



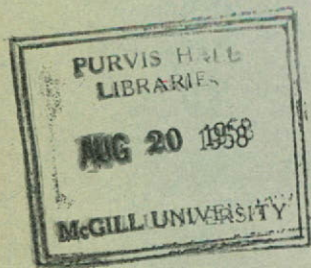
Hudson's bay co.

**REPORT**  
**AND**  
**ACCOUNTS**

*289th Annual General Court*

*1958*

*The Governor and  
Company of Adventurers of England  
Trading into Hudson's Bay*





## Notice of Meeting

1. THE 289<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 May, 1958, at 11.45 a.m., to receive the Accounts for the year ended 31st January, 1958, together with a Report from the Board.
2. Resolutions will be proposed at the meeting :
  - (a) For payment on 13th May, 1958, of final distributions for the year ended 31st January, 1958, at the rate of 16 per cent. from Trading and  $1\frac{1}{4}$  per cent. from the receipts of Land Sales, to Proprietors registered as Shareholders on 12th April, 1958.  
(Resolution No. 1)
  - (b) To approve and adopt the Report, Balance Sheet and Profit and Loss Account for the year ended 31st January, 1958, including the Group Accounts.  
(Resolution No. 2)
3. Proprietors will be asked to confirm the election of the following as members of the Board :
  - J. E. H. COLLINS, ESQ., M.B.E., D.S.C. (Resolution No. 3)
  - J. HARRIS, ESQ. (Resolution No. 4)
  - S. A. SEARLE, ESQ. (Resolution No. 5)
  - C. GORDON SMITH, ESQ. (Resolution No. 6)
  - GRAHAM F. TOWERS, ESQ., C.M.G. (Resolution No. 7)
  - THE LORD WEEKS, K.C.B., C.B.E., D.S.O., M.C., T.D. (Resolution No. 8)
4. Members of the Board retiring by rotation and proposed for re-election are :
  - E. O. FAULKNER, ESQ., M.B.E. (Resolution No. 9)
  - J. G. LINKS, ESQ., O.B.E. (Resolution No. 10)
  - I. P. R. NAPIER, ESQ., M.C. (Resolution No. 11)
  - J. E. WOODS, ESQ. (Resolution No. 12)
5. 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. 13)
6. Transfer books will be closed from 14th April to 24th April, 1958, inclusive.

By Order of the Board,

R. A. REYNOLDS,

Secretary.

BEAVER HOUSE, GREAT TRINITY LANE, LONDON, E.C. 4. 8th April, 1958



# Hudson's Bay Company.

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

Hudson's Bay House,  
Winnipeg, Manitoba  
5th May, 1958

Dear Proprietor,

The 289th Annual General Court of the Company was held 2nd May, 1958, at Beaver Hall, Garlick Hill, London. Mr. W. J. Keswick, Governor, presided.

The meeting passed the following resolutions:

- (1) Payment of final distributions for the year ended 31st January, 1958, at the rate of 16 per cent. from Trading and 1¼ per cent. from the receipts of Land Sales, to Proprietors registered as Shareholders on 12th April, 1958.
- (2) Approving and adopting the Report, Balance Sheet and Profit and Loss Account for the year ended 31st January, 1958, including the Group Accounts.

The election of the following as members of the Board was confirmed:

J. E. H. COLLINS, ESQ., M.B.E., D.S.C.	C. GORDON SMITH, ESQ.
J. HARRIS, ESQ.	GRAHAM F. TOWERS, ESQ., C.M.G.
S. A. SEARLE, ESQ.	THE LORD WEEKS, K.C.B., C.B.E., D.S.O., M.C., T.D.

The following retiring members of the Board were re-elected:

E. O. FAULKNER, ESQ., M.B.E.	I. P. R. NAPIER, ESQ., M.C.
J. G. LINKS, ESQ., O.B.E.	J. E. WOODS, ESQ.

Mr. Keswick's remarks to the meeting will be found on succeeding pages.

E. F. NEWLANDS,  
Secretary,  
Canadian Committee

## Mr. Keswick's Address

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We meet today at the 289th Annual General Court and appropriately on the 2nd May—the date of our original Charter in 1670.

This is the first time since the granting of the 1957 Supplemental Charter, which converted the Canadian Committee into a Canadian Committee of the Board, that we have met as a full Board with all members present.

May I say how much it pleases me, and I am sure all of you here, to welcome the Canadian Committee of the Board and to express to them for you our appreciation of all they do for us in North America.

Since our last meeting Mr. Collins and Lord Weeks have also joined us. We welcome them too.

This Annual General Court today I believe happens also to be within a few weeks of the date when our Managing Director will have completed 35 eventful years with the Company. Everyone connected with the Company knows how much its success is due to his driving force and energy.

Now with regard to the Company's affairs there seem to me to be four events in 1957 of particular interest to Proprietors—our new status as an Overseas Trade Corporation, financial changes in Hudson's Bay Oil and Gas Company, our dividend and the change in the economic climate of Canada.

As far as O.T.C. is concerned, the Revenue Authorities have now agreed that the Company qualifies as an Overseas Trade Corporation from 23rd December, 1957. I cannot add much more to what is said cautiously in the Annual Report. The savings in tax in future years should be as real and important as they were in 1957, which was a transitional year.

