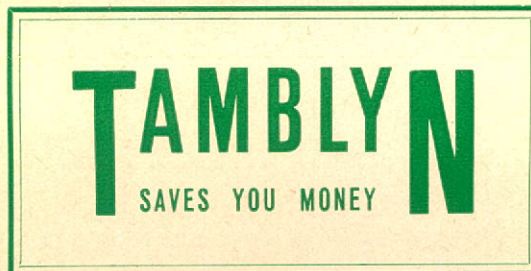


G. TAMBLYN, LIMITED
TORONTO . . . CANADA

Balance Sheet
and
Financial Statement
as at
December 31st, 1940



PURVIS HALL
LIBRARIES

MAR 25 1946

MCGILL UNIVERSITY



G. TAMBLYN, LIMITED
Administration Offices and Laboratory
situated at
225 Jarvis Street, Toronto

TO OUR SHAREHOLDERS:

Your Directors herewith submit the Balance Sheet and Statements of Profit and Loss and Earned Surplus for the year ending December 31st, 1940, duly certified by the Company's auditors and approved on behalf of your Board of Directors.

The earnings of your company after providing for all expenses, full depreciation, property and business taxes, but not taking into account Dominion Income Tax, Excess Profits Taxes and Provincial Income Tax, were \$204,174.85 as compared with \$146,194.84 in the previous year. Dominion Income Tax and Excess Profits Taxes and Provincial Income Tax reserves are set up at \$74,436.43, which is the amount calculated as owing on 1940 profits. That charge for Income War Tax is in excess of the previous year to the amount of \$50,995.26, and is brought about by the Excess Profits Tax and the increase in the rate of Dominion Income Tax. After deducting the estimated 1940 Provincial and Dominion Taxes the net profits of your company are \$129,738.42 as compared with \$122,753.67 in 1939.

While the large increase in taxes is a heavy burden on the company's operations, your Board recognizes the necessity of heavy taxes for war purposes and is satisfied that with the co-operation of the shareholders and customers the company's ability to contribute substantially to the war effort in this way will continue.

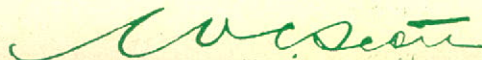
Your company now has 69 stores in operation, four more than at the close of 1939, five new stores having been opened and one closed. Sales of the company for the year amounted to \$3,885,854.72, the largest in your company's history. These sales showed an increase over the previous year of \$319,065.00. Of this increase \$113,666.88 came from the new stores, which were in operation only part of the year.

Retail merchandising has experienced a decided change towards renovation of Premises—New Store Fronts, etc., and in keeping with that trend your company during 1940 renovated or moved into new locations, installing new fronts and dispensaries in twelve stores. Operation in each instance reflected greater patronage and increased sales. Our administration office and distribution facilities had also to be renovated. We believe the changes will considerably aid in more efficient operation.

It is our hope that the holders of Common Shares will be able to attend the Annual Meeting at the Head Office of your company at 225 Jarvis Street, Toronto, on Wednesday, March 26th, 1941, at eleven o'clock in the morning. If you find it impossible to attend, we would appreciate your filling in, signing and returning to Mr. W. H. Campbell, the secretary, the enclosed proxy.

Your Directors are desirous of placing on record this acknowledgment of their appreciation for the efforts of the Staff of the company and the continued support accorded them by their shareholders.

On behalf of the Board,



President.

March 10th, 1941.

G. TAMBLYN

BALANCE SHEET as at

ASSETS

CURRENT ASSETS:

Cash on hand and balances with bankers.....	\$177,380.22
Investment in Dominion and Provincial Government bonds at cost plus accrued interest (approximate market value—\$80,510.00)	80,501.05
Trade accounts receivable.....	5,684.41
Inventories of merchandise as determined and certified to by responsible officials of the company, valued on the basis of cost	959,243.93

\$1,222,809.61

PREPAID CHARGES ON ACCOUNT OF FUTURE BUSINESS:

Unexpired insurance premiums and inventories of supplies at cost, etc.....	12,171.98
--	-----------

FIXED ASSETS:

	Gross Book Value	Reserve for Depreciation	Net Book Value
Land	\$ 111,610.74		\$111,610.74
Buildings	273,557.56	\$ 75,206.95	198,350.61
Furniture and fixtures.....	527,183.90	382,797.98	144,385.92
Automobiles	7,742.50	1,634.46	6,108.04
Leases and improvements to leased premises	103,759.22	50,578.11	53,181.11
	<u>\$1,023,853.92</u>	<u>\$510,217.50</u>	513,636.42

NOTE:—The above values for fixed assets represent cost, excepting for certain furniture and fixtures and leases acquired at the inception of the company and established on the books at appraised values which have since been written down to a net value of \$6,084.87.

