

**A N N U A L  
R E P O R T**

for the fiscal year ending

**M A Y 31st, 1937**

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

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NINTH  
Annual Report

*for the fiscal year ending*  
MAY 31st, 1937

to be submitted at the Annual Meeting  
of Shareholders to be held at the Head  
Office of the Company, Brantford, Ontario,  
September 8th, 1937, at 10.30 am., E.S.T.

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BRANTFORD, ONTARIO  
CANADA

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

BRANTFORD, JULY 6TH, 1937

TO THE SHAREHOLDERS:—

Your Directors submit herewith Consolidated Balance Sheet as of May 31st, 1937, together with Profit and Loss and Surplus Statement for the year ending that date, of Agnew-Surpass Shoe Stores Limited and subsidiary.

The Company's sales and earnings continue to reflect the improvement in business conditions. Sales amounted to \$2,630,979.19 (after eliminating sales from factory to store company). Gross earnings were \$225,766.64 and after deducting \$70,834.86 to cover depreciation, Federal and Provincial Income Taxes and Directors' fees, there remained net earnings for the year of \$154,931.78.

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

Seven new stores were opened during the year making a total of 74 stores in operation as of May 31st, last, since which

date 3 additional stores have been opened. At the factory new equipment has been installed at a cost of \$22,558.17.

Your subsidiary company purchased during the year an additional 525 Preferred Shares of the Company, bringing the total to 1163 shares now held, reducing the number of shares in the hands of the public to 8837 shares.

By-law No. 20, section B, has been amended by your directors so that the signatures of the officers of the Company on share certificates may be printed, lithographed or engraved, thereon. This amendment will be submitted for your approval at the annual meeting.

Your Directors wish to express appreciation of the splendid services rendered by the department officials, store managers and employees during the year.

On behalf of the Board,

J. ELLIS WARRINGTON,

*President.*

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

*Consolidated Balance Sheet (as at May 31st, 1937)*

ASSETS	
<b>CURRENT ASSETS:</b>	
Cash on hand and in banks (Net).....	\$ 33,188.41
Accounts and Bills Receivable.....	\$109,514.53
Less Reserve for Bad Debts.....	11,075.00
	98,439.53
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.....	1,142,262.73
Advances to Employees.....	2,604.00
Prepaid Expenses and Accrued Revenue.....	8,955.45
	\$1,285,450.12
LIFE INSURANCE AND FIRE INSURANCE DEPOSITS.....	10,027.43
SUNDRY LOANS (NET).....	20,841.66
<b>FIXED ASSETS</b> at depreciated appraisal values per appraisals of Canadian Appraisal Company, Limited dated May 17th and 18th, 1928, plus subsequent additions at cost (except for Lasts, Dies and Patterns which are shown at nominal value).	
Land.....	\$ 76,265.00
Buildings.....	223,232.08
Plant, Machinery, etc.....	109,589.24
Furniture and Fixtures.....	182,778.06
Improvements to Leasehold Properties.....	34,254.51
Automobile.....	1,355.60
Lasts, Dies and Patterns.....	33,000.00
	\$ 660,474.49
Less Reserve for Depreciation.....	251,457.76
	409,016.73
PATENTS UNDER LEASE AND PRODUCING REVENUE.....	15,000.00
	\$1,740,335.94

Approved:

J. E. WARRINGTON      FRANK BAUSLAUGH

*Directors of Agnew-Surpass Shoe Stores, Limited*

LIABILITIES	
<b>CURRENT LIABILITIES:</b>	
Accounts and Bills Payable.....	\$ 139,712.55
Accrued Wages and Expenses.....	20,537.87
Provision for Taxes.....	46,998.63
Dividend declared, payable July 2nd, 1937.....	15,464.75
	\$ 222,713.80
EQUITY OF MINORITY INTERESTS IN SUBSIDIARY COMPANY: (Shares owned by Directors as qualification)	960.00
FIRE INSURANCE RESERVE.....	25,817.78
<b>CAPITAL AND SURPLUS:</b>	
Capital Stock:	
7% Cumulative Convertible Preferred:	
Authorized, 15,000 shares of \$100 each	
Issued, 10,000 shares.....	\$ 1,000,000.00
Less 1,163 shares held by subsidiary company.....	116,300.00
	\$ 883,700.00
Common:	
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.....	342,273.63
	1,490,844.36
<b>CONTINGENT LIABILITY ON BILLS RECEIVABLE UNDER DISCOUNT.....</b>	
	\$ 77,699.22
	\$1,740,335.94

**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 31st, 1937, 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, Canada, July 5th, 1937.