In our oil interests 1957 was a significant year. Hudson's Bay Oil and Gas is now a public company standing on its own feet. The private ownership by Continental Oil Company and ourselves was ended by converting \$20,000,000 of advances into shares of Hudson's Bay Oil and Gas Company and then issuing a further 1,744,592 shares in that company to our respective shareholders at \$11 per share. The period of financing Hudson's Bay Oil and Gas Company by advances from Continental and ourselves was thus brought to a close.

In recent months the oil industry of Western Canada has been discovering that it is not immune from the effects of the economic clouds which have been gathering over the oil industry in other parts of the world. The period of lower production and lower crude prices could be with us for some time. Against that, however, the completion in 1958 of Trans-Canada Pipe Line taking natural gas to Eastern Canada will eventually bring considerably more revenue to the industry.

It has always been stressed that this venture in oil is a long term investment. Our share in the equity which has cost us £3,605,000 (\$10,095,000), representing 4,008,656 shares, has been paid for out of our own resources. I believe the changes of the last year indicate that we are getting closer to the time when we may expect to receive some return in the way of dividends.

On the subject of our final dividend, increased by 5% to make a total trading distribution of 20%, I remind you that two years ago I stressed the Company's policy of financing growth and development out of our own resources by retaining in the Company a very substantial part of our profits earned each year. In fact over the last ten years approximately 70% of net trading profit has been retained by the Company. This policy had as its objective increasing net profits and, therefore, eventual dividends. I believe that last year's profits have reflected this policy and justified the proposed increase in the dividend.

We, of course, like everyone else will feel the much discussed recession, whether it be large or small. The prosperity of Canada depends on the sale of its natural resources in the markets of the world and so the Canadian economy will also follow that of other nations. The period of readjustment may continue for some time and indeed may get worse, but we as a Board firmly believe in the long term expansion and prosperity of Canada and in the Company's capacity to share in it.

As usual, I give you the figures of the percentage of shareholdings geographically when the Transfer Books were closed on the 14th April, 1958:

In the United Kingdom.....	77%	(Last year 75%)
In Canada.....	10%	(Last year 11%)
Others.....	13%	(Last year 14%)

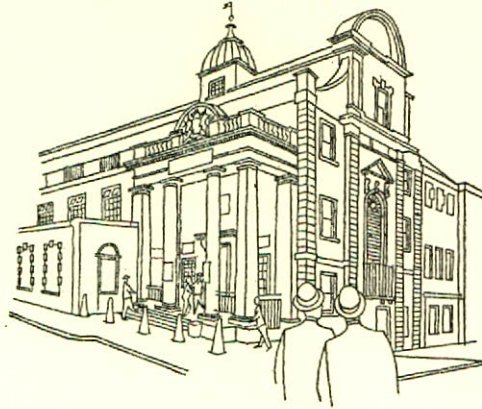
W. J. KESWICK,  
Governor.

2nd May, 1958





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## Board

W. J. KESWICK, *Governor*

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

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

P. A. CHESTER, *Managing Director*

J. E. H. COLLINS, M.B.E., D.S.C.

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

J. HARRIS

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

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

S. A. SEARLE

C. GORDON SMITH

GRAHAM F. TOWERS, C.M.G.

THE LORD WEEKS, K.C.B., C.B.E., D.S.O., M.C., T.D.

J. E. WOODS, *Chairman Canadian Committee*

## 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, 1958*

	1958	1957
	£	£
Sales	72,397,000	69,360,000
Trading profit	4,329,000	4,024,000
Taxes	2,017,000	2,115,000
Net trading profit	2,312,000	1,909,000
Net dividends	645,000	484,000
Distribution, land account	140,000	140,000
Fixed assets and trade investments	18,865,000	16,290,000
Net current assets	9,924,000	11,223,000
Capital in use	28,789,000	27,513,000

## *Operating Results Before Taxes*

Retail stores—Sales	46,834,000	44,092,000
Profit	2,405,000	2,408,000
Fur trade—Sales	9,215,000	9,409,000
Profit	1,099,000	825,000
Wholesale department—Sales	16,348,000	15,859,000
Profit	199,000	197,000
Royalties	542,000	509,000

NOTE.—The figures of sales exclude furs sold on consignment, £25,139,000 (£20,018,000).



# *Consolidated Financial Summary*

*Year Ended 31st January, 1958*

	1958	1957
	\$	\$
SALES	202,712,000	194,208,000
TRADING PROFIT	12,121,000	11,267,000
TAXES	5,647,000	5,922,000
NET TRADING PROFIT	6,474,000	5,345,000
NET DIVIDENDS	1,806,000	1,355,000
DISTRIBUTION, LAND ACCOUNT	392,000	392,000
FIXED ASSETS AND TRADE INVESTMENTS	52,822,000	45,612,000
NET CURRENT ASSETS	27,787,000	31,424,000
CAPITAL IN USE	80,609,000	77,036,000

