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# AGNEW-SURPASS

Canada's  
LARGEST  
Shoe Retailers

SHOE STORES LIMITED

BRANTFORD, ONTARIO



## EIGHTEENTH ANNUAL REPORT

for the  
Year Ended  
May Thirty-first  
1946

PURVIS HALL  
LIBRARIES  
JAN 26 1954  
McGILL UNIVERSITY



BOARD OF DIRECTORS

LEETA L. BAUSLAUGH

R. KARN

H. H. GIBAUT

W. D. MUIR

K. R. GILLELAN

A. L. SCOTT

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OFFICERS

R. KARN, President and General Manager

A. L. SCOTT, Vice-President

K. R. GILLELAN, Secretary-Treasurer

W. D. MUIR, Assistant Secretary-Treasurer

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REGISTRAR and TRANSFER AGENTS

NATIONAL TRUST COMPANY LIMITED

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AUDITORS

THORNE, MULHOLLAND, HOWSON & McPHERSON

## DIRECTORS' REPORT

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### TO THE SHAREHOLDERS:

Your Directors submit herewith their Eighteenth Annual Report on the operations of the Company and its Subsidiary for the fiscal year ended May 31, 1946, together with Consolidated Statement of Earned Surplus and Profit & Loss and Consolidated Balance Sheet as at May 31, 1946.

Sales, after eliminating sales from factory to stores, amounted to \$8,625,113.72 representing an increase over the previous year of \$472,188.41. Net operating profits for the year were \$823,151.66. After deducting \$467,871.44 for Income and Excess Profits Taxes, \$26,301.05 for depreciation and \$615.00 for directors' fees, the net earnings for the year were \$328,364.17. The Preferred Stock dividends amounted to \$56,019.25, leaving a balance of \$272,344.92 equivalent to \$3.40 per share on the original 80,000 shares of Common Stock issued.

Regular quarterly dividends on the Preferred Stock aggregating seven dollars per share and totalling \$56,019.25 were paid during the year and from the profits remaining, dividends totalling \$1.35 per share have been declared on the Common Stock of the Company.

Working Capital, which is the excess of Current Assets over Current Liabilities, at the end of the fiscal year amounted to \$1,610,378.22. In addition thereto, the Refundable Portion of the Excess Profits Tax now amounts to \$316,160.84.

During the fiscal year, Capital Expenditures totalling \$26,005.68 were made on Stores and Warehouse equipment and improvements. One store was closed and one new store was opened during the period. Three stores which have been operated under the name of Scott Smart Shoes were converted into Agnew-Surpass Shoe Stores making a total of 81 stores in operation as of May 31, last.

In accordance with the provisions of the Letters Patent relating to the Preference Shares, your Directors issued a Notice of Redemption on April 25, 1946, effective on the next dividend date of July 1, 1946. The Preference Shares had the option of conversion into Common Shares on the basis of three Common Shares for each Preference Share or accepting payment at par plus a premium of 10% of the par value of such Shares. On May 31, 1946, 1,417 Preference Shares had been converted into 4,251 Common Shares as indicated on the Balance Sheet of that date. At the expiration of the period for redemption (July 1, 1946), 6,937 Preference Shares had been converted into 20,811 Common Shares and 1,420 Preference Shares were redeemed. The outstanding Common Shares subsequent to July 1, 1946, are 100,811 Shares.

A G N E W - S U R P A S S    S H O E    S T O R E S ,    L I M I T E D

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Your Company gives employment to 801 employees, a substantial number of whom are Shareholders of the Company. During the year, it has been a real pleasure to welcome back to their former positions, those employees who served in the Armed Forces. The return of these employees has greatly increased the efficiency of the organization. Some of our employees made the supreme sacrifice and to the members of their families, we extend our sincere sympathy.

