

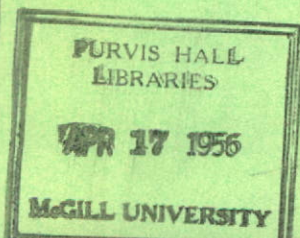


*HUDSON'S BAY CO.*

# REPORT AND ACCOUNTS 1956

287th ANNUAL GENERAL COURT

THE GOVERNOR AND COMPANY  
OF ADVENTURERS OF ENGLAND  
TRADING INTO HUDSON'S BAY



## Board

W. J. KESWICK, *Governor*

H. A. BENSON, C.B.E., F.C.A., *Deputy Governor*

I. P. R. NAPIER, M.C.

THE RT. HON. VISCOUNT WAVERLEY, P.C., G.C.B., G.C.S.I., G.C.I.E., F.R.S.

P. A. CHESTER, *Managing Director*

J. G. LINKS, O.B.E.

FIELD MARSHAL THE RT. HON THE VISCOUNT ALANBROOKE,  
K.G., G.C.B., O.M., G.C.V.O., D.S.O.

E. O. FAULKNER, M.B.E.

J. E. WOODS

## Canadian Committee

J. E. WOODS, *Chairman*

P. A. CHESTER

THE HON. CHARLES A. DUNNING

F. F. MARTIN

J. HARRIS

S. A. SEARLE

C. GORDON SMITH

GRAHAM F. TOWERS, C.M.G.

## Grand Seigneur

THE RT. HON. SIR WINSTON CHURCHILL, K.G., O.M., C.H., F.R.S., M.P.

## CONSOLIDATED FINANCIAL SUMMARY

Year ended 31st January, 1956

	1956	1955
	\$	\$
SALES*.....	173,648,000	159,762,000
TRADING PROFIT.....	10,192,000	9,416,000
TAXES.....	4,777,000	4,589,000
NET TRADING PROFIT.....	5,415,000	4,827,000
NET DIVIDENDS AND PROFITS TAX ON DISTRIBUTIONS.....	1,938,000	1,887,000
—————		
DISTRIBUTION, LAND ACCOUNT.....	393,000	393,000
—————		
FIXED ASSETS AND TRADE INVESTMENTS.....	38,410,000	34,207,000
NET CURRENT ASSETS.....	36,154,000	37,747,000
CAPITAL IN USE.....	74,564,000	71,954,000

### OPERATING RESULTS BEFORE TAXES

RETAIL STORES—SALES.....	108,130,000	98,703,000
—PROFIT.....	6,101,000	5,723,000
FUR TRADE —SALES.....	24,175,000	21,605,000
—PROFIT.....	2,142,000	1,638,000
WHOLESALE —SALES.....	41,342,000	39,455,000
—PROFIT.....	437,000	781,000
ROYALTIES.....	1,218,000	1,039,000

\*Sales exclude furs sold on consignment: 1956, \$53,998,000; 1955, \$55,325,000

Figures converted into Canadian dollars at \$2.80 to the £.



## Notice of Meeting

1. The 287<sup>TH</sup> ANNUAL GENERAL COURT of the Governor and Company of Adventurers of England trading into Hudson's Bay will be held at Beaver Hall, Garlick Hill, London. E.C.4, on the 2nd of May, 1956, at 11.30 a.m., to receive the Accounts for the year ended 31st January, 1956, together with a Report from the Board.
2. Resolutions will be proposed at the meeting as follow:
- (a) For payment of final distributions for the year ended 31st January, 1956, at the rate of 11 per cent. from Trading and  $1\frac{1}{4}$  per cent. from receipts of Land Sales, to Proprietors registered as Shareholders on 21st April, 1956.  
**(Resolution No. 1)**
  - (b) To approve and adopt the Report, Balance Sheet and Profit and Loss Account for the year ended 31st January, 1956, including the Group Accounts.  
**(Resolution No. 2)**
3. Directors retiring by rotation and proposed for re-election are:
- |   |                           |
|---|---------------------------|
| W. J. KESWICK, ESQ. ( <i>Governor</i> )   | <b>(Resolution No. 3)</b> |
| FIELD MARSHAL THE RT. HON. THE VISCOUNT ALANBROOKE,<br>K.G., G.C.B., O.M., G.C.V.O., D.S.O. | <b>(Resolution No. 4)</b> |
| E. O. FAULKNER, ESQ., M.B.E.  | <b>(Resolution No. 5)</b> |
4. Messrs. DELOITTE, PLENDER, GRIFFITHS & COMPANY having notified the Company that they are willing to continue as Auditors, a Resolution will be proposed at the meeting that their fee be fixed at £900.  
**(Resolution No. 6)**
5. Transfer Books will be closed from 21st April to 30th April, 1956, inclusive.

By Order of the Board,

R. A. REYNOLDS,

*Secretary.*

BEAVER HOUSE,

GREAT TRINITY LANE, LONDON, E.C.4.

9th April, 1956.

Res. - P. of. H. Evans. Apr. 17. 56

# Consolidated Financial Summary

YEAR ENDED 31st JANUARY, 1956

	1956 £	1955 £
SALES ... ..	62,017,000	57,058,000
TRADING PROFIT ... ..	3,640,000	3,363,000
TAXES ... ..	1,706,000	1,639,000
NET TRADING PROFIT ... ..	1,934,000	1,724,000
NET DIVIDENDS AND PROFITS TAX ON DISTRIBUTIONS ...	692,000	674,000
-----		
DISTRIBUTION, LAND ACCOUNT ... ..	140,000	140,000
-----		
FIXED ASSETS AND TRADE INVESTMENTS ... ..	13,718,000	12,217,000
NET CURRENT ASSETS ... ..	12,912,000	13,481,000
CAPITAL IN USE ... ..	26,630,000	25,698,000
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## Operating Results Before Taxes

RETAIL STORES—SALES ... ..	38,618,000	35,251,000
PROFIT ... ..	2,179,000	2,044,000
FUR TRADE—SALES ... ..	8,634,000	7,716,000
PROFIT ... ..	765,000	585,000
WHOLESALE DEPARTMENT—SALES ... ..	14,765,000	14,091,000
PROFIT ... ..	156,000	279,000
ROYALTIES ... ..	435,000	371,000

The figures of Sales exclude furs sold on consignment £19,285,000 (£19,759,000).