## *Operating Results Before Taxes*

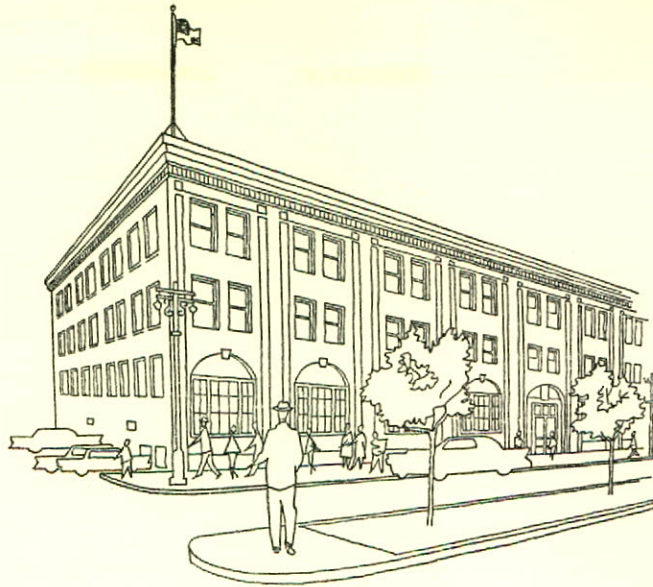
RETAIL STORES—SALES	131,135,000	123,458,000
—PROFIT	6,734,000	6,742,000
FUR TRADE —SALES	25,802,000	26,345,000
—PROFIT	3,077,000	2,310,000
WHOLESALE —SALES	45,774,000	44,405,000
—PROFIT	557,000	552,000
ROYALTIES	1,517,000	1,425,000

NOTE—Sales exclude furs sold on consignment \$70,389,000 (\$56,050,000)

Figures converted into Canadian dollars at 2.80 to the £.







## *Report to the Proprietors*

TRADING results for the year ended 31st January, 1958, were again satisfactory. Net profit after taxes was 8s. 3d. per share, compared with 6s. 10d. per share the year before.

Trading dividends paid and proposed amount to 20 per cent. being 4s. 0d. per share gross or 2s. 3½d. net after United Kingdom Tax. The same distribution as last year is proposed from the Land Account of 2½ per cent. (6d. per share), half of which was paid last November with the interim trading dividend of 4 per cent.

Details of profit, interim and proposed final dividends and 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.

Capital expenditure was again substantial, the largest single item being £1,373,000 for shares in Hudson's Bay Oil and Gas Company Limited, bringing the total investment in that Company to £3,605,000, representing 4,008,000 shares, at cost. Extensions to buildings and other fixed assets were £2,340,000 which after deducting depreciation and other credits of £1,327,000, leaves a net addition to these assets of £1,013,000.

Resulting from this capital expenditure net current assets of £9,924,000 were down £1,299,000 and short term loans were £2,161,000 compared with £1,000,000 a year ago.

The Company has provisionally qualified as from the 23rd December, 1957, as an Overseas Trade Corporation, but in accordance with the Finance Act 1957, this is subject to final determination by the United Kingdom Revenue Authorities after 5th April, 1958, and in each subsequent year ending 5th April. The Balance Sheet of the Parent Company reflects the changes required for this purpose. Certain trading activities and assets have been transferred to Subsidiary Companies, advances to Subsidiaries have been converted into share capital and balances due to others have been repaid.

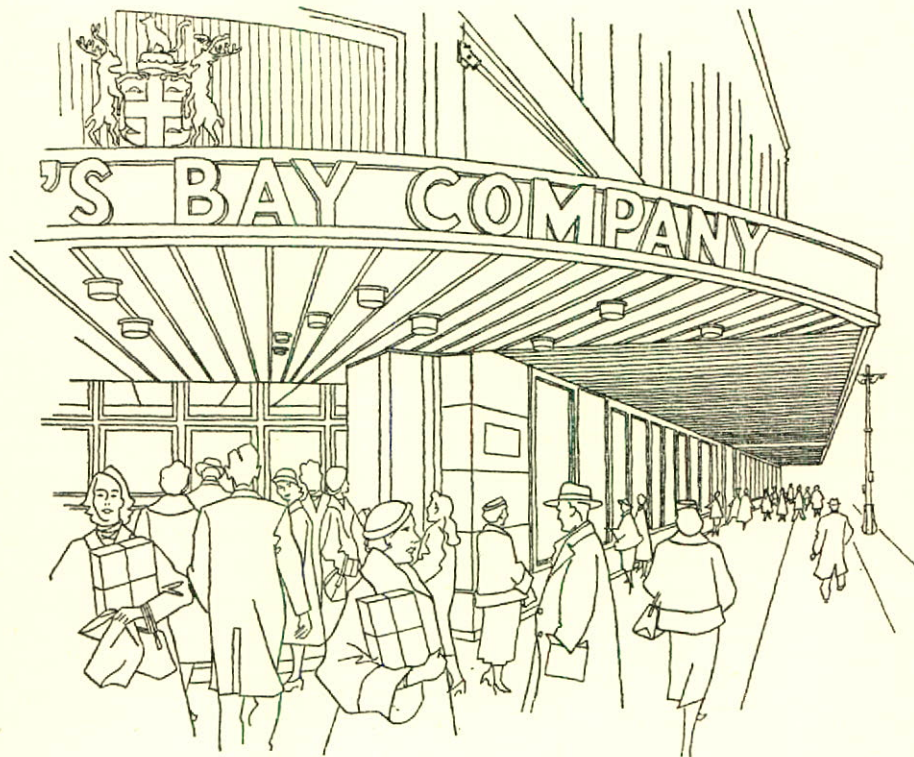
So long as the Company continues to qualify as an Overseas Trade Corporation, and on the basis of the present level of profits, distributions to Proprietors and current rates of taxes in the United Kingdom and overseas, the overall estimated taxation saving in future should be over £250,000 per annum.