THORNE, MULHOLLAND, HOWSON & McPHERSON  
Chartered Accountants

AGNEW-SURPASS SHOE STORES, LIMITED  
AND SUBSIDIARY COMPANY

*Consolidated Profit and Loss and Surplus Account*

(Year ended May 31st, 1937)

EARNED SURPLUS, BALANCE JUNE 1ST, 1936. . . . .		\$ 302,511.41
Net Operating Profit for year, after deduct- ing executive salaries and legal fees, \$48,027.17, but before undermen- tioned items. . . . .	\$ 224,337.30	
Add Income from Investments. . . . .	1,429.34	
		\$ 225,766.64
<i>Deduct:</i>		
Provision for Depreciation. . . . .	\$ 36,814.86	
Provision for Federal and Provincial Income Taxes. . . . .	33,525.00	
Directors' Fees. . . . .	495.00	
		70,834.86
NET EARNINGS FOR YEAR. . . . .	\$ 154,931.78	
<i>Deduct</i> Miscellaneous Adjustments. . . . .	2,688.75	
NET SURPLUS FOR YEAR. . . . .		152,243.03
		\$ 454,754.44
<i>Deduct:</i>		
Dividends on Preferred Stock. . . . .	\$ 70,000.00	
Dividends on Common Stock. . . . .	48,000.00	
		\$ 118,000.00
<i>Less</i> Subsidiary Company's Portion. . . . .	6,256.60	
		\$ 111,743.40
Additional Income Taxes, prior periods. . . . .	737.41	
		112,480.81
EARNED SURPLUS, MAY 31ST, 1937. . . . .		\$ 342,273.63

## EXECUTIVE OFFICERS



J. ELLIS WARRINGTON  
*President*

FRANK BAUSLAUGH  
*Vice-President and General Manager, Brantford*

K. R. GILLELAN  
*Secretary-Treasurer*

H. H. GIBAUT  
*Assistant Secretary-Treasurer*

H. M. MILLAR  
*Assistant Secretary*



## BOARD OF DIRECTORS



M. JOHN SHEEHY

RUSSELL D. BELL

JOHN BAUSLAUGH

J. ELLIS WARRINGTON

HAROLD A. GREENE

FRANK BAUSLAUGH



SEVENTY-FOUR  
AGNEW-SURPASS SHOE STORES

ONTARIO

BARRIE	LEAMINGTON	TORONTO
BELLEVILLE	LINDSAY	106 Yonge
BRANTFORD	LISTOWEL	252 Yonge
166 Colborne	LONDON	729 Yonge
16 Market	MIDLAND	2512 Yonge
BROCKVILLE	NIAGARA FALLS	505 Danforth
CHATHAM	NORTH BAY	686 Danforth
COBOURG	ORILLIA	2040 Danforth
CORNWALL	OSHAWA	606 Bloor St. W.
DUNNVILLE	OWEN SOUND	952 Bloor St. W.
GALT	PETERBORO	1216 Bloor St. W.
GODERICH	PORT COLBORNE	2310 Bloor St. W.
GUELPH	SARNIA	2948 Dundas St. W.
HAMILTON	SAULT ST. MARIE	992 St. Clair Ave. W.
71 King, E.	SIMCOE	1232 St. Clair Ave. W.
13 Market Sq.	STRATFORD	WALLACEBURG
272 Ottawa, N.	SUDBURY	WELLAND
HANOVER	ST. CATHARINES	WINDSOR
INGERSOLL	ST. THOMAS	359 Ouellette Ave.
KINGSTON		1410 Wyandotte St.
KITCHENER		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
SPRINGHILL
SYDNEY
TRURO
WINDSOR
YARMOUTH

PRINCE EDWARD ISLAND

CHARLOTTETOWN

Canada's Greatest Chain Shoe Stores



