

British Columbia Packers Limited

Present Company and Predecessors have Operated
Continuously since 1876



"CLOVER LEAF"

THE HALLMARK OF THE BEST
BRITISH COLUMBIA SALMON
SINCE 1889

Tenth Annual Report

for the Fiscal Year ended
DECEMBER 31, 1937

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British Columbia Packers Limited

BOARD OF DIRECTORS

F. E. BURKE
STANLEY BURKE
GORDON FARRELL
J. H. GUNDY
GEORGE KIDD
H. R. MACMILLAN
J. S. McLEAN
J. P. D. MALKIN
AUSTIN C. TAYLOR
W. J. VAN DUSEN
A. H. WILLIAMSON

OFFICERS

H. R. MACMILLAN, *President*
STANLEY BURKE, *Vice-President*
J. M. BUCHANAN, *General Manager*
S. K. MURRAY, *Ass't. General Manager*
E. G. HURRELL, *Sales Manager*
G. M. FERGUSON, *Secretary-Treasurer*

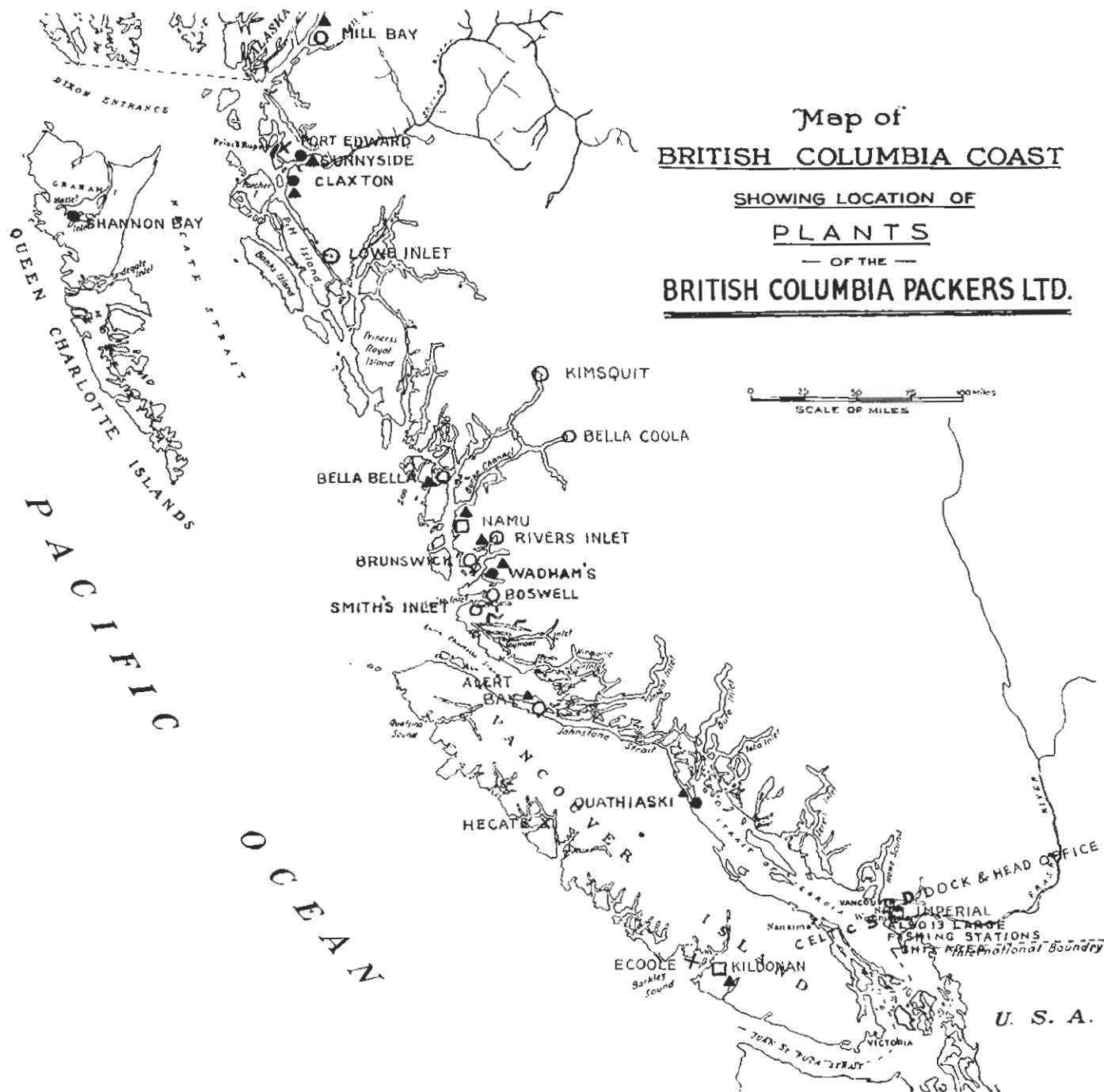
REGISTRAR AND TRANSFER AGENT

The London & Western Trusts Company Limited
Vancouver, Canada

Co-Transfer Agent

Chartered Trust and Executor Company
Montreal, Canada

Map of
BRITISH COLUMBIA COAST
 SHOWING LOCATION OF
PLANTS
 — OF THE —
BRITISH COLUMBIA PACKERS LTD.



- CANNERIES.
- CANNERIES AND REDUCTION PLANTS COMBINED.
- X REDUCTION PLANTS.
- FORMER CANNERIES NOW OPERATED AS FISHING STATIONS.
- ▲ STORES CONTINUOUSLY OPERATED BY THE COMPANY SERVING BOTH THE PUBLIC AND EMPLOYEES.
- S SHIPYARDS.
- D DOCK, WAREHOUSE AND HEAD OFFICE.

Report of President

To the Shareholders

BRITISH COLUMBIA PACKERS LIMITED:

Your Directors submit herewith the Consolidated Balance Sheet as at December 31st, 1937, and the Consolidated Statement of Profit and Loss and Earned Surplus Account of the Company for the fiscal year ended December 31st, 1937.

The Profit and Loss Account shows a profit of \$63,778.90, equal to 1.48% on net sales of products. The comparatively poor run of Pilchards in Canadian waters, and of Cohoe and Chums, together with the low price of Herring Oil, tended to reduce the profit from the Company's operations.