For the past financial year profits were higher and taxation lower. This, however, was a transitional year and special tax circumstances applied so that the incidence of taxation should not be regarded as typical.

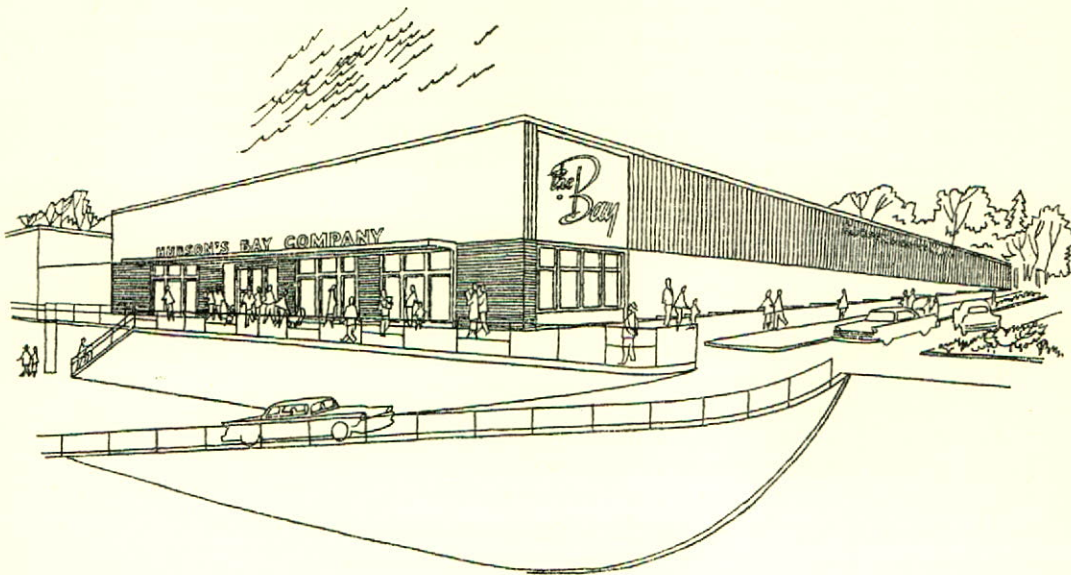
A change in presentation of the Accounts has been made this year by including the profits tax on distributions, previously shown in the Appropriation of Profits, with Taxation in the Consolidated Profit and Loss Account. Corresponding changes have been made in the Comparative Summary.

The Supplemental Charter, proposals for which were approved by Proprietors in November, 1956, was granted by Her Majesty The Queen on the 10th May, 1957. Among its provisions was the cancellation of the requirement that the Company should set aside as a Capital Reserve a sum of not less than \$2 for each acre of land sold. This Capital Reserve, which amounted to £672,000, has accordingly been transferred back to the Land Account.

The far-reaching changes made in the Company's investment in Hudson's Bay Oil and Gas Company Limited were explained to Proprietors in the Prospectus of last September when they were given an opportunity to participate in an issue of 1,744,592 shares made available to the shareholders of Continental Oil Company and Hudson's Bay Company.







At the same time Continental Oil Company and Hudson's Bay Company increased their investment in shares from \$20,000,000 to \$40,000,000 and brought their programme of advances to an end. Hudson's Bay Oil and Gas Company Limited is now launched as a Public Company.

Continental Oil Company and Hudson's Bay Company also entered into a new Agreement continuing equal voting rights and representation on the Board and maintaining their three to one ratio of shareholdings which Agreement is subject to termination on two year's notice by either side.

Hudson's Bay Oil and Gas Company Limited recently issued its first published Annual Report and Accounts which showed operating earnings of \$3,073,000 or 17 ¢ per share and non-recurring gains of \$4,742,000 which together resulted in converting the deficit account brought forward from previous years into a surplus of \$629,000.

Crude oil production was 8.1 million barrels or an average of 22,257 barrels per day. Expenditure on finding reserves and developing production was \$21,000,000. Deliveries of natural gas to Trans Canada Pipeline will start next November at a rate of about 35 million cu. ft. per day.

A copy of the Annual Report of this Company is available for inspection on application to the Secretary, Hudson's Bay Company, Beaver House, London.

Turning to operations, all Departments did well, although last summer saw the start of the retreat from the peak of the inflationary boom in Canada.

The rate of increase in sales of the Retail Stores Department achieved during the buoyant months of spring and early summer was not maintained. The Department's results for the year show yet another increase in sales but at a slightly lower percentage of net profit.

The building of a parkade for the Edmonton Store was begun and is due for completion by the late summer. The rebuilding of the Saskatoon Store has also started.

The development programme of the Bay Stores Division again made good progress although sales in some Stores were affected by prolonged strikes, lay-offs and short time in the industries they serve. The small city or town built around a primary industry is always vulnerable to changing economic conditions.

As the Fur Post year ends on 30th June, the Fur Trade accounts do not wholly reflect the business pattern in the latter part of 1957. Halfway through that year three of its important Fur Trade Stores were transferred to the Bay Stores Division. Sales of merchandise were nevertheless maintained at almost the same level, but sales of raw furs were down slightly owing to the smaller collection of wild fur.