## Report to Proprietors

1955 was a remarkable year in Canada. Even by the standards of other periods of prosperity, the increase in the national income was outstanding and sufficient to offset the severe effect of sluggish wheat sales upon the Prairie Provinces where the larger part of the operations of the Company are concentrated.

For the Company it was a year of general progress.

Trading sales increased by 9 per cent. to £62,017,000, a new record.

Consolidated profit for the year after providing depreciation of £854,123 and Canadian and United Kingdom taxes of £1,706,000 was £1,934,542, equal to 6s. 11d. per share, compared with £1,723,963 or 6s. 2d. per share the year before.

Income from royalties, primarily from oil and natural gas, reached the substantial figure of £435,110.

A total dividend from trading of 15 per cent., or 1s. 8 $\frac{3}{4}$ d. per share after United Kingdom Income Tax, is proposed, of which 4 per cent. interim dividend has been paid.

After transferring £300,000 to Staff Retirement and £300,000 to Development Reserve a balance of £103,451 has been added to the undistributed profits of the Parent Company. £538,915 has been retained by Subsidiaries, of which £457,143 has been transferred to their General Reserves and £81,772 has been added to their undistributed profits.

A distribution of 2 $\frac{1}{2}$  per cent. or 6d. per share, half of which has already been paid, is proposed from the Land Account, leaving a surplus of £1,178,423 at 31st January, 1956.

Details of profit for the year, the interim and proposed final distributions and the appropriations to reserves are shown in the Profit and Loss Account. The interim and proposed final distributions from Land Sales are shown in the Land Account.

Net expenditure on Capital Assets was £2,379,285, of which £1,797,118 was for buildings and sites and £582,167 for equipment and transport.

After deducting depreciation of £854,123 (compared with £710,810 last year) the net

increase in Fixed Assets in 1955 was £1,525,162. This is reflected in a reduction of the liquid funds of the Company.

Net Current Assets were £12,912,690, compared with £13,481,536 a year ago.

Expenditure on Fixed Assets in the coming year, for which commitments have already been made, is expected to amount to £1,990,000, the largest project being the six-storey addition to the Calgary store, at a cost of £820,000. It is expected that additional projects will be approved during the year in accordance with the policy of keeping pace with Canada's expansion.

To review briefly the operations of the Company, the Retail Stores again reported increases in both sales and profit in spite of growing competition from many directions. Inventories of merchandise are almost unchanged and Accounts Receivable showed an upward trend commensurate with the sales increase.

The addition to the Edmonton store, which doubled its size, was completed last autumn and the consequent resetting of the store itself has begun and should be completed this year.

Experience with the self-parking garage of the Winnipeg store justified adding a third deck which increased car capacity to 610. A parking garage for the Calgary store which will have a capacity of 470 cars will be completed early in 1956. These innovations give great service to our customers.

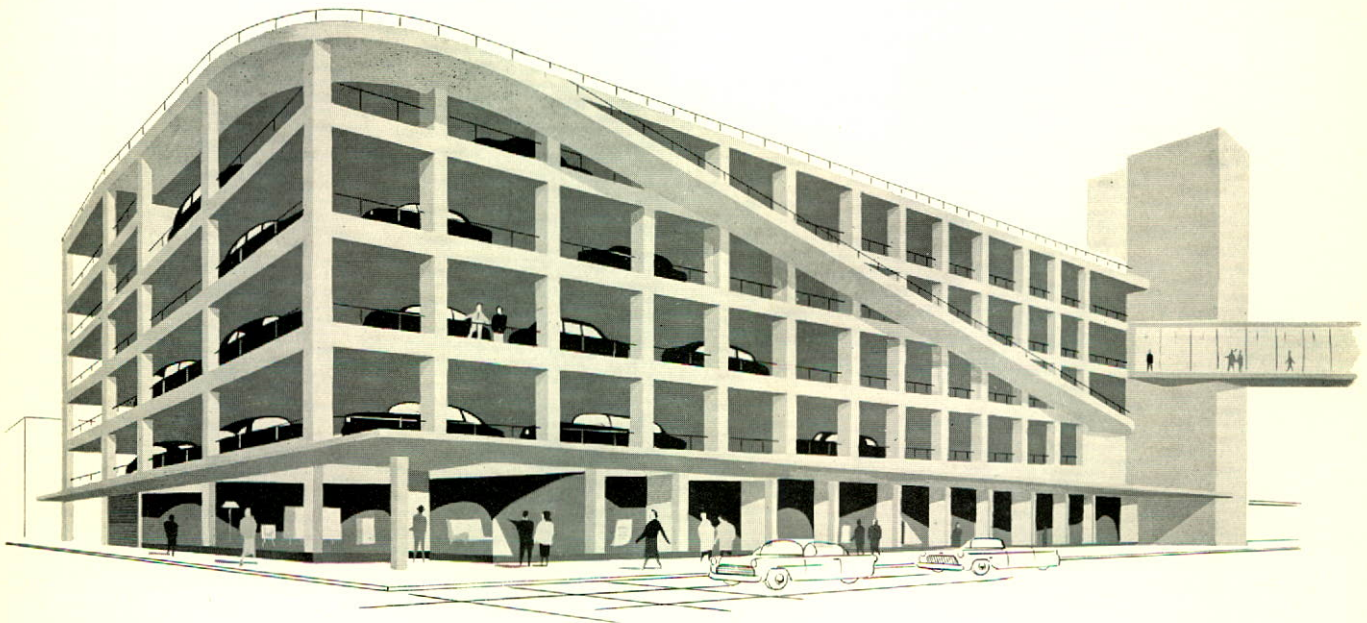
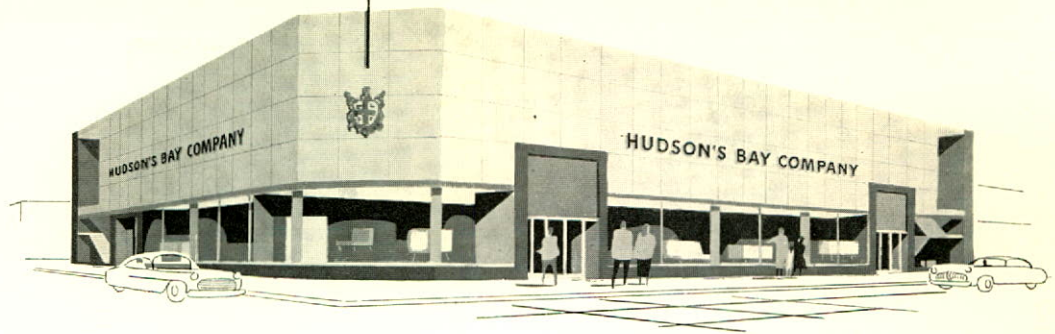
Sales in the Interior Stores were substantially increased and the development of this Division is progressing.

