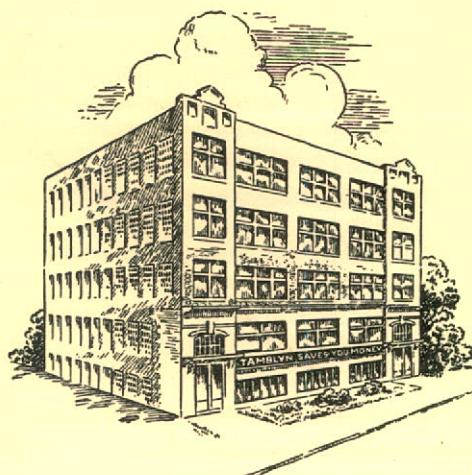


ANNUAL REPORT

For the Year Ending
December 31st
1946



G. TAMBLYN Limited
TORONTO, CANADA

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G. TAMBLYN, Limited



OFFICERS

HAROLD G. BROWNE, *President and General Manager*
F. W. BLACK, *Vice-President*
A. J. RICHES, *Secretary-Treasurer*

DIRECTORS

H. G. BROWNE	F. W. BLACK
N. S. ROBERTSON, K.C.	W. E. CORLETT
W. A. ARBUCKLE	H. W. MURRAY
W. S. LINTON	R. S. FRAME
A. J. RICHES	

STOCK TRANSFER AGENTS

Chartered Trust and Executor Company
Toronto

BANKERS AND STOCK REGISTRARS

Canadian Bank of Commerce

Administrative Offices, Laboratory
and Distributing Warehouse
225 Jarvis Street

Toronto

Canada

G. TAMBLYN, Limited

NOTICE OF ANNUAL GENERAL MEETING

TO THE SHAREHOLDERS:

Please take notice that the Annual General Shareholders' Meeting of this Company will be held at the Company's Offices, 225 Jarvis Street, Toronto, Canada, on Friday, March 28th, 1947, at three o'clock in the afternoon, for the purpose of receiving the report of the Directors, the election of Directors, and the transaction of such other business as may properly come before the meeting.

AND TAKE FURTHER NOTICE that immediately following the said Annual Meeting, namely, at three-thirty o'clock on the 28th day of March, 1947, or so soon thereafter as the Annual General Meeting of the Company shall be terminated, a Special General Meeting will be held for the purpose of considering and, if thought advisable, sanctioning By-law No. 9 of the Company, being a By-law amending Section 14 of By-law No. 1 so as to permit share certificates of the Company to be authenticated by printed, engraved or lithographed signatures, and

SECONDLY, sanctioning By-law No. 10 of the Company, being a By-law authorizing the reduction of the Company's authorized capital by the cancellation of

2,881 7% cumulative redeemable preferred shares of par value of \$100 each,

6,000 5% cumulative redeemable preferred shares of par value of \$50 each,

1 deferred share,

so as to eliminate from the formal statement of the Company's authorized capital the above-mentioned preference shares and one deferred share, all of which have heretofore been redeemed and do not now constitute any portion of the Company's issued and outstanding capital.

Toronto, March 12th, 1947.

A. J. RICHES, *Secretary.*

PROXY

No. of Shares

KNOW ALL MEN BY THESE PRESENTS, that the undersigned shareholder of G. Tamblyn, Limited, hereby constitutes and appoints H. G. Browne, F. W. Black, A. J. Riches, H. W. Murray, or

.....
(Fill in the name of any other Director you may choose)

the true and lawful attorney, agent and proxy of the undersigned, with full power of substitution for and in the name, place and stead of the undersigned, to vote upon and act with respect to all the shares of the capital stock of G. Tamblyn, Limited, registered in the name of the undersigned, at the Annual General Meeting of the Shareholders of the Company called to be held at the Head Office of the Company, 225 Jarvis Street, Toronto, Canada, on Friday, the 28th day of March, 1947, at the hour of 3 o'clock in the afternoon and/or at the Special General Meeting called to be held immediately after the Annual General Meeting, and at any and all adjournments thereof, with all the powers the undersigned would possess if personally present at said meeting.

The undersigned hereby ratifies and confirms all that said attorney, agent and proxy may do by virtue hereof.

WITNESS the hand of the undersigned this.....day of March, 1947.

.....
Witness

.....
Signature

Your Directors are W. E. Corlett, H. G. Browne, F. W. Black, W. S. Linton, N. S. Robertson, K.C., H. W. Murray, W. A. Arbuckle, A. J. Riches and R. S. Frame, any one of whom may be nominated as proxy.

