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# ANNUAL REPORT

for the fiscal year ending

MAY 31st, 1944

**AGNEW-SURPASS**  
SHOE STORES  
LIMITED

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SIXTEENTH  
Annual Report

*for the fiscal year ending*

MAY 31st, 1944

to be submitted at the Annual Meeting  
of Shareholders to be held at the Head  
Office of the Company, Brantford, Ontario,  
September 6th, 1944, at 10.30 a.m.

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BRANTFORD, ONTARIO  
CANADA

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

BRANTFORD, JULY 10TH, 1944.

TO THE SHAREHOLDERS:—

Your Directors submit herewith Consolidated Balance Sheet as of May 31st, 1944, together with Profit and Loss and Surplus Account for the year ended on that date of Agnew-Surpass Shoe Stores, Limited and subsidiary Company, together with 1943 comparative figures for your convenience.

Sales amounted to \$5,848,693.78 (after eliminating sales from factory to Store Company), and operating profits were \$785,298.16. After deducting \$504,752.77 to cover Income and Excess Profits Taxes, \$34,892.77 for depreciation, and \$325.00 for Directors' fees, there remained net earnings for the year of \$245,327.62. The provision for excess profits taxes has been calculated less the refundable portion of \$100,617.09 and after applying an inventory reserve as permitted by the Act. The amount of additional liability, if any, can only be determined as the result of changes in future inventory prices or termination of the Excess Profits Tax Act, 1940.

Dividends were paid on the Preference shares held by the public amounting to \$58,499.00, leaving earnings applicable to the Common stock of \$186,828.62, being \$2.33 per share on 80,000 shares of the No Par Value Common stock, from which your Directors have declared Common dividends totalling 90c. per share together with a bonus of 20c. per share, making \$1.10 per share from the year's operations. The Surplus Account has been charged with additional Income and Excess Profits Taxes for prior periods amounting to \$40,264.52.

There was expended on fixed assets the sum of \$7,258.74 for Stores equipment and improvements, while the net Working Capital at May 31st last amounted to \$1,420,417.50 (not including \$193,576.23 refundable Taxes) and Earned Surplus to \$822,509.91.

One Store was closed during the year, making a total of 77 Agnew-Surpass Shoe Stores in operation as of May 31st last.

Your Company gives employment to 864 employees, and at the end of the year, there were 415 Preference shareholders and 550 Common shareholders.

The following table of Wages and Salaries, taxes, dividends to shareholders and amounts reinvested in the Company for the past six years should be of interest to the shareholders.

	Wages and Salaries	Taxes	Dividends to Shareholders	Reinvested in Company
1944 . . . . .	\$1,143,745.23	*\$673,410.25	\$146,549.00	\$ 58,514.10
1943 . . . . .	1,073,069.51	† 623,320.78	139,838.25	84,036.58
1942 . . . . .	1,010,965.37	407,939.59	141,303.00	121,680.71
1941 . . . . .	791,006.25	204,870.98	141,336.75	102,920.18
1940 . . . . .	689,419.55	126,862.56	133,221.90	60,495.82
1939 . . . . .	610,247.59	64,235.81	125,081.80	25,541.43
	* Including refundable portion, 1944:		\$100,617.09	
	† “ “ “		1943: 92,959.14	

We regret to record the death since the last Annual Report of John Bauslaugh, Vice-President, and M. John Sheehy, both Directors of the Company since incorporation. Their counsel and advice will be very much missed by the Directors, Executives and employees of the Company who extend to the families sincere sympathy in their sad bereavement.

To fill the vacancy caused by John Bauslaugh's death, Roy Karn, General Manager, has been elected Vice-President and H. H. Gibaut and Leeta L. Bauslaugh elected Directors of the Company.

Your Directors wish to record their thanks to the Department Officials, Store Managers and employees for their loyal support given to the affairs of the Company during the past year.