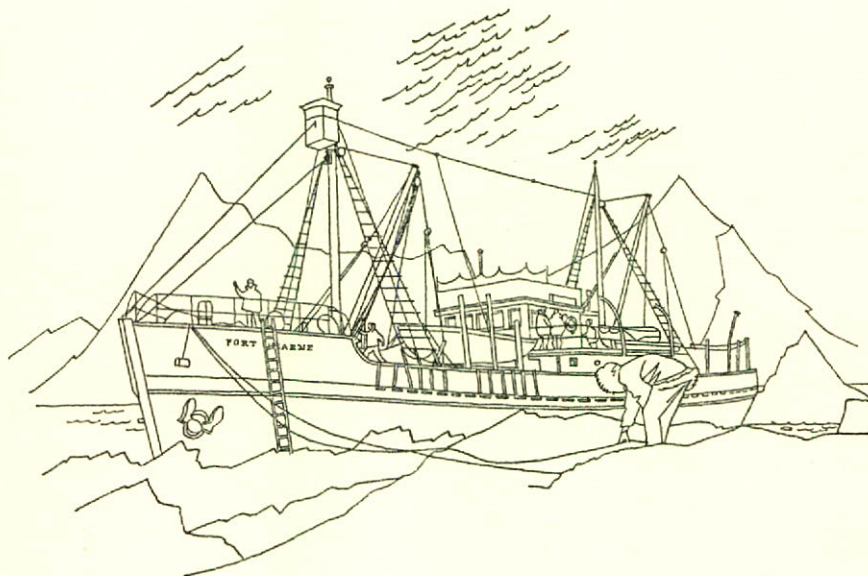
The increase in the profits of the Fur Trade Department include a non-recurring taxable profit of £120,000 from the sale of fixed assets no longer required.

The Company's three auction houses in London, Montreal and New York enjoyed a very good year. Mink and Persian Lamb dominated the market.

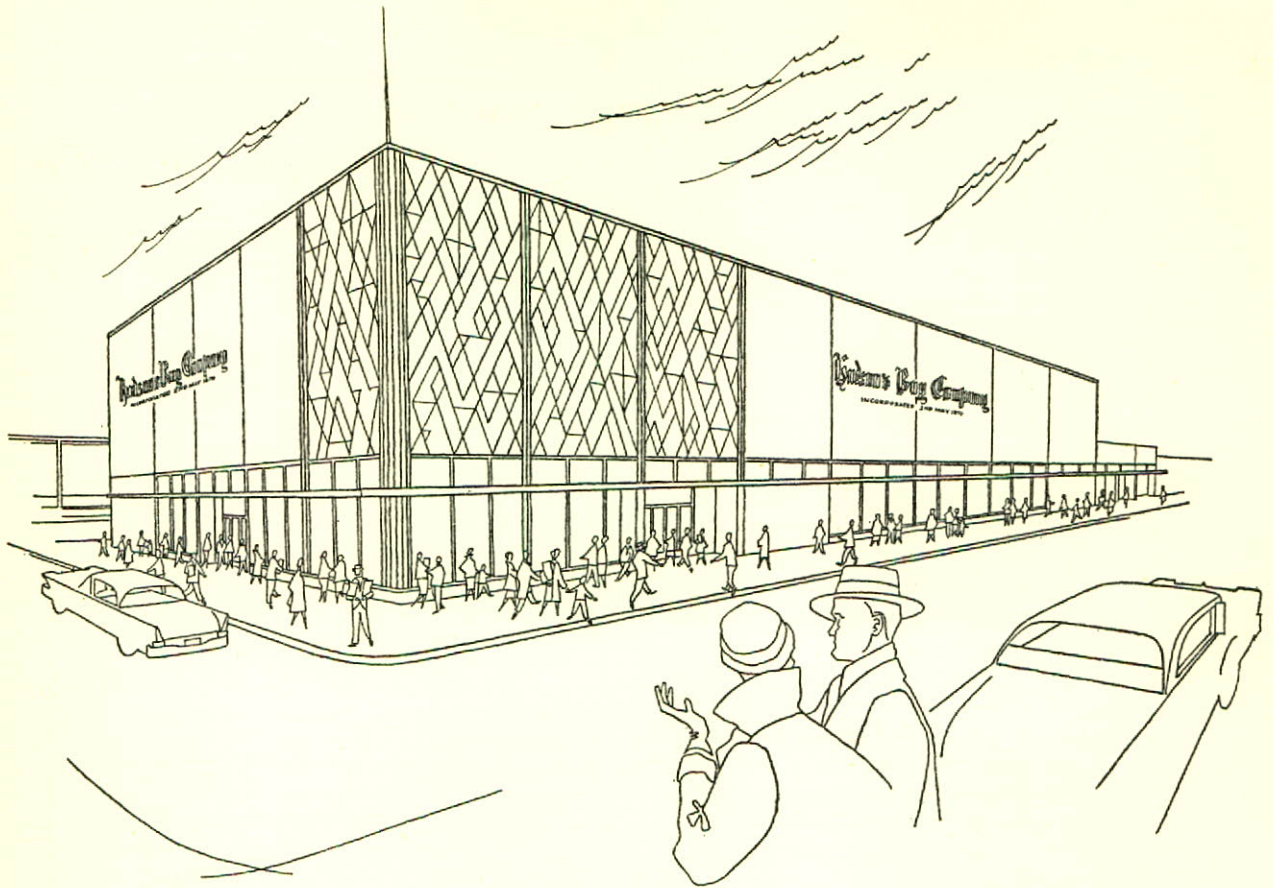
The Wholesale Department increased its sales but its margin of profit was slightly affected by the changing business climate. The improvement in sales indicates its success in promoting new lines and maintaining the traditional ones.