The increase in sales of the Fur Trade Department, which are for the year ended 30th June, 1955, came entirely from merchandise sales in comparatively new stores in mining, paper and transport communities, and also accounted for the increased profits of the Fur Trade Department. The results of the Posts serving the old Fur Trade showed little change compared with last year.

To meet the growing transport needs arising from the developments in Northern Canada, two diesel ships, the m.v. *Banksland* and m.v. *Fort Severn*, were acquired during the year. Their final cost will be approximately £200,000.

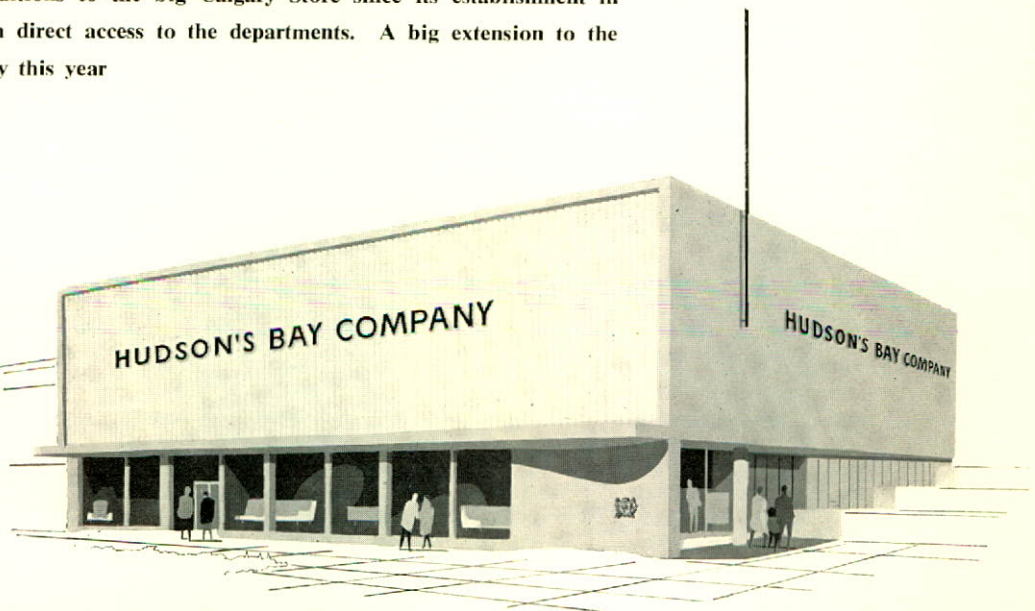


The Company is well into its second century of business in Kamloops, but the new retail store bears little resemblance to the Fur Trade post erected in 1843.

