

**AGNEW-SURPASS**  
**SHOE STORES**  
LIMITED

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**Annual Report**  
**1936**

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EIGHTH  
Annual Report

*for the fiscal year ending*

MAY 30th, 1936

to be submitted at the Annual Meeting  
of Shareholders to be held at the Head  
Office of the Company, Brantford, Ontario,  
September 3rd, 1936, at 10.30 am., E.S.T.

BRANTFORD, ONTARIO  
CANADA

EIGHTH  
ANNUAL REPORT OF THE DIRECTORS  
of  
AGNEW-SURPASS SHOE STORES  
LIMITED

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BRANTFORD, JULY 8TH, 1936

TO THE SHAREHOLDERS:—

Your Directors submit herewith Consolidated Balance Sheet as of May 30th, 1936, and Profit and Loss and Surplus Statement for the year ending that date, of Agnew-Surpass Shoe Stores, Limited, and subsidiary.

Business continued to show an improvement over the previous year and Net earnings on the year's operations after providing for the usual depreciation on buildings, plant, fixtures and improvements to leasehold properties and Government taxes, showed an increase over the preceding year.

Sales amounted to \$2,559,230.81 (after eliminating sales from factory to store Company) Gross earnings were \$176,391.52 and after deducting \$55,527.90 to cover depreciation, Federal and Provincial Income taxes and Directors' fees, there remained Net earnings for the year of \$120,863.62.

The full year's dividends have been paid on the Preferred stock and from the profits remaining, your Directors have declared dividends totalling forty cents per share to the Common shareholders, together with a bonus of twenty cents per share, the dividend for the last half year and bonus being payable September 1st next, making sixty cents per share from the year's operations.

The properties of the Company have been maintained in an efficient condition, all repairs and replacements having been charged against operating revenue. A new central Warehouse at Brantford, Ontario, was purchased during the year replacing the rented premises previously occupied. The new warehouse has been equipped with all modern conveniences for economically receiving, storing and shipping the merchandise handled by the Company. The Company also maintains a distributing Warehouse in St. John, N.B. for the purpose of serving the Stores located in the Maritime

Provinces. At the factory, a new Boiler House, Boiler and auxiliary equipment and Coal Bunker are presently being installed at a cost of approximately \$20,000.00 replacing worn out equipment.

An additional 167 Preferred shares of the Company were purchased during the year, making a total of 638 shares now held by your subsidiary Company, thereby increasing the equity behind the Common Stock to that extent.

Federal, Provincial and Municipal taxation has increased again during the past year, thereby adding further to the cost of merchandise to the consumer and absorbing an ever-increasing portion of profits. The ever-mounting burden of taxation together with the clerical work required in connection therewith is not without its problems and difficulties to the management of this and other businesses.

Four new Stores were opened during the year, making a total of 67 Stores in operation as of May 30th, last, all of which are located in each of the Provinces in Central and Eastern Canada. The management would appreciate the co-operation of our shareholders in patronising their Stores for their footwear requirements, and any other assistance they may be able to render towards increasing the Company's business.

Your Directors again wish to record their thanks to department officials, store Managers and employees for their continued loyal support and interest in the affairs of the Company during the past year,