The inventory position has been improved during the past twelve months.

The importance of the Company's operations to the public is shown by the following analysis of the distribution of the Company's gross income for the year 1937:

		<i>Per Cent of Gross Income</i>
Gross Income from sale of all products and store merchandise	\$ 4,966,357.24	100%
This Income disposed of as follows:		
Paid for Fish	2,017,497.91	41
Wages paid direct in production and selling	666,569.03	13.4
Goods, supplies and services purchased from others, including taxes	1,946,477.68	39
Depreciation	272,033.72	5.4
Net Profit (to be accumulated for the account of Common Shareholders)...	63,778.90	1.2
	<u>\$ 4,966,357.24</u>	<u>100%</u>

The Net Profit on goods produced equalled one-tenth of one cent per pound, an entirely inadequate return for the capital employed and the functions performed.

During the year your Directors pursued a policy of extending the Company's operations and improving the Company's plants and personnel. The reduction plant and fishing fleet of Butterfield, Mackie & Co., Ltd., at Ecoole, on the West Coast of Vancouver Island, were purchased in March, 1937. Plants for the production of Fish Meals and Oils were built on the Company's properties at Imperial Cannery on the Fraser River at Steveston, and at Port Edward on the Skeena River near Prince Rupert. The capacity of the reduction plant at Namu was increased. The canneries and floating equipment were improved in operating efficiency. The subsequent season's operations justified these expenditures.

The plant and fleet of The Quathiaski Canning Co., Ltd., at Quathiaski, between Vancouver Island and the Mainland, north of Vancouver, were purchased in November, 1937. This purchase is expected to improve the Company's position in this important fishing area.