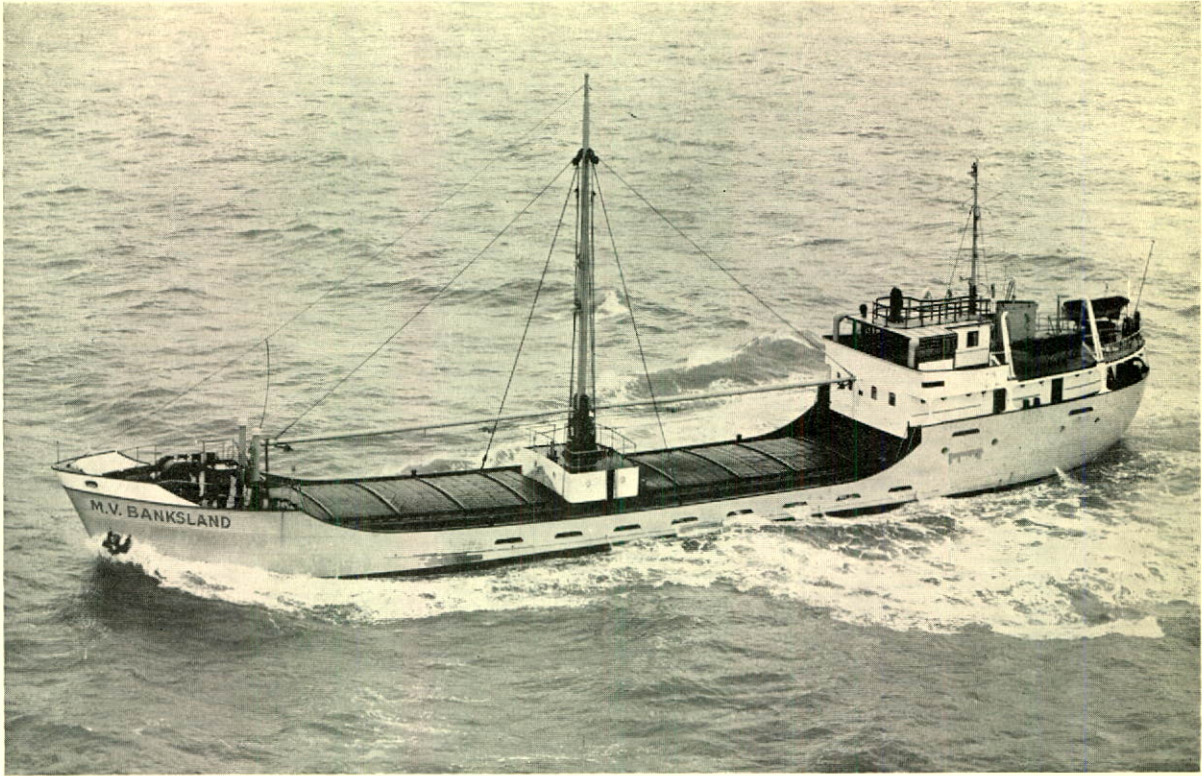


The latest of three additions to the big Calgary Store since its establishment in 1913 is a Parkade with direct access to the departments. A big extension to the store itself is under way this year

Growing communities call for new stores and one of the latest is at Kitimat, recently developed centre of the aluminium industry on the British Columbia coast.



M.V. "Banksland" is crossing the Atlantic via the Azores to the Pacific Coast and Vancouver. Her northerly base for the Western Arctic service is to be Tuktoyaktuk, reached through Bering Strait.



Latest acquisitions to the Company's fleet are these two former Dutch coasters bought in 1955. The M.V. "Fort Severn" travelled from the Netherlands to Montreal, then to Churchill, from which post she serves the Eastern Arctic.

Consignment sales of the three fur auction houses of the Company in New York, London and Montreal were £19,285,000, compared with £19,759,000 last year. The quantity of ranch mink sold in North America was again a record. London had another successful selling season.

In the Wholesale Department, in spite of a slight improvement in the volume of sales, the margin of profit was very small. This was due to price cutting in certain districts and caused another decrease in the total profit of this Department.

Receipts from the Land Department were unchanged, but realisations from land sales in the future will decline.

During the year the acceptance by Sir Winston Churchill of the honorary appointment of Grand Seigneur of the Company was an outstanding event in its history and a renewal of a link with its distant past. In the 17th century his illustrious ancestor, the first Duke of Marlborough, was third Governor.

While good fortune and Canada's prosperity played an important part in this successful 285th year of the Company, the credit for the fine achievement undoubtedly belongs to the Management and Staff to whom Proprietors owe so much and to whom the Board expresses gratitude and warm appreciation.

On behalf of the Board,

W. J. KESWICK,

*Governor.*

BEAVER HOUSE,  
GREAT TRINITY LANE,  
LONDON, E.C.4.

*13th March, 1956.*

# Hudson's Bay Oil and Gas Company Limited

## COMPARATIVE STATISTICS

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	<b>1955</b>	<b>1954</b>	<b>1953</b>
Net Producing Acres (thousands of acres) ...	64	46	26
Undeveloped Acreage (thousands of acres) ...	9,381	9,562	11,350
<b>Net Wells Completed:</b>			
Exploratory ... ..	17.4	25.2	16.6
Development ... ..	156.6	56.5	38.7
Total ... ..	174.0	81.7	55.3
Net Producing Wells (end of year) ... ..	357.6	194.4	131.0
Net Production (barrels daily) ... ..	13,152	5,931	3,730
<b>Expenditures on Finding Reserves and Developing Production (thousands of Canadian dollars)</b>	<b>\$27,077</b>	<b>\$16,600</b>	<b>\$11,754</b>

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## Hudson's Bay Oil and Gas Company Limited

The year ended 31st December, 1955, was marked by a significant increase in producing acreage.

Net Producing Wells were increased by 164 to 358; daily net production reached a high of 17,000 barrels towards the end of the year and for the whole year averaged 13,152 barrels, up by 122% over 1954. Substantial additions were made to reserves of oil and natural gas. Total production for the year was 4,800,526 barrels.

The extent of the programme is also reflected in expenditure on development which amounted to \$27,077,000, compared with \$16,600,000 in the previous year.

At the same time the Company maintained its active exploration programme and while the number of exploratory wells completed was below the number in 1954, geological and geophysical activities were greater in scope and cost than in any previous year.

The greater part of the development programme was in the Pembina Field, which is now the largest producing field in Alberta. About 40% of the average daily production of the Company, or 5,150 net barrels daily, came from this field.

The important change in producing acreage was the increase of 18,000 producing acres, making this total 64,000. Undeveloped acreage of 9,381,000 was almost unchanged.