It is with profound sorrow that we record the death, since the last Annual Meeting, of Mr. W. E. Campbell, a Director of your Company. To fill the vacancy on the Board, Mr. W. D. Muir, who has been associated with the Company for many years, has been elected a Director. The resignation of Mr. A. C. McLean as a Director was received and accepted.

Your Directors gratefully acknowledge the continued loyal support and co-operation of Department Officials, Store Managers and employees throughout the year.

The accounts and records of the Company have been audited by Messrs. Thorne, Mulholland, Howson & McPherson, Chartered Accountants, Toronto, Ontario, and their report is presented herewith.

On behalf of the Board of Directors,

ROY KARN,  
President.

Brantford, Ontario,  
July 10, 1946.



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

**Consolidated Profit & Loss and Earned Surplus Account**

	Year Ended	
	May 31, 1946	May 31, 1945
Net Operating Profit for year after deducting remuneration of executives and legal fees, \$112,979.20 for 1946, \$95,447.16 for 1945 .....	\$ 823,151.66	\$ 714,953.15
<b>Deduct:</b>		
Provision for Income and Excess Profits Taxes .....	\$ 526,914.91	\$ 526,262.73
Less Refundable Portion of Excess Profits Tax .....	59,043.47	83,214.26
	\$ 467,871.44	\$ 443,048.47
Provision for Depreciation .....	26,301.05	31,937.01
Directors' Fees (other than Executives) .....	615.00	275.00
	\$ 494,787.49	\$ 475,260.48
Net Earnings for year .....	\$ 328,364.17	\$ 239,692.67
Earned Surplus at beginning of year .....	915,347.00	822,559.91
Adjustment of Income and Excess Profits Taxes for prior periods less Refundable Portion .....		40,725.08
	\$ 1,243,711.17	\$ 1,102,977.66
<b>Deduct:</b>		
Additional Executive Remuneration for prior periods, less Income and Excess Profits Taxes thereon .....		\$ 17,274.66
Dividends on Preferred Stock (excluding Subsidiary Company's Portion) .....	\$ 56,019.25	58,499.00
Dividends on Common Stock .....	106,717.35	104,000.00
Deficit on acquisition and sale to employees of 19,149 of the Company's Common Shares, under By-law No. 30 .....		7,857.00
	\$ 162,736.60	\$ 187,630.66
<b>Earned Surplus, as per Balance Sheet .....</b>	<b>\$ 1,080,974.57</b>	<b>\$ 915,347.00</b>

## AGNEW-SURPASS SHOE STORES, LIMITED

### ONTARIO

Barrie	Midland	St. Thomas
Belleville	Napanee	Timmins
Branford	Niagara Falls	Toronto
166 Colborne St.	515 Queen St.	563 Bayview Ave.
16 Market St.	1904 Main St. So.	952 Bloor St. W.
Brockville	North Bay	2310 Bloor St. W.
Chatham	Orillia	505 Danforth
Cobourg	Oshawa	686 Danforth
Dunnville	Ottawa	2040 Danforth
Galt	Peterborough	2948 Dundas St. W.
Goderich	330 George St.	992 St. Clair Ave. W.
Guelph	385 George St.	1232 St. Clair Ave. W.
Hamilton	Port Colborne	252 Yonge
71 King E.	Port Hope	729 Yonge
15 Market Sq.	Sarnia	1425 Yonge
272 Ottawa N.	Sault Ste. Marie	2512 Yonge
Ingersoll	Simcoe	3430 Yonge
Kingston	Smith's Falls	Wallaceburg
Kitchener	Stratford	Welland
Leamington	Sudbury	Whitby
Lindsay	52 Borgia St.	Windsor
Listowel	Elm St.	359 Ouellette Ave.
London	St. Catharines	1528 Wyandotte St. E.
		Woodstock

### QUEBEC

Montreal	Quebec
897 St. Catherine S. W.	10 St. John St.

### NEW BRUNSWICK

Campbellton
Fredericton
Moncton
701 Main St.
922 Main St.
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