The Supplemental Charter previously referred to also enabled the Board to increase its numbers from nine to fourteen. It is with great pleasure that we welcome five new Directors, four of whom were formerly members of the Canadian Committee, which is now the Canadian Committee of the Board. Proprietors are asked to confirm their election.

During the year the Hon. Charles A. Dunning, P.C., resigned from the Canadian Committee on which he had served with distinction since 1940, and this decision was accepted







with deep regret. The Board desire to record their appreciation of his valuable services during these seventeen years.

The Company also suffered two severe losses by death. Mr. F. F. Martin, who died suddenly in September, had been General Manager of the Retail Stores Department for twenty-three years and a member of the Canadian Committee since 1944, and was an outstanding and valued executive, whose loss will be deeply felt.

Viscount Waverley, P.C., G.C.B., O.M., G.C.S.I., G.C.I.E., F.R.S., who had been a Director since 1946, died in January, 1958. The Company had gained much from the wisdom and experience of one who had achieved eminence in so many and such varied fields. Lord Weeks, K.C.B., C.B.E., D.S.O., M.C., T.D., fills the vacancy on the Board caused by the death of Lord Waverley. Proprietors are also asked to confirm his election.

Once again our gratitude is due to the many thousands of men and women who by their initiative, ability and industry have produced another successful year for the Company, and their achievement gives every cause for confidence that they will continue to keep the Company strong and prosperous.

On behalf of the Board,  
W. J. KESWICK,  
*Governor.*

11th March, 1958.

# Hudson's Bay Company

## Consolidated Balance Sheet

1957		1958
£		£
5,608,000	<b>SHARE CAPITAL</b> . . . . .	5,608,000
	<b>CAPITAL RESERVES</b>	
672,000	<i>Capital reserve fund</i> . . . . .	—
1,536,000	Share premiums . . . . .	1,536,000
853,000	General . . . . .	853,000
2,000,000	Asset replacement . . . . .	2,000,000
4,735,000	Exchange . . . . .	4,755,000
<u>9,796,000</u>		<u>9,144,000</u>
	<b>REVENUE RESERVES</b>	
5,438,000	General . . . . .	5,663,000
1,000,000	Merchandise . . . . .	1,000,000
1,000,000	Development . . . . .	1,000,000
	Undistributed profits—	
1,623,000	Hudson's Bay Company . . . . .	1,993,000
1,913,000	Subsidiaries . . . . .	2,610,000
1,135,000	Undistributed surplus—Land account . . . . .	1,771,000
<u>12,109,000</u>		<u>14,037,000</u>
27,513,000	<b>TOTAL CAPITAL AND RESERVES</b> . . . . .	28,789,000
1,800,000	<b>STAFF RETIREMENT</b> . . . . .	2,300,000
437,000	<b>FUTURE TAXATION</b> (Note 4) . . . . .	—
	<b>CURRENT LIABILITIES</b>	
6,610,000	Creditors . . . . .	5,510,000
418,000	Bank overdrafts . . . . .	1,370,000
1,000,000	Short term loans (Note 8) . . . . .	2,161,000
1,510,000	Taxation provision . . . . .	1,925,000
	Proposed distributions :	
355,000	Trading (net) . . . . .	516,000
70,000	Land account . . . . .	70,000
<u>9,963,000</u>		<u>11,552,000</u>
<u>£39,713,000</u>		<u>£42,641,000</u>



# Company and Subsidiaries

Statement 31st January, 1958

1957		£	£	£	1958
£			<i>Cost</i>	<i>Depreciation</i>	£
	<b>FIXED ASSETS</b>				
12,280,000	Land and buildings . . . . .		20,396,000	7,420,000	12,976,000
367,000	Transport . . . . .		913,000	620,000	293,000
<u>12,647,000</u>			<u>21,309,000</u>	<u>8,040,000</u>	<u>13,269,000</u>
1,491,000	Equipment at cost, <i>less</i> amounts written off . . . . .				1,882,000
<u>14,138,000</u>					<u>15,151,000</u>
	<b>TRADE INVESTMENTS at cost (Note 9)</b>				
	Hudson's Bay Oil & Gas Company Ltd.:				
1,661,000	Shares . . . . .			3,605,000	
446,000	<i>Advances</i> . . . . .			—	
45,000	Other investments . . . . .			<u>109,000</u>	
<u>2,152,000</u>					3,714,000
	<b>CURRENT ASSETS</b>				
8,718,000	Merchandise . . . . .			8,724,000	
2,444,000	Fur posts (Note 2). . . . .			2,339,000	
10,591,000	Debtors . . . . .			10,724,000	
889,000	U.K. and North American Government Securities (Market Value £922,000, £976,000)			824,000	
781,000	Cash and bank balances . . . . .			<u>1,165,000</u>	
<u>23,423,000</u>					23,776,000
<u><u>£39,713,000</u></u>					<u><u>£42,641,000</u></u>