The extension of operations of the Company called for increases in Staff. Mr. S. K. Murray, who had been Sales Manager for some years, was promoted to Assistant General Manager. Mr. E. G. Hurrell was appointed Sales Manager. C. R. Elsey, M.A., Ph.D., who has been an important officer of the Dominion Biological Board, was appointed to take charge of research and the development of new products for the Company.

Your Company in 1937 added to its line of Canned Goods under the "Clover Leaf" Label, Canned Clams and Clam Broth, two very promising products which are meeting with satisfactory success.

It is fitting to call to your attention that this Company and its predecessors have been important operating factors in the Fishing Industry of British Columbia continuously since 1876. Ewen Cannery, erected in 1876 by Alexander Ewen, is still owned by the Company. Mr. Ewen was a partner in the first commercial cannery built in British Columbia.

Of the many valuable labels used by the Company it is interesting to note that the famous "Clover Leaf" label, owned by this Company, has been on the market in Canada since 1889. The Company now benefits by the experience gained through two generations of operations in the Fishing Industry of British Columbia and by the reputation the "Clover Leaf" label has earned with the Canadian consumer during the fifty years of continuous service completed this year.

The conservation measures necessary to maintain and increase the supply of commercial fish in Canadian Pacific waters, throughout which your Company operates, benefit by the constant supervision of the Dominion and Provincial Fishery Departments and are being continually improved and augmented. The naming of the International Committee to study and restore the Fraser River Fisheries contributed an important forward step during the year.

The First Mortgage Debentures were, during the fiscal year of 1937, reduced to \$189,000.00, and now stand at \$164,000.00.

Due to the extension of the seasonal period of operation, your Directors consider it would be more convenient to have the fiscal year end as at April 30th, and to effect this change have called a Special General Meeting for April 28th, 1938, immediately preceding the Annual General Meeting.

The Company benefits greatly by the enthusiastic and untiring efforts of the Management and Staff, to whom the thanks of the Shareholders are hereby tendered.

Respectfully submitted,

H. R. MacMILLAN,

President.

Vancouver, Canada,
April 6th, 1938.

British Columbia Packers Limited and Subsidiary Company

Consolidated Balance Sheet as at December 31, 1937

ASSETS

CURRENT AND WORKING ASSETS:

<i>Inventories as determined and certified to by a responsible official of the Company—</i>			
Canned Salmon, Pilchards, Meal and Oil, etc., on hand, valued on the basis of (a) proportion sold under sales contracts at net selling value (b) balance at cost or market value whichever is lower	\$ 1,621,392.14		
Store Merchandise, Cans, New Nets, Labels, etc.,—at cost or market whichever is lower	\$229,253.84		
Used Nets, Fishing and Operating Supplies—as valued by the management	187,176.67	416,430.51	
		\$ 2,037,822.65	
Expended on 1938 Pack	41,322.38		
<i>Sundry Debtors—</i>			
Trade Bills and Accounts Receivable, Advances to Fishermen and others, secured and unsecured—less Reserve	327,478.55		
Cash on Hand	4,866.44		
		\$ 2,411,490.02	

CAPITAL ASSETS:

Buildings, Plant, Machinery, etc., at replacement values as appraised in 1929 by the Canadian General Appraisal Co. Ltd. plus the cost of subsequent additions	\$ 4,547,083.33		
Floating Equipment at Book values	711,551.38		
	\$ 5,258,634.71		
<i>Less—</i>			
Reserve for Depreciation	3,109,446.98	\$ 2,149,187.73	
Land, Leases, Licences, etc.—at book values	1,226,473.21	3,375,660.94	

DEFERRED CHARGES 43,438.87

\$ 5,830,589.83

LIABILITIES

CURRENT LIABILITIES:

Bank Loans and Overdrafts secured under Section 88 of the Bank Act and by second charge on \$1,050,000.00 Second Mortgage Debentures	\$ 1,148,746.73	
Sundry Creditors including Accrued Interest, etc.	230,060.55	
Reserve for Income and Other Taxes	25,206.23	
		\$ 1,404,013.51