The most significant new discovery of the year was the Windfall well in the West Whitecourt area, which encountered 200 feet of gas-condensate saturated Devonian Reef. The Company has a 41.7% interest in 1,100,000 reservation acres in this area and further exploratory work is to be undertaken during 1956 to prove up the value of this field.

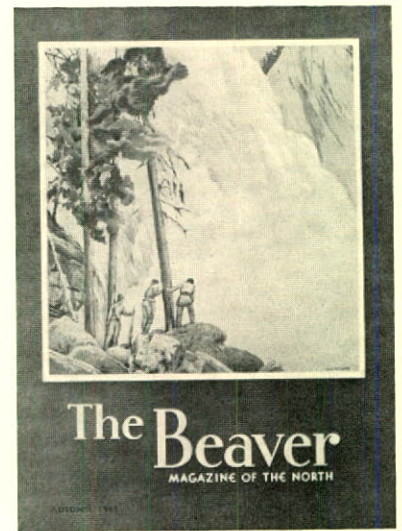
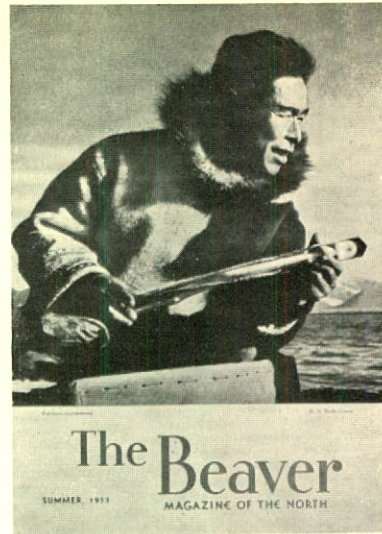
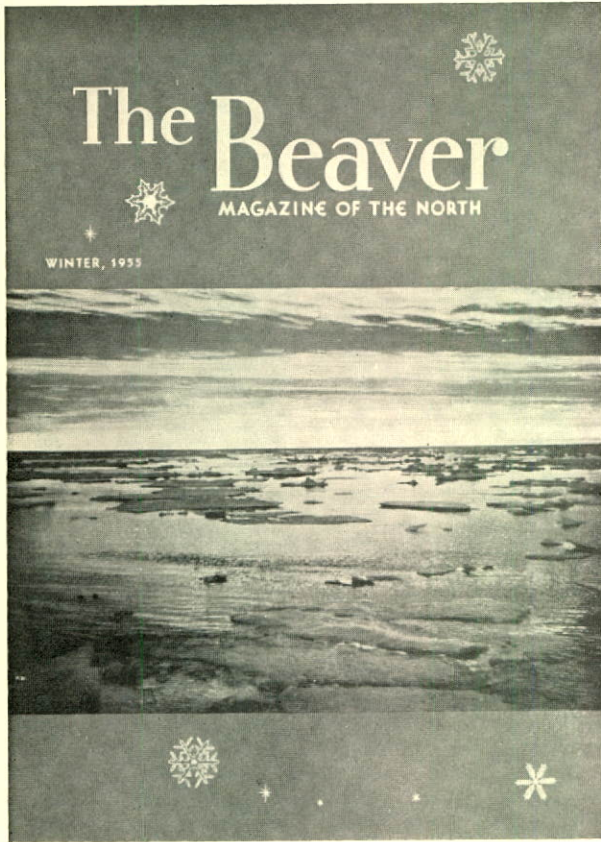
In April, 1955, an issue was made of \$25,000,000 First Mortgage Sinking Fund Bonds due May 1st, 1975. Additional borrowing may be arranged to further the objective of making the Company financially self-sufficient.

Crude oil production of Western Canada was substantially increased in 1955 and further increases are forecast for the future. Hudson's Bay Oil and Gas Company's share of total Canadian production rose from 2.25% to 3.7%.

Some progress was made towards the export of natural gas from the Province of Alberta by the start of the West Coast Transmission Company's line, which is expected to be in operation in 1957 and will carry gas to Vancouver, British Columbia, and the North Western United States.

Hopes for a start on the construction of the Trans-Canada line from Alberta to Eastern Canada have been raised by recent developments.

The full-colour covers of the quarterly magazine "The Beaver", which has a circulation of over 30,000, reflect the Company's interest in the North.





# Hudson's Bay Company.

INCORPORATED 2<sup>nd</sup> MAY, 1670.

## Balance Sheets and Accounts

31st JANUARY, 1956

# Hudson's Bay Company

## CONSOLIDATED BALANCE SHEET,

<b>1955</b>		<b>1956</b>
£		£
5,607,504	<b>SHARE CAPITAL</b> ... ..	5,607,504
	<b>CAPITAL RESERVES</b>	
671,826	Capital Reserve Fund ... ..	671,826
1,535,614	Share Premiums ... ..	1,535,614
852,633	General ... ..	852,633
2,000,000	Asset Replacement ... ..	2,000,000
4,733,349	Exchange ... ..	4,733,349
<u>9,793,422</u>		<u>9,793,422</u>
	<b>REVENUE RESERVES</b>	
4,412,721	General ... ..	4,869,864
1,000,000	Merchandise ... ..	1,000,000
250,000	Development ... ..	550,000
1,296,447	Undistributed Profits—Hudson's Bay Company ...	1,399,898
2,149,622	Subsidiaries ... ..	2,231,394
1,188,712	Undistributed Surplus—Land Account ... ..	1,178,423
<u>10,297,502</u>		<u>11,229,579</u>
25,698,428	<b>TOTAL CAPITAL AND RESERVES</b> ... ..	26,630,505
1,000,000	<b>STAFF RETIREMENT</b> ... ..	1,300,000
391,263	<b>FUTURE TAXATION</b> ... ..	400,529
	<b>CURRENT LIABILITIES</b>	
6,120,135	Creditors ... ..	3,784,238
1,268,553	Taxation Provision ... ..	1,483,723
	Proposed Distributions:	
354,675	Trading (Net) ... ..	354,675
70,094	Land Account ... ..	70,094
<u>7,813,457</u>		<u>5,692,730</u>
<u>£34,903,148</u>		<u>£34,023,764</u>



