as Auditor, have been complied with.

S. W. STEDMAN, *Chairman of the Board.*

GEO. H. STEDMAN, *President.*

C. J. PARKER, C.A.



# STEDMAN BROS., LIMITED

## GENERAL INCOME AND EXPENDITURE ACCOUNT

for the year ended December 31st, 1943

Net Operating Profit for year before Provision for Depreciation and Income Tax .....		\$ 815,699.56
Provision for Depreciation .....	\$ 43,715.57	
Dominion Income Tax .....	520,129.42	
		563,844.99
Net Profit for year carried forward to Earned Surplus Account ..		\$ 251,854.57

The total of the amount paid for the year ended December 31st, 1943, as salaries, bonuses, fees, or other remuneration to the counsel, solicitors, or other legal advisers of the Company, also to the Executive Officers of the Company, including the President, Managing Director, and any other Directors, who hold salaried employment or office with the Company was \$46,474.05. Fees of Directors, not holding salaried employment in the Company were \$300.00.

## EARNED SURPLUS ACCOUNT

as at December 31st, 1943

Surplus, forward January 1st, 1943 .....		\$1,494,464.63
<i>Add:</i> Adjustment of Provincial Tax Reserves .....	\$ 2,700.00	
Increase in Cash Surrender Value of Life Insurance, plus Accrued Dividends .....	2,571.70	
Transfer from Profit and Loss Account .....	251,854.57	
		257,126.27
		\$1,751,590.90
<i>Less:</i> Adjustment to Deferred Surplus Account re Excess Profits Tax .....	\$ 36,822.69	
Life Insurance Premiums Paid .....	3,662.25	
Bombardment Insurance Premiums Paid .....	3,600.00	
Adjustment on Reserve for Real Estate .....	1,546.74	
Loss on Investments .....	577.50	
		46,209.18
		\$1,705,381.72
Preference Dividends:		
Paid April 1st, 1943 .....	\$ 4,500.00	
Paid July 1st, 1943 .....	4,500.00	
Paid October 1st, 1943 .....	4,500.00	
Payable January 1st, 1944 .....	4,500.00	
		\$ 18,000.00
Common Dividends:		
Paid April 1st, 1943 .....	\$ 67,500.00	
Paid July 1st, 1943 .....	13,500.00	
Paid October 1st, 1943 .....	13,500.00	
Payable January 1st, 1944 .....	13,500.00	
		108,000.00
		126,000.00
Balance of Earned Surplus, December 31st, 1943, Carried to Balance Sheet .....		\$1,579,381.72

## DEFERRED SURPLUS ACCOUNT

as at December 31st, 1943

Adjustment from Earned Surplus Account re Refundable Portion 1942 Excess Profits Tax .....		\$ 36,822.69
<i>Add:</i> Refundable Portion 1943 Excess Profits Tax .....		70,450.00
Balance of Deferred Surplus, December 31st, 1943, Carried to Balance Sheet .....		\$ 107,272.75

# STEDMAN BROS., LIMITED

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## ANNUAL REPORT FOR THE Year Ending 31st December, 1943

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### OFFICERS:

SAMUEL W. STEDMAN ..... *Chairman of the Board*  
GEORGE H. STEDMAN *President and Managing Director*  
CLARENCE R. PETTIT ..... *Executive Vice-President  
and Secretary-Treasurer*  
DOUGLAS J. MACDONALD ..... *Vice-President*  
GEO. T. HUMBLE ..... *Director*

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STOCK TRANSFER AGENTS:  
GUARANTY TRUST COMPANY OF CANADA

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BANKERS:  
BANK OF TORONTO  
Toronto