On behalf of the Board,

J. ELLIS WARRINGTON,

*President.*

# AGNEW-SURPASS SHOE STORES, LIMITED

## AND SUBSIDIARY COMPANY

### Consolidated Balance Sheet

ASSETS	May 31st, 1944	May 31st, 1943
<b>CURRENT ASSETS:</b>		
Cash on hand and in banks . . . . .	\$ 199,185.83	\$ 371,979.23
Dominion of Canada Bonds . . . . .	465,087.50	300,087.50
Dominion of Canada Bonds held for Employees	20,500.00	16,700.00
Accounts and Bills Receivable, less Reserve for Bad Debts . . . . .	218,885.19	261,376.81
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 . . . . .	1,332,299.86	1,313,824.09
Prepaid Expenses and Accrued Revenue . . . . .	17,603.55	11,570.39
	<u>\$2,253,561.93</u>	<u>\$2,275,538.02</u>
LIFE INSURANCE AND FIRE INSURANCE DEPOSITS . . . . .	\$ 14,666.08	\$ 13,866.94
SUNDRY LOANS . . . . .	\$ 7,686.02	\$ 9,689.99
REFUNDABLE PORTION OF EXCESS PROFITS TAX . . . . .	\$ 196,163.20	\$ 92,959.11
<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 . . . . .	\$ 76,365.00	\$ 76,365.00
Buildings . . . . .	230,110.37	229,953.05
Plant, Machinery, etc. . . . .	109,650.14	109,650.14
Furniture and Fixtures . . . . .	215,979.31	209,664.90
Improvements to Leasehold Properties . . . . .	44,256.68	52,126.93
Lasts, Dies and Patterns . . . . .	33,000.00	33,000.00
	<u>\$ 709,361.50</u>	<u>\$ 710,760.02</u>
Less Reserve for Depreciation . . . . .	412,810.47	385,971.45
	<u>\$ 296,551.03</u>	<u>\$ 324,788.57</u>
PATENTS UNDER LEASE AND PRODUCING REVENUE . . . . .	\$ 15,000.00	\$ 15,000.00
	<u>\$2,783,628.26</u>	<u>\$2,731,842.63</u>

Approved: J. E. WARRINGTON      ROY KARN  
Directors of Agnew-Surpass Shoe Stores, Limited.

LIABILITIES	May 31st, 1944	May 31st, 1943
<b>CURRENT LIABILITIES:</b>		
Accounts Payable . . . . .	\$ 337,061.01	\$ 300,719.83
Accrued Wages and Expenses . . . . .	65,908.76	78,909.19
Provision for Income, Excess Profits and Other Taxes, less payments on account . . . . .	415,499.91	445,619.13
Dividend Payable . . . . .	14,624.75	14,624.75
	<u>\$ 833,094.43</u>	<u>\$ 839,872.90</u>
FIRE INSURANCE RESERVE . . . . .	\$ 25,817.78	\$ 25,817.78
<b>CAPITAL AND SURPLUS:</b>		
Capital Stock:		
7% Cumulative Convertible Preferred:		
Authorized, 15,000 shares of \$100.00 each		
Issued, 10,000 shares . . . . .	\$1,000,000.00	\$1,000,000.00
Less Shares held by subsidiary company . . . . .	164,300.00	164,300.00
	<u>\$ 835,700.00</u>	<u>\$ 835,700.00</u>
Common:		
Authorized, 135,000 shares of no par value		
Issued, 80,000 shares . . . . .	266,456.14	266,456.14
Earned Surplus . . . . .	822,559.91	763,995.81
	<u>\$1,924,716.05</u>	<u>\$1,866,151.95</u>
<b>CONTINGENT LIABILITY:</b>		
The provision made by the Subsidiary Company for Excess Profits Tax has been calculated after the application of an inventory reserve as permitted by the Act, which reserve is not recorded in the books nor included in the above statement.		
	<u>\$2,783,628.26</u>	<u>\$2,731,842.63</u>

### 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, 1944, our examination of the individual store records consisting of a test of the periodic cash reports.

We have obtained all the information and explanations we have required and 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 8th, 1944.

THORNE, MULHOLLAND, HOWSON & MCPHERSON,  
Chartered Accountants.