# Hudson's Bay Company and Subsidiaries

## Consolidated Profit and Loss Account

For year ended 31st January, 1958

1957 £		£	1958 £
<u>4,024,000</u>	<b>CONSOLIDATED TRADING PROFIT</b> . . . . .		4,329,000
	after charging, and crediting income from, the following items:		
	1957		1958
£1,055,000	Depreciation . . . . .	£1,162,000	
60,000	Directors' emoluments (Note 6) . . . . .	49,000	
5,000	Trade investments . . . . .	6,000	
17,000	Other investments . . . . .	7,000	
509,000	Royalties . . . . .	542,000	
63,000	Sundries . . . . .	71,000	
	<b>TAXATION</b> (on current profits) (Note 4)		
1,873,000	Overseas taxation . . . . .	1,980,000	
<u>1,526,000</u>	U.K. Income Tax £68,000 Profits Tax £118,000 . . . . .	£186,000	
	Profits tax on trading and land account		
261,000	distributions . . . . .	310,000	
1,787,000		496,000	
<u>1,500,000</u>	Less estimated double taxation relief . . . . .	459,000	
287,000			
<u>2,160,000</u>		37,000	
45,000	Less double taxation relief relating to previous years . . . . .	—	
<u>2,115,000</u>		<u>2,017,000</u>	
<u>£1,909,000</u>	<b>PROFIT AFTER TAXATION</b> . . . . .		2,017,000
			<u>£2,312,000</u>
	 <b>APPROPRIATION OF PROFITS</b>		
	Parent company		
500,000	Staff retirement . . . . .		500,000
<u>250,000</u>	Development reserve . . . . .		—
129,000	Interim dividend (net) . . . . .	129,000	
<u>355,000</u>	Proposed final dividend (net) . . . . .	516,000	
484,000			645,000
<u>223,000</u>	Increase in undistributed profits . . . . .		370,000
<u>1,457,000</u>			<u>1,515,000</u>
	Retained by subsidiaries		
—	Revenue Reserve—general . . . . .	100,000	
200,000	Development reserve . . . . .	—	
<u>252,000</u>	Increase in undistributed profits . . . . .	697,000	
452,000			797,000
<u>£1,909,000</u>			<u>£2,312,000</u>



## *Land Account*

*For year ended 31st January, 1958*

1957		1958
£		£
1,178,000	Undistributed surplus, 31st January, 1957 . . . . .	1,135,000
97,000	Net surplus for year . . . . .	104,000
—	Transfer from capital reserve fund . . . . .	672,000
1,275,000		1,911,000
70,000	Interim distribution . . . . .	70,000
70,000	Proposed final distribution . . . . .	70,000
140,000		140,000
<u>£1,135,000</u>	Undistributed surplus, 31st January, 1958 . . . . .	<u>£1,771,000</u>

### *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, 1957. On this basis and on that 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, 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, 1958.

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, 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, 1958, 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 30th June, 1957, and cover a different period from that of the main accounts of Hudson's Bay Company.

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

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

13th March, 1958

# Hudson's

## Balance Sheet

1957		1958
£		£
	<b>SHARE CAPITAL</b>	
6,000,000	Authorised . . . . .	6,000,000
<u>5,608,000</u>	Issued—Ordinary Shares of £1 each . . . . .	<u>5,607,504</u> 5,608,000
	<b>CAPITAL RESERVES</b>	
672,000	<i>Capital reserve fund</i> . . . . .	—
1,536,000	Share premiums . . . . .	1,536,000
853,000	General . . . . .	853,000
1,873,000	Asset replacement . . . . .	1,873,000
4,569,000	Exchange . . . . .	<u>4,589,000</u>
<u>9,503,000</u>		8,851,000
	<b>REVENUE RESERVES</b>	
4,228,000	General . . . . .	4,353,000
1,000,000	Merchandise . . . . .	1,000,000
800,000	Development . . . . .	800,000
1,623,000	Undistributed profits . . . . .	1,993,000
1,135,000	Undistributed surplus—Land account . . . . .	<u>1,771,000</u>
<u>8,786,000</u>		9,917,000
<u>23,897,000</u>	<b>TOTAL CAPITAL AND RESERVES</b> . . . . .	<u>24,376,000</u>
1,786,000	<b>STAFF RETIREMENT</b> . . . . .	2,286,000
437,000	<b>FUTURE TAXATION</b> (Note 4) . . . . .	—
	<b>CURRENT LIABILITIES</b>	
3,472,000	Creditors . . . . .	3,598,000
405,000	Bank overdrafts . . . . .	1,149,000
—	Short term loans . . . . .	1,018,000
1,112,000	Taxation provision . . . . .	1,369,000
586,000	Subsidiaries . . . . .	321,000
	Proposed distributions :	
355,000	Trading (net) . . . . .	516,000
70,000	Land account . . . . .	<u>70,000</u>
<u>6,000,000</u>		8,041,000
<u><u>£32,120,000</u></u>		<u><u>£34,703,000</u></u>