Goodwill	1.00
	<u>\$1,748,619.01</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the balance sheet of G. Tamblyn, Limited, as at December 31, 1940, and examined or tested accounting records and other supporting evidence and obtained information and explanations of operating and income accounts for the year but we did not make a detailed audit of the transactions.

We report that we have obtained all the information and explanations which we required and that in our opinion they exhibit a true and correct view of the state of the company's affairs as at December 31, 1940, according to the books.

March 6, 1941.

G. TAMBLYN, LIMITED

at December 31, 1940

LIABILITIES, CAPITAL STOCK AND SURPLUS

CURRENT LIABILITIES:

Dividends payable January 2, 1941—

On preference shares.....	\$ 3,750.00
On common shares.....	22,400.00
Accounts and bills payable.....	380,990.14
Taxes payable and accrued.....	81,725.71

\$ 488,865.85

CAPITAL STOCK AND SURPLUS:

Five per cent. Cumulative Redeemable Preference Stock—

Authorized and issued fully paid—6,000 shares of a par value of \$50.00 each.....	\$300,000.00
---	--------------

Common Stock—

Authorized and 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
---	------------

Earned Surplus	507,853.16	959,753.16
----------------------	------------	------------

1,259,753.16

APPROVED ON BEHALF OF THE BOARD:

W. C. SCOTT, Director.

W. H. CAMPBELL, Director.

\$1,748,619.01

OPINION OF G. TAMBLYN, LIMITED:

of the statements of profit and loss and earned surplus for the year ending on that date. In connection therewith we from officers and employees of the company. We also made a general review of the accounting methods and of the

opinion based upon the examination indicated in this report the attached balance sheet is properly drawn up so as to best of our information and the explanations given to us and as shown by the books of the company.

(Signed) PRICE, WATERHOUSE & CO.,
Chartered Accountants.

G. TAMBLYN, Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1940

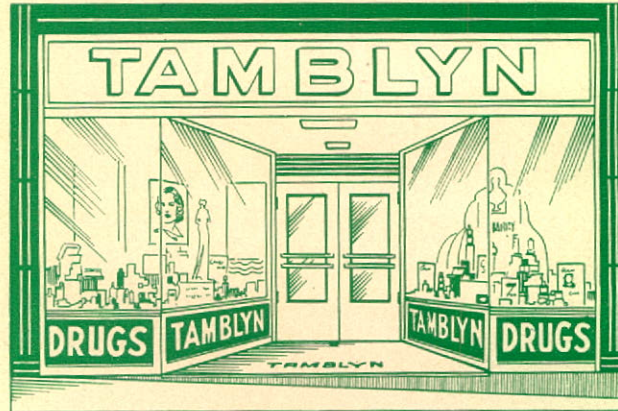
PARTICULARS	AMOUNT
Profit before the following charges.....	\$246,241.92
DEDUCT—	
Directors' fees	\$ 1,940.00
Provision for depreciation of buildings, furniture and fixtures and auto-mobiles	36,092.54
Provision for amortization of leases and improvements to leased premises	9,778.69
Provision for income and excess profits taxes.....	74,436.43
	122,247.66
Profit from Operations.....	\$123,994.26
ADD—	
Interest on investment in bonds.....	\$ 1,786.57
Bank interest (net).....	260.91
Company's contributions to Employees' Saving Fund reverting to company in 1940.....	3,286.02
Profit on disposal of fixed assets (net).....	410.66
	5,744.16
Net Profit for the year.....	\$129,738.42

NOTE:—Remuneration for the year (other than directors' fees) of solicitors and counsel and of executive officers and salaried directors, \$59,470.91

STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDING DECEMBER 31, 1940

Balance, December 31, 1939.....	\$486,474.67
DEDUCT—Adjustments in respect of prior years:	
Additional income and corporations taxes paid during the year.....	\$11,134.22
LESS—Company's contributions of \$9,117.43 to Employees' Savings Fund reverting to company and received during the year, less income tax of \$1,743.14 applicable thereto.....	7,374.29
	3,759.93
	\$482,714.74
ADD—Net Profit for the year ending December 31, 1940	129,738.42
	\$612,453.16
DEDUCT—Dividends:	
On preference shares.....	\$15,000.00
On common shares.....	89,600.00
	104,600.00
Balance of Earned Surplus, December 31, 1940.....	\$507,853.16

A Newer Type
TAMBLYN DRUG STORE
 Front



Situated at
 EGLINTON AVE. and AVENUE ROAD, TORONTO

*The Company owns and operates 69 stores in Toronto and throughout
 Ontario situated in the following locations*

- | | |
|----------------------------------|-----------------------------------|
| 113 Yonge St., Toronto. | 324 Bloor St W., Toronto. |
| 1480 Queen St. W., Toronto. | 304 Eglinton Ave. W., Toronto. |
| 2171 Queen St. E., Toronto. | 886 Danforth Ave., Toronto. |
| 410 Yonge St., Toronto. | 2445 Bloor St. W., Toronto. |
| 1310 Bloor St. W., Toronto. | 765 Woodbine Ave., Toronto. |
| 2865 Dundas St. W., Toronto. | 3436 Yonge St., Toronto. |
| 788 Yonge St., Toronto. | 393 Spadina Rd., Toronto. |
| 369 Broadview Ave., Toronto. | 142 Avenue Rd., Toronto. |
| 257 Avenue Rd., Toronto. | 2560 Danforth Ave., Toronto. |
| 978 Bloor St. W., Toronto. | 872 Eglinton Ave. W., Toronto. |
| 720 1/2 Queen St. E., Toronto. | 403 Bloor St. E., Toronto. |
| 524 Bloor St. W., Toronto. | 517 Bayview Ave., Leaside. |
| 1166 St. Clair Ave. W., Toronto. | 17 King St. E., Hamilton. |
| 489 Danforth Ave., Toronto. | 1111 Main St. E., Hamilton. |
| 91 Danforth Ave., Toronto. | 289 Ottawa St. N., Hamilton. |
| 1670 King St. W., Toronto. | 423 Barton St. E., Hamilton. |
| 950 St. Clair Ave. W., Toronto. | 753 King St. E., Hamilton. |
| 2449 Yonge St., Toronto. | 15 Wyndham St., Guelph. |
| 1426 Danforth Ave., Toronto. | 21 King St. W., Kitchener. |
| 2258 Bloor St. W., Toronto. | 19 Downie St., Stratford. |
| 503 St. Clair Ave. W., Toronto. | 160 Colborne St., Brantford. |
| 938 College St., Toronto. | 174 Dundas St., London. |
| 329 Roncesvalles Ave., Toronto. | 640 Dundas St., London. |
| 479 Parliament St., Toronto. | 157 St. Paul St., St. Catharines. |
| 1441 Yonge St., Toronto. | Canada Bldg., Windsor. |
| 2052 Danforth Ave., Toronto. | 1298 Ottawa St., Windsor. |
| 1734 St. Clair Ave. W., Toronto. | King and Sixth Sts., Chatham. |
| 1987 Yonge St., Toronto. | 6 King St. E., Oshawa. |
| 988 Kingston Rd., Toronto. | 495 Queen St., Niagara Falls. |
| 1521 Gerrard St. E., Toronto. | 116 Princess St., Kingston. |
| 3202 Yonge St., Toronto. | 100-102 Sparks St., Ottawa. |
| 399 Jane St., Toronto. | 153 Bank St., Ottawa. |
| 621 Mt. Pleasant Rd., Toronto. | 337 George St., Peterborough. |
| 2377 Queen St. E., Toronto. | 184 N. Christina St., Sarnia. |
| 744 St. Clair Ave. W., Toronto. | |