G. TAMBLYN, Limited



DIRECTORS' REPORT

TO THE SHAREHOLDERS:

Your Board of Directors have pleasure in presenting herewith the Financial Statements of your Company for the Fiscal year ended December 31st, 1946, together with other data which will be found of value in an analysis of your Company's progress.

REVENUE

Retail store sales during the year amounted to \$6,438,788.01 the greatest volume reached in any year of the Company's history showing an increase over 1945 of \$509,771.88 or 8.6%. Revenue from Warehouse and Agency Sales, Investment Income, Rents and other sources, totalled \$123,796.85 producing a gross revenue for the Fiscal period of \$6,562,584.86.

The average sales per retail store, in operation during the entire year, amounted to \$92,676.05 in 1946 compared with an average per unit in 1945 of \$87,191.41.

EARNINGS

Stores Trading Profits for the year under review amounted to \$904,928.84 compared with \$852,958.03 in 1945, an increase of \$51,970.81.

Net Income after all charges including Depreciation, Amortization of Leases and other non-trading items but before provision for Income and Excess Profit Taxes was \$524,525.01 compared with \$589,176.99 in 1945.

Net Profit after providing for Income Taxes of \$99,265.23 and Excess Profits Taxes of \$176,236.82 amounted to \$249,022.96.

DIVIDENDS

Four quarterly dividends were paid or provided for during the year on both Preferred and Common shares—Preferred at the rate of 5% on 6000 shares retired May 1st 1946, and 4% for the balance of the year on a new Preferred stock issued on that date and dividends totalling \$1.25 per share on Common.

OPERATING EXPENSES

Operating expenses show some increase during the year as compared with 1945, chiefly as a result of increased sales volume, higher wages and greater costs for other services including the initial cost of Retirement Pensions and Hospitalization and Surgical Benefits provided for all eligible employees of the Company.

CAPITAL

Working Capital was enhanced during the year by the retirement on May 1st of 6000 shares of 5% Cumulative Preference stock and the Issue of 10,000—4% Preferred shares of a similar par value of \$50.00 per share.

Net Working Capital on December 31, 1946 was \$1,230,327.64 compared with \$988,643.29 a year ago.

The present ratio of Current Assets to Current Liabilities is 2.98 to 1.

COMPANY PROGRESS

The opening of three new branches during the year, namely in Cornwall, Owen Sound and at 45 Rideau Street, Ottawa, is viewed with great satisfaction by your management, in as much as all three units are proving to be valuable additions. Another Toronto branch on Eglinton Avenue West near Dufferin will be operating almost immediately, and this also, from present indications, will prove most advantageous. A number of other leases have been secured, and these units will be put into operation as quickly as the buildings can be made ready.

SERVICES TO PERSONNEL

As mentioned earlier in this Report, two important steps were taken during the year to further improve and secure the position of the company's employees.

THE FIRST being the inauguration of a Retirement Pension Plan which has been installed on a contributory basis for all employees qualifying with five years or more of continuous service. The Plan provides generous benefits in the form of monthly Pensions upon retirement at age sixty; both past and future service is recognized; and the Plan replaces a former Savings Fund which had been in operation since 1930. Past service benefits provided under this new Retirement Pension Plan are being provided entirely from Company contributions.

AND SECONDLY in the providing of Hospitalization and Surgical Benefits to a large number of the Company's regular employees and their dependents.

The efforts of the entire staff of your Company are worthy of the highest praise; their loyalty and co-operation in the maintenance of a high standard of service gained for your Company a host of new friends and contributed greatly to the success attained during the year.

Your Directors wish to record their sincere appreciation of these efforts—also for the support accorded them by the Shareholders and to their patrons who demonstrated their approval of the policies of your Company by their continued support.

H. G. BROWNE,

TORONTO, March 7, 1947.

President.

G. TAMBLYN, Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1946

Profit for the year, after charging all operating, selling and administration expenses, but before providing for the undernoted charges and credits... \$ 655,509.66

Deduct—

Directors' fees.....	\$ 3,530.00
Provision for depreciation of buildings and equipment.....	37,927.04
Provision for amortization of leases and of improvements to leased premises.....	14,249.86
Payment in respect of employees' pension plan.....	80,107.22
Loss on disposal of fixed assets (net).....	728.71
	136,542.83
	\$ 518,966.83

Add—

Interest on investments.....	\$ 5,062.18
Bank interest (net).....	496.00
	5,558.18
	\$ 524,525.01

Deduct—

Provision for income tax.....	\$ 99,265.23
Provision for excess profits tax.....	176,236.82
	275,502.05

NET PROFIT FOR THE YEAR..... : \$ 249,022.96

NOTE: Remuneration for the year (other than directors' fees) of solicitors and counsel and of executive officers and salaried directors \$66,498.79.

STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDING DECEMBER 31, 1946

Balance, December 31, 1945..... \$ 749,998.18

<i>Add—</i> Excess profits tax adjustments applicable to prior years arising from the application to the years 1940 and 1941 of the standard profit awarded by the Board of Referees.....	35,889.88
	\$ 785,888.06
<i>Add—</i> Net profit for the year ending December 31, 1946	249,022.96

\$ 1,034,911.02

Deduct—

Premium and expenses in connection with the redemption of 5% preference stock and the issue of new 4% preference stock.....	\$ 30,080.00
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Dividends paid—	
On old preference shares.....	\$ 4,931.91
On new preference shares.....	13,425.00
On common shares.....	140,000.00 158,356.91 188,436.91

BALANCE OF EARNED SURPLUS, DECEMBER 31, 1946..... : \$ 846,474.11

G. TAMBLY

BALANCE SHEET

A S S E T S

CURRENT ASSETS:

Cash on hand and in bank.....	\$ 254,975.00
Investment in Dominion Government bonds, at cost (market value \$324,412.00).....	323,190.00
Accounts receivable:	
Trade.....	\$25,624.71
Owing by employees on pension fund contributions.....	18,929.54
	<u>44,554.25</u>
Inventories of merchandise as determined and certified to by responsible officials of the company, valued on the basis of cost.....	1,229,136.70
	<u>1,229,136.70</u>
	<u>\$1,851,855.95</u>

REFUNDABLE PORTION OF EXCESS PROFITS TAX..... 198,234.73

INVESTMENT IN SUBSIDIARY COMPANY:

Investments in shares.....	\$ 3,000.00
Advances (net).....	1,031.42
	<u>4,031.42</u>

DEFERRED CHARGES:

Unexpired insurance premiums and inventories of supplies at cost, etc. .. 14,907.99

FIXED ASSETS:

At cost, except for certain furniture and fixtures acquired
at the inception of the company, and now fully de-
preciated, gross book values of which are based on
appraisal figures.

	Gross Book Value	Reserve for Depreciation	Net Book Value
Land.....	\$ 116,260.74	\$.....	\$116,260.74
Buildings.....	284,508.69	118,858.57	165,650.12
Furniture and fixtures....	643,911.49	464,067.33	179,844.16
Automobiles.....	10,267.17	4,393.08	5,874.09
Leases and improvements to leased premises....	148,897.28	67,420.33	<u>81,476.95</u>
	<u>\$1,203,845.37</u>	<u>\$654,739.31</u>	<u>549,106.06</u>

GOODWILL..... 1.00

APPROVED ON BEHALF OF THE BOARD:

H. G. BROWNE }
A. J. RICHES } Directors.

\$2,618,137.15

N, LIMITED

December 31, 1946

LIABILITIES

CURRENT LIABILITIES:

Dividends payable January 2, 1947:	
On preference shares.....	\$ 5,000.00
On common shares.....	61,600.00
	—————
	\$ 66,600.00
Accounts payable and accrued liabilities.....	476,516.14
Reserve for income and excess profits taxes.....	74,612.17
Mortgage payable.....	3,800.00
	—————
	\$ 621,528.31

CAPITAL STOCK AND SURPLUS:

Four per cent Cumulative Redeemable Preference Stock:

Authorized—15,000 shares of a par value of \$50.00 each.....	\$750,000.00
Issued, fully paid—10,000 shares.....	\$ 500,000.00

Common Stock:

Authorized—200,000 shares of no par value—	
Issued, fully paid—112,000 shares of no par value.....	\$ 40,000.00

Capital Surplus (designated as such pursuant to section 61 of Dominion Companies Act)—

Appropriated from earnings for the redemption of preferred shares of an issue now retired in full (no change during the year)...	411,900.00
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Refundable portion of excess profits tax, per contra.....	198,234.73
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Earned surplus, per statement attached....	846,474.11	1,496,608.84	1,996,608.84
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NOTES:(1) As of May 1 1946 the company redeemed its 5% Preference stock of a par value of \$300,000 and issued 4% Preference stock of a par value of \$500,000.

(2) During the year the company entered into a pension plan with its employees in connection with which the company has undertaken to contribute to the Insurance Company, in respect of past services, in annual instalments over the next nine years, an amount of approximately \$290,000, the liability for which has not been set up in the accounts.

\$2,618,137.15

ers dated March 7, 1947.

PRICE, WATERHOUSE & Co.,
Auditors.

