

# STEDMAN BROS., LIMITED

27 WELLINGTON ST. WEST - TORONTO, CANADA

March 30th, 1948

To the Shareholders of Stedman Bros., Limited:

The Directors of Stedman Bros., Limited, submit for your consideration the Annual Statement, together with the Profit and Loss Account for the year ending December 31st, 1947, which they hope will meet with your approval.

The Company had an increase in volume and the profit was maintained proportionately. During the year our labor costs and expenses generally increased and you will be glad to know that notwithstanding these increases our margin of profit is down one-half of one percent. The Management has endeavored to avoid raising prices as far as possible and has endeavored to meet the increases in cost by greater efficiency.

During the year four new units were opened and remodelling was completed in several others. Our programme of reconditioning will continue as fast as labor and material supplies will permit. For some years we have occupied space in the Allan Building; this is in addition to the two warehouses we occupy and own on Wellington Street. Last Fall we were advised that the Allan Building had been sold and that our lease which expires on April 1st, 1948, would not be renewed. While we have been able to obtain new space for a limited time, your Directors felt that we should make plans for our future needs, and for that reason purchased land at the corner of Richmond and Portland Streets. This property is carrying itself and will be available for building when costs and needs make it advisable.

During the War the strengthening of our organization was of necessity deferred. We are now providing for the future by appointing assistants to Executive Officers. While the future is somewhat clouded by world conditions, business so far this year compares favorably with 1947.

I would like to express on behalf of the Directors, their sincere appreciation for the loyal services of the staff during the past year.

Signed on behalf of the Board,

S. W. STEDMAN,

*Chairman of the Board.*

**STEDMAN BROS., LIMITED**  
**GENERAL INCOME AND EXPENDITURE ACCOUNT**

for the Year ended December 31, 1947

Net Operating Profit for Year before Provision for Depreciation, Pension, Inventory Reserve and Income Taxes .....		\$1,142,939.59
Provision for Depreciation .....	\$ 40,291.84	
Employees' Pension Fund .....	24,056.18	
Reserve for Increased Prices .....	96,830.41	
Federal and Provincial Income Taxes .....	489,575.91	
		650,754.34
		\$ 492,185.25

The Total of the Amount Paid for the Year ended December 31, 1947, 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 \$51,922.50.

Fees of Directors not holding Salaried Employment in the Company were \$300.00.

**EARNED SURPLUS ACCOUNT**

as at December 31, 1947

Surplus forward January 1, 1947 .....		\$2,008,319.30
Add: Increase in Cash Surrender Value of Life Insurance, plus		
Accrued Dividends .....	\$ 3,335.15	
Adjustment on Prior Years' Legal Expenses .....	900.00	
Transfer from Profit and Loss Account .....	492,185.25	
		496,420.40
		\$2,504,739.70
Less: Life Insurance Premiums Paid .....	\$ 3,662.25	
Balance, 1946 Dominion Income Taxes .....	125.94	
		3,788.19
		\$2,500,951.51
Common Dividends:		
Paid April 1, 1947 .....	\$ 61,075.20	
Paid July 1, 1947 .....	61,075.20	
Paid October 1, 1947 .....	61,075.20	
Payable, January 1, 1948 .....	61,075.20	
		244,300.80
		\$2,256,650.71

**STEDMAN BROS., LIMITED**  
**BALANCE SHEET AS AT DECEMBER 31, 1947**

ASSETS

Cash on Hand and in Banks .....		\$ 517,821.30
Accounts Receivable .....	\$ 491,419.06	
Less: Reserve for Bad Debts .....	5,000.00	
		486,419.06
Inventories at Cost .....	\$1,402,893.12	
Less: Reserve for Warehouse Profit on Store		
Inventories .....	\$ 84,651.82	
Reserve for Increased Prices.....	200,000.00	
	284,651.82	
		1,118,241.30
Cash Surrender Value of Life Insurance .....		25,636.67
Real Estate .....	\$ 534,067.60	
Less: Reserve for Depreciation .....	57,531.55	
		476,536.05
Furniture and Fixtures .....	\$ 510,153.44	
Less: Reserve for Depreciation .....	423,933.59	
		86,219.85
Loans to Employees .....		18,196.82
Refundable Portion, Excess Profits Tax .....		249,711.58
Prepaid Expenses and Other Assets .....		8,427.57
Advance re Employees' Pension Contribution .....		17,980.85
Trade Creditors (Prepayment of Merchandise) .....		960.28
		\$3,006,151.33
Investment in Wholly-owned Subsidiary Companies at cost, less Dividends received .....		88,050.00
		<u>\$3,094,201.33</u>

LIABILITIES

Reserves:		
Salaries .....	\$ 21,570.00	
Common Dividend 15 cents per share .....	61,075.20	
(Income Tax has been fully paid)		\$ 82,645.20
Reserve re Real Estate .....		205,192.84
Capital Stock, Common: Authorized 500,000 Shares, No Par Value .....		
Issued 407,168 Shares .....		294,801.00
Surplus: Earned .....	\$2,256,650.71	
Deferred .....	249,711.58	
Capital .....	5,200.00	
		2,511,562.29
		<u>\$3,094,201.33</u>

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

GEO. H. STEDMAN, *President.*

**AUDITOR'S CERTIFICATE**

I have examined the above Balance Sheet of Stedman Bros., Limited, as at December 31, 1947; 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, the explanations given me, and as shown by the books of the Company.

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

C. J. PARKER, C.A.

Corporation  
File

# STEDMAN BROS., LIMITED

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## ANNUAL REPORT

FOR THE

**Year Ending 31st December, 1947**

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### OFFICERS:

SAMUEL W. STEDMAN.....Chairman of the Board  
GEORGE H. STEDMAN..Pres. 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  
70 Richmond Street West  
Toronto

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### BANKERS:

PURVIS HALL  
LIBRARIES  
BANK OF TORONTO  
Toronto

APR 8 1948

McGILL UNIVERSITY