AGNEW-SURPASS SHOE STORES, LIMITED  
AND SUBSIDIARY COMPANY

*Consolidated Profit and Loss and Earned Surplus Account*

	<i>Year ended</i>	
	May 31st, 1944	May 31st, 1943
Net Operating Profit for year, after deducting remuneration of executives and legal fees (\$58,983.79 for 1944, \$63,502.14 for 1943) but before the undermentioned charges . . . . .	\$ 785,298.16	\$ 758,723.22
<i>Deduct:</i>		
Provision for Income and Excess Profits Taxes . . . . .	\$ 605,369.86	\$ 587,719.67
Less Refundable Portion of Excess Profits Tax . . . . .	100,617.09	92,959.11
	\$ 504,752.77	\$ 494,760.56
Provision for Depreciation . . . . .	34,892.77	35,683.33
Directors' Fees (other than Executives) . . . . .	325.00	365.00
	\$ 539,970.54	\$ 530,808.89
Net Earnings for year . . . . .	\$ 245,327.62	\$ 227,914.33
Earned Surplus at beginning of year . . . . .	763,995.81	679,959.23
	\$1,009,323.43	\$ 907,873.56
<i>Deduct:</i>		
Additional Income and Excess Profits Taxes for prior periods . . . . .	\$ 40,264.52	
Dividends on Preferred Stock (excluding Subsidiary Company's Portion) . . . . .	58,499.00	59,778.25
Dividends on Common Stock . . . . .	88,000.00	80,000.00
Dividend paid by Subsidiary Company to Minority Shareholders . . . . .		60.00
Premium on Preferred Shares purchased by Subsidiary Company during the year . . . . .		4,039.50
	\$ 186,763.52	\$ 143,877.75
EARNED SURPLUS, AS PER BALANCE SHEET . . . . .	\$ 822,559.91	\$ 763,995.81

## EXECUTIVE OFFICERS

↑

J. ELLIS WARRINGTON

*President*

ROY KARN

*Vice-President and General Manager, Brantford*

K. R. GILLELAN

*Secretary-Treasurer*

H. H. GIBAUT

*Assistant Secretary-Treasurer*

H. M. MILLAR

*Assistant Secretary*

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## BOARD OF DIRECTORS

↑

K. R. GILLELAN

ROY KARN

RUSSELL D. BELL

LEETA L. BAUSLAUGH

J. ELLIS WARRINGTON

H. H. GIBAUT



# AGNEW-SURPASS SHOE STORES

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## ONTARIO

BARRIE	LISTOWEL	TIMMINS
BELLEVILLE	LONDON	TORONTO
BRANTFORD	MIDLAND	563 Bayview Ave.
166 Colborne	NIAGARA FALLS	952 Bloor St. W.
16 Market	515 Queen St.	2310 Bloor St. W.
BROCKVILLE	1904 Main St. So.	505 Danforth
CHATHAM	NORTH BAY	686 Danforth
COBOURG	ORILLIA	2040 Danforth
DUNNVILLE	OSHAWA	2948 Dundas St. W.
GALT	OTTAWA	992 St. Clair Ave. W.
GODERICH	PETERBOROUGH	1232 St. Clair Ave. W.
GUELPH	PORT COLBORNE	252 Yonge
HAMILTON	PORT HOPE	729 Yonge
71 King, E.	SARNIA	1425 Yonge
15 Market Sq.	SAULT STE. MARIE	2512 Yonge
272 Ottawa, N.	SIMCOE	3430 Yonge
INGERSOLL	SMITH'S FALLS	WALLACEBURG
KINGSTON	STRATFORD	WELLAND
KITCHENER	SUDBURY	WHITBY
LEAMINGTON	ST. CATHARINES	WINDSOR
LINDSAY	ST. THOMAS	359 Ouellette Ave.
		1528 Wyandotte St. E.
		WOODSTOCK

## QUEBEC

MONTREAL  
897 St. Catherine W.

QUEBEC  
10 St. John

## NEW BRUNSWICK

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

## NOVA SCOTIA

AMHERST  
GLACE BAY  
HALIFAX  
NEW GLASGOW  
SPRINGHILL  
SYDNEY  
TRURO  
WINDSOR

## PRINCE EDWARD ISLAND

CHARLOTTETOWN

*Canada's Greatest Chain Shoe Stores*



**MARCHING**

**ALONG TOGETHER...**



Yes, and on the right road — the road to Victory. Most of our production has gone to give foot comfort to the fighting men of Canada. Wearers of Ritchie shoes will know why we have been called upon to make so many pairs for the armed forces. Lately we have been able to release a greater number of Ritchie Shoes to leading shoe merchants throughout the Dominion.



**HOW TO MAKE YOUR PRESENT SHOES LAST LONGER :**

1. Put them on trees as soon as you take them off.
2. Have more than one pair and wear them alternate days.
3. Keep them well cleaned and polished to preserve and protect the leather.



**Ritchie**

**CANADA'S SMARTEST SHOES FOR MEN**

**The John Ritchie Company Limited**

**Established 1879**

*Canada's Largest Makers of Men's Fine Shoes*