# and Subsidiaries

31st JANUARY, 1956

1955		£	£	£	1956
£					£
	<b>FIXED ASSETS</b>				
			<i>Cost</i>	<i>Depreciation</i>	
9,413,318	Land and Buildings ... ..	16,985,809	6,274,976		10,710,833
193,847	Transport ... ..	987,701	751,115		236,586
9,607,165		17,973,510	7,026,091		10,947,419
879,634	Equipment at cost, <i>less</i> amounts written off ...				1,064,542
10,486,799					12,011,961
	<b>TRADE INVESTMENTS</b>				
	Hudson's Bay Oil & Gas Company Ltd.				
1,660,714	Shares at cost, <i>less</i> amounts written off ...		1,660,714		
69,379	Other investments at cost, <i>less</i> amounts written off		45,140		
1,730,093					1,705,854
	<b>CURRENT ASSETS</b>				
7,741,822	Merchandise ... ..		7,472,493		
2,309,936	Fur Posts (Note 2) ... ..		2,134,519		
8,782,352	Debtors ... ..		8,928,519		
1,763,858	U.K. and North American Government Securities (Market Value £1,380,612, £1,843,073)		1,310,212		
2,088,288	Cash and Bank Balances (after deducting bank overdraft £595,874) ...		460,206		
22,686,256					20,305,949
<u>£34,903,148</u>					<u>£34,023,764</u>

# Consolidated Profit and Loss Account

FOR YEAR ENDED 31st JANUARY, 1956

1955		1956
£		£
3,362,963	<b>CONSOLIDATED TRADING PROFIT</b> ... ..	3,640,542
	after charging and crediting the following items:	
	1955	
	£710,810 Depreciation ... .. £854,123	
	52,521 Directors' Emoluments (Note 6) 56,051	
	7,215 Trade Investments ... .. 6,638	
	20,814 Other Investments ... .. 41,871	
	370,811 Royalties ... .. 435,110	
	56,172 Sundry ... .. 55,969	
	£455,012 £539,588	
	<b>TAXATION</b> (on current profits)	
1,174,000	U.K. Income Tax £1,144,000 Profits Tax £95,000...	1,239,000
1,129,000	Less Estimated Double Taxation Relief ... ..	1,197,000
45,000		42,000
1,594,000	Overseas Taxation ... ..	1,664,000
1,639,000		1,706,000
£1,723,963	<b>PROFIT AFTER TAXATION</b> (other than Profits Tax on distributions) ... ..	£1,934,542
	<b>APPROPRIATION OF PROFITS</b>	
	Parent Company	
250,000	Development Reserve ... ..	300,000
200,000	Staff Retirement ... ..	300,000
123,365	Interim Dividend (Net) ... ..	128,972
354,675	Proposed Final Dividend (Net) ... ..	354,675
196,263	Profits Tax on distributions (including distri- butions from Land Account) ... ..	208,529
674,303		692,176
90,978	Increase in Undistributed Profits ... ..	103,451
1,215,281		1,395,627
508,682	Retained by Subsidiaries ... ..	538,915
£1,723,963		£1,934,542

# Land Account

FOR YEAR ENDED 31st JANUARY, 1956

1955		1956
£		£
1,092,877	Undistributed Surplus, 31st January, 1955 ... ..	1,188,712
126,391	Net Surplus for year ... ..	129,899
109,632	Transfer from Capital Reserve Fund ... ..	—
236,023		129,899
1,328,900		1,318,611
70,094	Interim Distribution ... ..	70,094
70,094	Proposed Final Distribution ... ..	70,094
140,188		140,188
£1,188,712	Undistributed Surplus, 31st January, 1956 ... ..	£1,178,423

## Report of the Auditors to the Proprietors

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company so far as appears from our examination of those books and proper returns duly audited and adequate for the purposes of our audit have been received from the branches which have not been visited by us. We have examined the balance sheet which is in agreement with the books of account and returns. The returns from Fur Posts are, however, made up to the 30th June, 1955. Subject thereto and on the basis of exchange adopted for investments in Canadian subsidiaries, in our opinion and to the best of our information and according to the explanations given us the said balance sheet, together with the notes on page 18 gives the information required by the Companies Act, 1948, in the manner so required and gives a true and fair view of the state of the Company's affairs as at the 31st January, 1956.

We have also examined the annexed consolidated balance sheet and consolidated profit and loss account of the Company and its subsidiaries with the audited accounts of those companies, certain of which have not been audited by us. In our opinion such consolidated balance sheet, together with the notes on page 18, and consolidated profit and loss account have been properly prepared in accordance with the provisions of the Companies Act, 1948, so as to give, on the basis of exchange adopted for Land and Buildings in Canada, a true and fair view of the state of affairs at the 31st January, 1956, and a true and fair view of the profit for the year ended that date of Hudson's Bay Company and its subsidiaries so far as concerns Proprietors of Hudson's Bay Company and so far as is practicable having regard to the fact that the accounts of the Fur Posts are made up to the 30th June, 1955, and cover a different period from that of the main accounts of Hudson's Bay Company.

5 LONDON WALL BUILDINGS,  
LONDON, E.C.2.

DELOITTE, PLENDER, GRIFFITHS & CO.  
*Chartered Accountants, Auditors.*

13th March, 1956.

