

CASSIDY'S LIMITED



ANNUAL
REPORT
1940

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CASSIDY'S LIMITED



HEAD OFFICE

51 St. Paul Street West, Montreal

BRANCHES

Montreal, Toronto, Vancouver

BOARD OF DIRECTORS

ARNOLD WAINWRIGHT, K.C., Chairman

N. M. YUILE

N. A. PRENTICE

HUGH DAVIDSON

H. N. BOOTH

A. N. McKAY

W. S. YUILE

Lt.-Col. I. P. REXFORD

LESLIE H. BOYD, K.C.

OFFICERS

PRESIDENT - - - - - N. M. YUILE

VICE-PRESIDENT - - - - - N. A. PRENTICE

SECRETARY-TREASURER - - - - - GEORGE MUIR

TRANSFER AGENTS

THE ROYAL TRUST COMPANY

REGISTRARS

BANK OF MONTREAL

BANKERS

BANK OF MONTREAL

AUDITORS

PRICE, WATERHOUSE & CO.

Report to the Shareholders



Your Directors take pleasure in submitting the Consolidated Balance Sheet of your Company and Associated Companies and a Consolidated Statement of Surplus at December 31st, 1940, and a Consolidated Statement of Income and Expenditure for the year ended on said date, together with the Auditors' Report thereon.

The provision for Income and Excess Profits Taxes for the year 1940 exceeds the 1939 figure by \$250,560.00 although the increase in the operating profit, before providing for these taxes, only amounted to \$232,355.16. The liability for Excess Profits Taxes, particularly in connection with the English business, is subject to final determination.

During the year dividends of $3\frac{1}{2}\%$ and 7% were paid on the 7% Cumulative Preferred Capital Stock and the accumulated and undeclared dividends on that stock at December 31st, 1940, amounted to \$17.50 per share.

The Net result is reflected by an increase in Earned Surplus of \$33,363.66, which your Directors regard as satisfactory.

The improvement in business experienced during the year 1940 continues at the present time, but it is not possible to forecast the prospects for the future.

Respectfully submitted on behalf of the Board.

N. M. YUILE,
President.

MONTREAL, April 15th, 1941.

CASSIDY'S LIMITED and A

IN CANADA A

CONSOLIDATED BALANCE

ASSETS

REAL ESTATE, BUILDINGS, PLANT, FURNITURE AND FIXTURES, ETC.

In Canada (at cost, less written off)	\$881,101.01	
In England (Elkington & Co. Limited and Associated Companies) at cost, less depreciation written off	504,270.84	\$1,385,371.85

CURRENT ASSETS:

Inventories of stocks on hand as determined and certified by responsible officials of the Company, valued at the lower of cost or market price	\$1,507,992.07	
Trade Accounts and Bills Receivable (less Reserve of \$85,493.27 for bad and doubtful accounts)	1,028,641.09	
Other Accounts Receivable	12,333.87	
Miscellaneous investments at book value	647.00	
Cash on hand and in bank	41,295.13	2,590,909.16
INSURANCE AND TAXES, ETC., PREPAID		10,582.88

NOTE—In the conversion into Canadian currency of the assets and liabilities of subsidiary companies in England as at December 31, 1940, for purposes of consolidation, an exchange adjustment of \$3,721.11 for the year ended on that date was determined. This amount has been charged to Reserve for Contingencies.

\$3,986,863.89

Approved on behalf of the Board:

ARNOLD WAINWRIGHT, *Chairman.*
N. M. YUILE, *Director.*

ASSOCIATED COMPANIES

AND ENGLAND

SHEET, DECEMBER, 31, 1940

LIABILITIES

CAPITAL STOCK OF CASSIDY'S LIMITED:

Authorized—

55,897 Seven per cent Cumulative Preferred Shares of \$100.00 each.....	\$5,589,700.00
100,000 Common Shares of \$1.00 each.....	100,000.00

\$5,689,700.00

Issued—

Seven per cent Cumulative Preferred Shares.....	16,238	\$1,623,800.00
Less: Held by Associated Company.....	70	7,000.00

Shares 16,168 \$1,616,800.00

Common Shares.....	100,000	\$ 100,000.00
Less: Held by Associated Companies.....	25,835	25,835.00

Shares 74,165 74,165.00

\$1,690,965.00

CURRENT LIABILITIES:

Accounts Payable.....	\$ 425,953.40
Shareholders' Loans.....	310,990.27
Reserve for Dominion, Provincial and Other Taxes.....	326,775.71
	<u>1,063,719.38</u>

RESERVES:

For Buildings.....	\$ 208,962.43
For Furniture, Fixtures and Fittings, etc....	257,175.98
For Contingencies.....	18,051.56
	<u>484,189.97</u>

CAPITAL RESERVE:

Difference between par value and cost of the Company's preferred shares held by Associated Company.....	3,975.00
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EARNED SURPLUS, as per statement attached... 744,014.54

NOTE:—Preferred dividends accumulated and unpaid to December 31, 1940, \$282,940.00

\$3,986,863.89

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the consolidated balance sheet of Cassidy's Limited and Associated Companies as at December 31, 1940, and of the relative consolidated statement of profit and loss and earned surplus. In connection therewith, while we did not make a detailed audit of the transactions, we examined or tested accounting records of Cassidy's Limited and its Associated Company in Canada and have been furnished with financial statements as at December 31, 1940, of Associated Companies in England whose books and accounts have been examined by independent auditors, and have received all the information and explanations which we have required.