# Bay Company

31st January, 1958

1957		1958
£		£
<b>FIXED ASSETS</b>		
659,000	<i>Land and buildings</i> . . . . .	—
257,000	Transport and equipment at cost, <i>less</i> amounts written off	183,000
<u>916,000</u>		<u>183,000</u>
<b>SUBSIDIARIES</b>		
1,031,000	Investments at cost, <i>less</i> amounts written off. . . . .	12,324,000
10,005,000	<i>Advances</i> . . . . .	—
<u>11,036,000</u>		<u>12,324,000</u>
<b>TRADE INVESTMENTS at cost (Note 9)</b>		
Hudson's Bay Oil & Gas Company Ltd.:		
1,661,000	Shares . . . . .	3,605,000
446,000	<i>Advances</i> . . . . .	—
45,000	Other investments . . . . .	109,000
<u>2,152,000</u>		<u>3,714,000</u>
<b>CURRENT ASSETS</b>		
8,203,000	Merchandise . . . . .	8,044,000
2,444,000	Fur posts (Note 2). . . . .	2,339,000
6,354,000	Debtors . . . . .	6,680,000
—	Subsidiaries . . . . .	154,000
532,000	U.K. and North American Government Securities . . . . .	520,000
	(Market value £619,000, £619,000)	
483,000	Cash and bank balances . . . . .	745,000
<u>18,016,000</u>		<u>18,482,000</u>

W. J. KESWICK }  
H. A. BENSON } *Directors*

£32,120,000

£34,703,000

# Notes on the Accounts

*Forming an integral part of the Accounts of Parent and Group*

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, 1958, were \$2.76 (Can.) and \$2.82 (U.S.).

2. **FUR POSTS** The results of the fur posts are for the year to 30th June, 1957. The figures shown in the Balance Sheets, £2,339,000 (£2,444,000), are the fur trade net assets at 30th June, 1957, £3,163,000 (£2,834,000), less net transactions between 1st July, 1957, and 31st January, 1958, £824,000 (£390,000). The major items taken into account in arriving at the net assets at the 30th June, 1957, are, merchandise and furs £2,926,000 (£2,597,000), and creditors £424,000 (£364,000).

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** 1,930 (4,896) acres were unsold at 31st January, 1958. The amount outstanding in respect of lands sold £96,000 (£133,000), will be credited to the Land Account when received in cash. Having regard to the costs of realisation the net value of these assets is expected to be small.

4. **TAXATION** As a result of the change in the Company's United Kingdom taxation status referred to in the Directors' Report on pages 3 and 4, no provision is necessary for United Kingdom tax on trading profits, and therefore no provision is required for future taxation similar to that shown in previous accounts.

Provision has not been made for United Kingdom taxation, less appropriate double taxation relief, which would arise if the profits remaining in the subsidiaries were distributed.

5. **RESERVES** During the year the following direct transfers to reserves have been made in addition to those mentioned in the accounts :—

An amount of £125,000 which was written off the cost of the shares in Hudson's Bay Oil & Gas Company Limited in 1931 has been reinstated and Revenue reserve, general, increased by the same amount.

An exchange adjustment of £20,000 arising in the Parent Company's accounts has been added to Capital reserve, exchange.

6. **DIRECTORS' EMOLUMENTS** Emoluments include—Fees £8,975 (£7,700), Other emoluments £38,584 (£50,107), Pensions £1,815 (£1,815).

7. **COMMITMENTS FOR CAPITAL EXPENDITURE** Capital commitments at 31st January, 1958, were—Parent £nil, (£nil) Group £542,000 (£1,300,000).

8. **GUARANTEES** Short term loans raised by a subsidiary company amounting to £1,143,000 (£1,000,000) have been guaranteed by the Parent Company.

9. **TRADE INVESTMENTS** The total issued capital of Hudson's Bay Oil & Gas Company Limited is 17,744,592 shares of \$2.50 par value of which the company owns 4,008,656 shares (22.6%). The general public now owns 9.6% of the issued capital. The market quotation at 31st January, 1958, on the Toronto Stock Exchange was \$17.37½ per share.

There is a liability of £116,000 for calls outstanding but not yet due on securities included in "Other investments."



## Comparative Summary

YEAR ENDED 31ST JANUARY	FIXED ASSETS	NET CURRENT ASSETS	TOTAL
	£	£	£
1951	8,607,000	10,018,000	18,625,000
1952	8,967,000	11,094,000	20,061,000
1953	9,508,000	11,986,000	21,494,000
1954	10,844,000	11,749,000	22,593,000
1955	12,217,000	13,481,000	25,698,000
1956	13,718,000	12,913,000	26,631,000
1957	16,290,000	11,223,000	27,513,000
1958	18,865,000	9,924,000	28,789,000

For comparative purposes all fixed assets have been converted at \$2.80 to the £ which was the rate used for the years ended 31st January, 1954 to 1958. 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 PROFITS	TAXES	NET TRADING PROFIT	LAND SURPLUS	TOTAL	PAID TO PROPRIETORS
	£	£	£	£	£	£	£
1951	39,678,000	2,156,000	1,184,000	972,000	262,000	1,234,000	284,000
1952	46,525,000	1,939,000	1,264,000	675,000	197,000	872,000	321,000
1953	51,525,000	2,764,000	1,775,000	989,000	273,000	1,262,000	396,000
1954	55,441,000	3,061,000	1,890,000	1,171,000	303,000	1,474,000	467,000
1955	57,058,000	3,363,000	1,835,000	1,528,000	126,000	1,654,000	618,000
1956	62,017,000	3,641,000	1,914,000	1,727,000	130,000	1,857,000	624,000
1957	69,360,000	4,024,000	2,115,000	1,909,000	97,000	2,006,000	624,000
1958	72,397,000	4,329,000	2,017,000	2,312,000	104,000	2,416,000	785,000

The figures for taxes for the years ended 31st January, 1953 and 1954, are before crediting £280,000, and £210,000, respectively released in those years out of provisions previously made. The figure of Sales excludes furs sold on consignment.

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