## BALANCE SHEET

1955 £		£	1956 £
	<b>SHARE CAPITAL</b>		
6,000,000	Authorised ... ..	6,000,000	
5,607,504	Issued—Ordinary Shares of £1 each ... ..		5,607,504
	<b>CAPITAL RESERVES</b>		
671,826	Capital Reserve Fund ... ..	671,826	
1,535,614	Share Premiums ... ..	1,535,614	
852,633	General ... ..	852,633	
1,873,301	Asset Replacement ... ..	1,873,301	
4,569,101	Exchange ... ..	4,569,101	
9,502,475			9,502,475
	<b>REVENUE RESERVES</b>		
3,410,496	General ... ..	3,410,496	
1,000,000	Merchandise ... ..	1,000,000	
250,000	Development ... ..	550,000	
1,296,447	Undistributed Profits ... ..	1,399,898	
1,188,712	Undistributed Surplus—Land Account ... ..	1,178,423	
7,145,655			7,538,817
22,255,634	<b>TOTAL CAPITAL AND RESERVES</b> ... ..		22,648,796
985,500	<b>STAFF RETIREMENT</b> ... ..		1,285,500
391,263	<b>FUTURE TAXATION</b> ... ..		400,529
	<b>CURRENT LIABILITIES</b>		
3,300,586	Creditors ... ..	3,073,116	
974,089	Taxation Provision ... ..	1,194,233	
715,819	Subsidiaries ... ..	645,066	
	Proposed Distributions:		
354,675	Trading (Net) ... ..	354,675	
70,094	Land Account ... ..	70,094	
5,415,263			5,337,184
<u>£29,047,660</u>			<u>£29,672,009</u>

# Bay Company

31st JANUARY, 1956

1955 £		£	£	1956 £
<b>FIXED ASSETS</b>				
		<i>Cost</i>	<i>Depreciation</i>	
596,086	Land and Buildings ... ..	808,340	147,263	661,077
95,888	Transport ... ..	674,586	619,586	55,000
691,974		1,482,926	766,849	716,077
356,752	Equipment, at cost less amounts written off ...			285,401
1,048,726				1,001,478
<b>SUBSIDIARIES</b>				
1,103,157	Investments, at cost less amounts written off ...		1,103,257	
7,665,766	Advances ... ..		8,877,608	
8,768,923				9,980,865
<b>TRADE INVESTMENTS</b>				
1,660,714	Hudson's Bay Oil & Gas Company Ltd. Shares at cost, less amounts written off ...		1,660,714	
45,140	Other investments at cost, less amounts written off		45,140	
1,705,854				1,705,854
<b>CURRENT ASSETS</b>				
7,106,376	Merchandise ... ..		6,914,922	
2,309,936	Fur Posts (Note 2) ... ..		2,134,519	
5,150,228	Debtors ... ..		5,942,745	
1,763,858	U.K. and North American Government Securities (Market Value £1,237,891, £1,843,073)		1,167,491	
1,193,759	Cash and Bank Balances ... ..		824,135	
17,524,157				16,983,812
		W. J. KESWICK, H. A. BENSON,		} <i>Directors.</i>
£29,047,660				£29,672,009

# Notes on the Accounts

(Forming an integral part of the Accounts of Parent and Group)

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## 1. Exchange

All dollar Assets and Liabilities, Trading Profit and Land Surplus have been converted at \$2.80 to the £. The rates of exchange at 31st January, 1956, were \$2.80 (Can.) and \$2.81 (U.S.).

## 2. Fur Posts

The results of the Fur Posts are for the year to 30th June, 1955. The figures shown in the Balance Sheets £2,134,519 (£2,309,936) are the Fur Trade Net Assets at 30th June, 1955, £2,923,452 (£2,616,686), less net transactions between 1st July, 1955, and 31st January, 1956, £788,933 (£306,750). The major items taken into account in arriving at the net assets at the 30th June are, Merchandise and Furs £2,602,604 (£2,371,372), and Creditors £284,960 (£249,708).

Expenditure on Buildings and Equipment at Fur Posts is charged to Profit and Loss Account when incurred; if removed from remote locations such assets would have no value.

## 3. Land Account

The unsold lands at 31st January were 6,844 acres (8,116 acres). The amount outstanding in respect of lands sold £189,719 (£245,580), will be credited to the Land Account when realised in cash. Having regard to the costs of realisation, the net value of these assets is expected to be small.

## 4. Taxation

The item Future Taxation is the estimated U.K. Income Tax liability for 1956-57, together with an equalisation reserve in respect of initial Allowances. No provision has been made in the Accounts for United Kingdom taxation which would arise on the profits of the Subsidiaries if they were distributed.

## 5. Reserves

Subsidiary companies have appropriated £457,143 from the profits of the year to Revenue Reserve—General.

## 6. Directors' Emoluments

Emoluments include—Fees £7,700 (£7,700), Other emoluments £46,536 (£43,006), Pension £1,815 (£1,815).

## 7. Commitments for Capital Expenditure

Capital commitments at 31st January were—Parent £NIL (£70,000), Group £1,990,000 (£1,270,000).