On behalf of the Board,

J. ELLIS WARRINTON,  
*President.*

**AGNEW-SURPASS SHOE STORES, LIMITED**  
AND SUBSIDIARY COMPANY

*Consolidated Balance Sheet (as at May 30th, 1936)*

ASSETS	
<b>CURRENT ASSETS:</b>	
Cash on hand and in banks.....	\$ 77,152.58
Government and Government Guaranteed Bonds, at cost (market value, \$76,062.50).....	74,093.75
Accounts and Bills Receivable, Trade.....	\$ 93,750.58
Advances to Employees against Commissions, etc.....	3,253.52
	\$ 97,004.10
Less Reserve for Bad Debts.....	10,195.89
	86,808.21
Merchandise Inventories, determined by physical stock-taking for subsidiary company and book inventories, periodically verified, for stores and warehouses, and valued at the lower of cost or market, as certified by the management.	1,033,150.25
Prepaid Expenses and Accrued Revenue.....	7,649.05
	\$1,278,853.84
LIFE INSURANCE, FIRE INSURANCE DEPOSITS, ETC.....	9,314.39
SUNDRY LOANS (NET).....	21,961.66
<b>FIXED ASSETS:</b> at depreciated appraisal values per appraisals of Canadian Appraisal Company, Limited dated May 17th and 18th, 1928, plus sub- sequent additions at cost (except for Lasts, Dies and Patterns shown at nominal value).	
Land.....	\$ 76,265.00
Buildings.....	\$ 213,950.76
Plant, Machinery, etc.....	95,282.75
Furniture and Fixtures.....	181,511.47
Store Fronts on Leased Properties...	25,431.00
Automobile.....	1,355.60
	\$ 517,531.58
Less Reserve for Depreciation.....	225,365.03
	292,166.55
Lasts, Dies and Patterns (at nominal value).....	33,000.00
	401,431.55
PATENTS UNDER LEASE AND PRODUCING REVENUE.....	15,000.00
	\$1,726,561.44

Approved:  
J. E. WARRINGTON      FRANK BAUSLAUGH  
Directors of Agnew-Surpass Shoe Stores, Limited

LIABILITIES	
<b>CURRENT LIABILITIES:</b>	
Accounts and Bills Payable.....	\$ 102,403.93
Accrued Wages and Expenses.....	40,560.57
Provision for Taxes.....	36,853.52
Dividends Payable.....	16,383.50
	\$ 196,201.52
<b>EQUITY OF MINORITY INTERESTS IN SUBSIDIARY COMPANY:</b>	
(Shares owned by Directors as qualification).....	960.00
<b>FIRE INSURANCE RESERVE.....</b>	<b>25,817.78</b>
<b>CAPITAL AND SURPLUS:</b>	
<b>Capital Stock:</b>	
7% Cumulative Convertible Preferred:	
Authorized, 15,000 shares of \$100.00 each:	
Issued, 10,000 shares.....	\$1,000,000.00
Less 638 shares held by subsid- iary company.....	63,800.00
	\$ 936,200.00
<b>Common:</b>	
Authorized, 135,000 shares of no par value:	
Issued, 80,000 shares.....	\$ 266,456.14
Less 476 shares held by subsidiary company.....	1,585.41
	264,870.73
Earned Surplus.....	302,511.41
	1,503,582.14
<b>CONTINGENT LIABILITIES:</b>	
Bills Receivable under discount.....	\$ 67,715.38
New Boiler Installation.....	8,295.00
	\$1,726,561.44

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the books of Agnew-Surpass Shoe Stores, Limited and its subsidiary company for the year ended May 30th, 1936, and have obtained all the information and explanations we have required. We report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of said companies, according to the best of our information and the explanations given us, and as shown by their books.

Toronto, July 7th, 1936

THORNE, MULHOLLAND, HOWSON & McPHERSON,  
Chartered Accountants



AGNEW-SURPASS SHOE STORES, LIMITED  
AND SUBSIDIARY COMPANY

*Consolidated Profit and Loss and Surplus Account*

(Year ended May 30th, 1936)

EARNED SURPLUS, BALANCE JUNE 1ST, 1935.....	\$ 296,291.17
Net Operating Profit after deducting executive salaries and legal fees, \$56,487.53, but before undermen- tioned items.....	\$ 170,229.72
Add: Income from Investments.....	6,161.80
	\$ 176,391.52
<i>Deduct:</i>	
Provision for Depreciation.....	\$ 29,948.61
Provision for Federal and Provincial Income Taxes.....	25,134.29
Directors' Fees.....	445.00
	55,527.90
NET EARNINGS FOR YEAR.....	\$ 120,863.62
Deduct Miscellaneous Adjustments.....	712.62
NET SURPLUS FOR YEAR.....	\$ 120,151.00
	\$ 416,442.17
<i>Deduct:</i>	
Dividends on Preferred Stock.....	\$ 70,000.00
Dividends on Common Stock.....	48,000.00
	\$ 118,000.00
Less Subsidiary Company's Portion.....	4,734.10
	\$ 113,265.90
Additional Federal Income Tax, 1935 taxation period.....	664.86
	113,930.76
EARNED SURPLUS, MAY 30th, 1936.....	\$ 302,511.41