PRICE, WATERHOUSE & CO.,

Toronto, March 7, 1947

Auditors' Report to the Shareholders of
G. TAMBLYN LIMITED:

We have made an examination of the balance sheet of G. Tamblyn Limited as at December 31 1946 and of the statement of profit and loss and earned surplus for the year ending on that date. In connection therewith we examined or tested accounting records and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year but we did not make a detailed audit of the transactions.

Pursuant to section 114 of The Companies Act (1934) we report that the accumulated profits to December 31 1946 of the subsidiary company have not been taken up in the accounts of G. Tamblyn Limited.

We report that we have obtained all the information and explanations which we required and that, in our opinion, based upon the examination indicated in this report the accompanying balance sheet and statement of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the company's affairs as at December 31 1946 and the result of operations for the year ending that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

PRICE, WATERHOUSE & Co.

Chartered Accountants

G. TAMBLYN, Limited



440 YEARS OF SERVICE

The Company is honoured to number amongst its personnel many who have given unstintingly of their efforts toward the Company's progress for more than twenty-five years.

Their names are recorded here with our compliments.

MR. J. A. LONGFIELD (36 years)
Assistant Chemist
Laboratory Department

MR. H. C. QUARRINGTON (35 years)
Store Manager

MR. T. L. HUNT (35 years)
Warehouse Superintendent

MR. W. S. LINTON (31 years)
Advertising Manager

MR. C. J. PORTER (30 years)
Store Manager

MR. H. G. BROWNE (29 years)
President & General Manager

MR. R. H. CRANE (29 years)
Chief Chemist

MR. L. MAIDMENT (29 years)
Assistant Warehouse
Superintendent

MR. F. W. BLACK (28 years)
Vice-President and
General Store Manager

MISS E. A. JACKSON (28 years)
Chief Accountant and
Office Manager

MR. J. V. BRADSHAW (27 years)
Store Manager

MR. R. S. FRAME (26 years)
General Supervisor of Stores

MR. E. C. Root (26 years)
Store Manager

MR. R. STEVENS (26 years)
Stock Control Clerk

MR. J. B. SMITH (25 years)
Receiving Clerk

G. TAMBLYN, Limited

THE COMPANY OWNS AND OPERATES 71 RETAIL DRUG STORES
SITUATED IN THE FOLLOWING LOCATIONS

TORONTO

142 Avenue Rd.	2052 Danforth Ave.	393 Spadina Rd.
515 Bayview Ave.	2560 Danforth Ave.	503 St. Clair Ave. W.
324 Bloor St. W.	2865 Dundas St. W.	744 St. Clair Ave. W.
524 Bloor St. W.	304 Eglinton Ave. W.	950 St. Clair Ave. W.
978 Bloor St. W.	1521 Gerrard St. E.	1166 St. Clair Ave. W.
1310 Bloor St. W.	399 Jane St.	1734 St. Clair Ave. W.
2258 Bloor St. W.	1670 King St. W.	765 Woodbine Ave.
2445 Bloor St. W.	988 Kingston Rd.	113 Yonge St.
403 Bloor St. E.	621 Mt. Pleasant Rd.	410 Yonge St.
369 Broadview Ave.	479 Parliament St.	788 Yonge St.
938 College St.	1480 Queen St. W.	1441 Yonge St.
91 Danforth Ave.	720½ Queen St. E.	1987 Yonge St.
489 Danforth Ave.	2052 Queen St. E.	2449 Yonge St.
886 Danforth Ave.	2377 Queen St. E.	3202 Yonge St.
1426 Danforth Ave.	329 Roncesvalles Ave.	3436 Yonge St.

HAMILTON

423 Barton St. E.	17 King St. E.	289 Ottawa St. N.
1111 Main St. E.		753 King St. E.

BARRIE—Dunlop & Clapperton Sts.	OTTAWA—153 Bank St.
BRANTFORD—160 Colborne St.	OTTAWA—100 Sparks St.
CHATHAM—King & Sixth Sts.	OTTAWA—45 Rideau St.
CORNWALL—138 Pitt St.	OWEN SOUND—878 Second St. E.
GUELPH—15 Lower Wyndham St.	PETERBORO—339 George St.
KINGSTON—116 Princess St.	ST. CATHARINES—157 St. Paul St.
KITCHENER—21 King St. W.	SARNIA—184 N. Christina St.
LONDON—174 Dundas St.	STRATFORD—19 Downie St.
LONDON—640 Dundas St.	WINDSOR—Canada Bldg.
NIAGARA FALLS—495 Queen St.	WINDSOR—1298 Ottawa St.
OSHAWA—6 King St. E.	