# Hudson's Bay Company and Subsidiaries

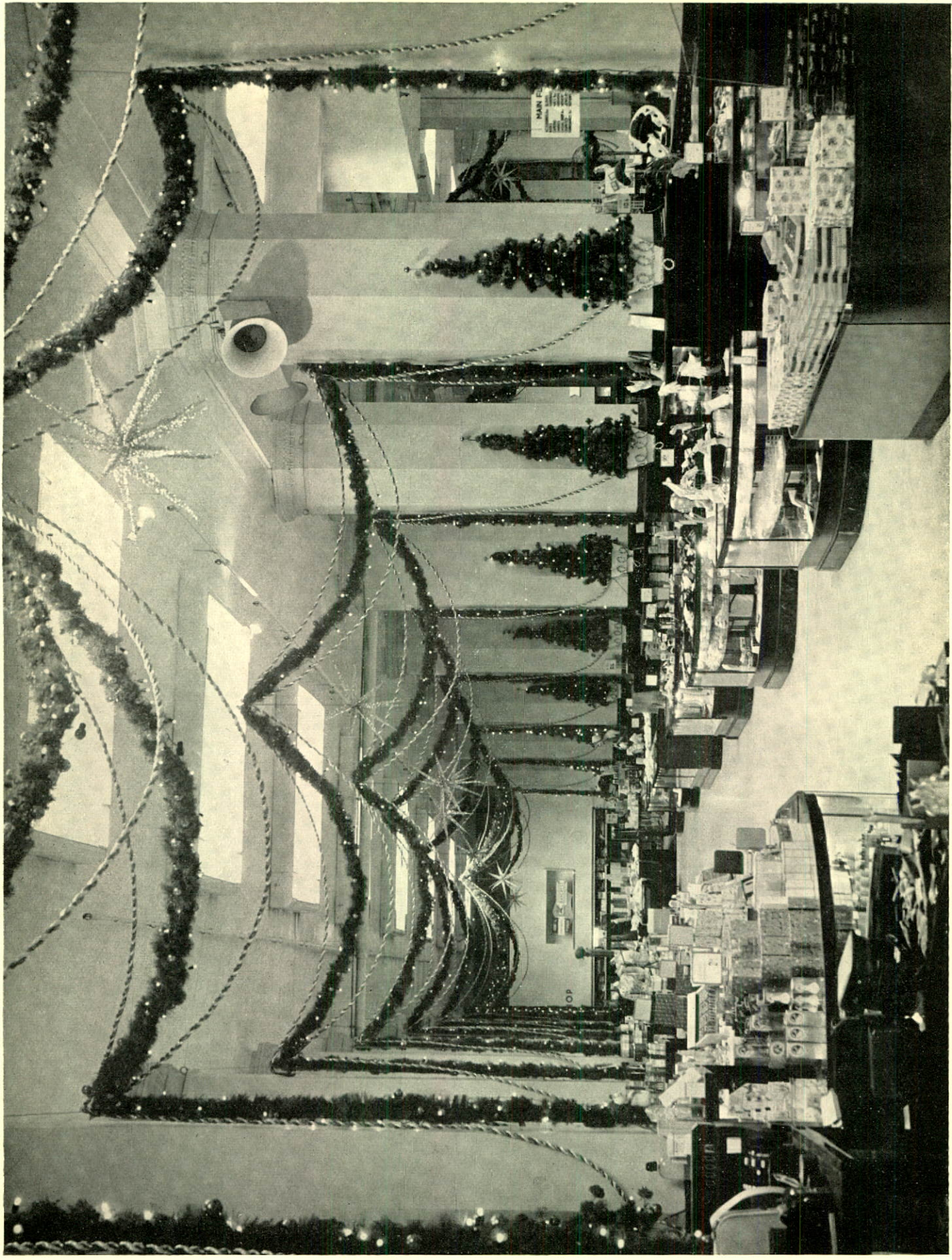
## COMPARATIVE SUMMARY

YEAR ENDED 31st JANUARY	FIXED ASSETS	NET CURRENT ASSETS	TOTAL
	£	£	£
<b>1951</b>	8,607,000	10,018,000	18,625,000
<b>1952</b>	8,967,000	11,094,000	20,061,000
<b>1953</b>	9,508,000	11,986,000	21,494,000
<b>1954</b>	10,844,000	11,749,000	22,593,000
<b>1955</b>	12,217,000	13,481,000	25,698,000
<b>1956</b>	13,718,000	12,912,000	26,630,000

For comparative purposes all fixed assets have been converted at Can.\$2.80 to the £ which was the rate used in the years ended 31st January, 1954 to 1956. All other figures have been converted at the rates of exchange adopted in the accounts of the individual years.

YEAR ENDED 31st JANUARY	SALES	TRADING PROFIT	TAXES	NET TRADING PROFIT	LAND SURPLUS	TOTAL	PAID TO PROPRIETORS AND PROFITS TAX THEREON
	£	£	£	£	£	£	£
<b>1951</b>	39,678,000	2,155,958	1,135,537	1,020,421	261,965	1,282,386	332,307
<b>1952</b>	46,525,000	1,939,004	1,160,301	778,703	197,329	976,032	425,131
<b>1953</b>	51,525,000	2,764,095	1,649,991	1,114,104	272,606	1,386,710	520,875
<b>1954</b>	55,441,000	3,060,842	1,740,000	1,320,842	303,439	1,624,281	616,825
<b>1955</b>	57,058,000	3,362,963	1,639,000	1,723,963	126,391	1,850,354	814,491
<b>1956</b>	62,017,000	3,640,542	1,706,000	1,934,542	129,899	2,064,441	832,364

The figures for taxes for the years ended 31st January, 1953 and 1954, are before crediting £280,000, £210,000, released in those years out of provisions previously made. Profits Tax on trading dividends and on distributions from Land Account are included in the last column. The figure of Sales excludes furs sold on consignment.



Special decorations for Christmas attract shoppers and create a gay atmosphere in the Vancouver Store where the Company has been trading since 1887.







**Hudson's Bay Company**

INCORPORATED 2<sup>ND</sup> MAY 1670