EXECUTIVE OFFICERS



J. ELLIS WARRINGTON  
*President*

FRANK BAUSLAUGH  
*Vice-President and General Manager*

K. R. GILLELAN  
*Secretary-Treasurer*

H. H. GIBAUT  
*Assistant Secretary-Treasurer*



BOARD OF DIRECTORS



M. JOHN SHEEHY

RUSSELL D. BELL

JOHN BAUSLAUGH

J. ELLIS WARRINGTON

HAROLD A. GREENE

FRANK BAUSLAUGH



# SIXTY-SEVEN

## AGNEW-SURPASS SHOE STORES

### ONTARIO

BELLEVILLE	LEAMINGTON	ST. CATHARINES
BRANTFORD	LINDSAY	ST. THOMAS
166 Colborne	LISTOWEL	TORONTO
16 Market	LONDON	106 Yonge
BROCKVILLE	MIDLAND	252 Yonge
CHATHAM	NIAGARA FALLS	729 Yonge
COBOURG	NORTH BAY	2512 Yonge
CORNWALL	ORILLIA	505 Danforth
DUNNVILLE	OSHAWA	686 Danforth
GALT	OWEN SOUND	952 Bloor St. W.
GUELPH	PETERBORO	2310 Bloor St. W.
HAMILTON	PORT COLBORNE	2948 Dundas St. W.
71 King, E.	SARNIA	992 St. Clair Ave. W.
13 Market Sq.	SAULT ST. MARIE	1232 St. Clair Ave. W.
272 Ottawa, N.	SIMCOE	WALLACEBURG
INGERSOLL	STRATFORD	WELLAND
KINGSTON	SUDBURY	WINDSOR
KITCHENER		359 Ouellette Ave.
		1410 Wyandotte St.
		WOODSTOCK

### QUEBEC

MONTREAL	THREE RIVERS	QUEBEC
1111 St. Catherine W.		10 St. John

### NEW BRUNSWICK

CAMPBELLTON  
 FREDERICTON  
 MONCTON  
 SAINT JOHN  
     677 Main  
     187-189 Union  
 ST. STEPHEN

### NOVA SCOTIA

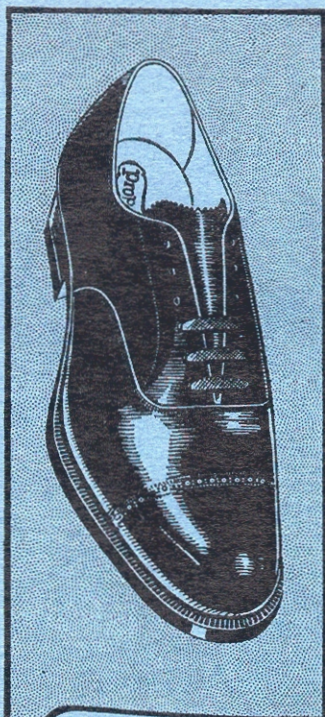
AMHERST  
 NEW GLASGOW  
 SYDNEY  
 TRURO  
 WINDSOR  
 YARMOUTH

### PRINCE EDWARD ISLAND

CHARLOTTETOWN

*Canada's Greatest Chain Shoe Stores*





## STEP ALONG

*on "Free and  
Easy" Feet...*

On the resilient arch of your foot depend the balance and posture of your whole body. PROP-R-ARCH Shoes, scientifically built to follow that arch, take pressure off foot muscles and nerves. Uncramped and naturally supported, your feet are comfortable and healthy, your walk athletic and poised. No "breaking in" necessary.

HENLEY \$7.00 & \$8.00

**Prop-r-arch**  
**SHOE**  
*The JOHN RITCHIE CO. Limited*  
CANADA'S LARGEST MAKER OF MENS' SHOES

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AT ALL

AGNEW-SURPASS SHOE STORES