DEFERRED LIABILITIES:

Mortgages Payable in annual instalments to April 1, 1940	\$ 95,000.00	
Bills Payable—payment of which is deferred under terms of agreement, secured by first charge on \$1,050,000.00 Second Mortgage Debentures	411,000.00	
		\$ 506,000.00

FIVE PER CENT FIRST MORTGAGE DEBENTURES:

Redeemable by semi-annual payments of \$15,000.00 each	189,000.00	
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SECOND MORTGAGE DEBENTURES maturing December 31, 1960 (Non Interest Bearing):

Issued and held as security for repayment of liabilities as shown above	\$ 1,050,000.00	
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CAPITAL AND EARNED SURPLUS:

Capital—

Authorized:

390,994 Common Shares—no par value.

Issued or to be Issued:

136,279 Common Shares of no par value of which 132,185.5 shares have
been issued and the balance of 4,093.5 shares are to be issued in
exchange for shares, in accordance with the scheme of reorganization
dated October 21, 1935

\$ 3,600,000.00

Earned Surplus—

Per statement attached

131,576.32

3,731,576.32

CONTINGENT LIABILITIES:

Bills under Discount, etc.	\$278,081.49	
	£18,634.14.9.	

\$ 5,830,589.83

Approved on Behalf of the Board:

H. R. MacMILLAN, *Director.*

S. BURKE, *Director.*

British Columbia Packers Limited

Consolidated Statement of Profit and Loss and Earned Surplus Account as at December 31, 1937

Sales (net)	\$ 4,312,192.54
<i>Deduct—</i>	
Cost of Sales	3,559,998.70
	<hr/>
	\$ 752,193.84
<i>Deduct—</i>	
Selling, Administrative and General Expenses, including interest on Bank Loans and Bills Payable, etc.	338,173.46
	<hr/>
	\$ 414,020.38
<i>Deduct—</i>	
Depreciation	\$272,033.72
Interest on Debentures	10,030.66
Directors' Fees and Remuneration	2,375.00
Management and Executive Salaries	24,899.92
Legal Fees and Expenses	3,207.28
Provision for Income Taxes	37,694.90
	<hr/>
	350,241.48
Profit for the year ended December 31, 1937	\$ 63,778.90
<i>Add—</i>	
Surplus as at December 31, 1936	67,797.42
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Earned Surplus	\$ 131,576.32
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AUDITORS' REPORT TO THE SHAREHOLDERS OF THE BRITISH COLUMBIA PACKERS LIMITED:

We have made an examination of the Books and Accounts of the British Columbia Packers Limited and its Subsidiary Company for the year ended December 31, 1937, and have obtained all the information and explanations which we have required. In connection therewith we have examined or tested the accounting records of the Companies and other supporting evidence, but the scope of our examination of the detail transactions was confined to a test thereof. We report that, based on such examination, the above Consolidated Balance Sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the affairs of the combined Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

Vancouver, B.C.
February 17, 1938.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.



IMPERIAL CANNERY and REDUCTION PLANT

Steveston, Fraser River, B.C.

ONE OF THE THIRTY-FIVE PLANTS AND FISHING
STATIONS NOW OPERATED BY BRITISH COLUMBIA
PACKERS LIMITED.

Producers of
"CLOVER LEAF"
SALMON, PILCHARDS, CLAMS and OYSTERS
FISH MEALS and FISH OILS
"PET" DOG FOOD



The West Coast of Vancouver Island Herring Fleet tied up at our Kildonan Plant in Barkley Sound, B.C.

THE above picture includes several boats of the fleet of the British Columbia Packers Limited, which consists of 1 steamboat 115 feet long, 13 power boats over 70 feet long, 29 power boats between 50 and 70 feet long, 161 other smaller powered fishing boats, a total of 206.

Herewith are labels under which we are putting before our customers a new product - **"Clover Leaf" Clams**, also a booklet which contains selected appetizing recipes for Clams.