Based upon our examination we report that, subject to final determination of the Companies' liability for excess profits taxes, the attached consolidated balance sheet at December 31, 1940, in our opinion, is properly drawn up so as to exhibit a true and correct view of the combined state of the Companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the Companies we have examined and by the financial statements submitted to us.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, April 9, 1941.

CASSIDY'S LIMITED

AND ASSOCIATED COMPANIES

IN CANADA AND ENGLAND

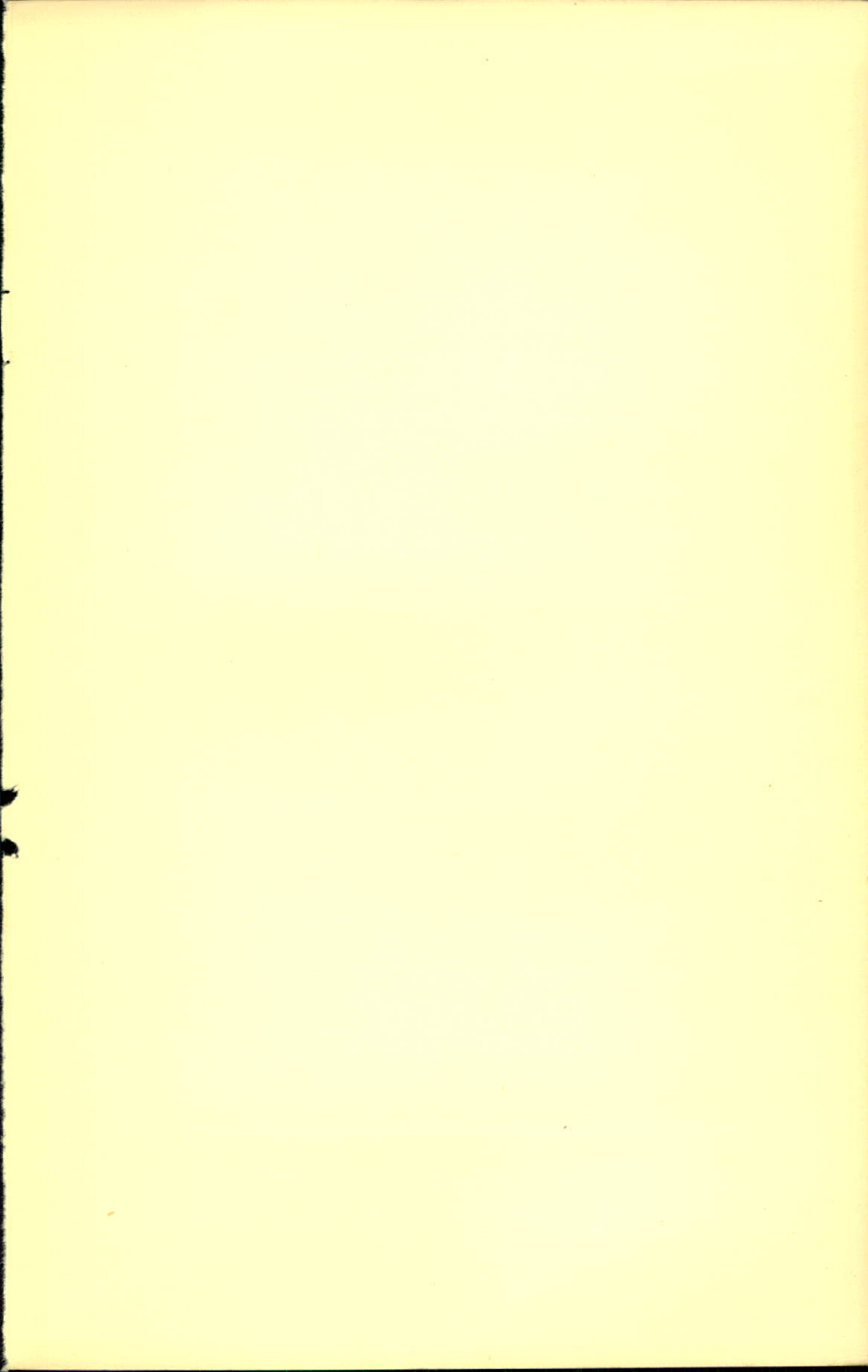


CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS, DECEMBER 31, 1940

Combined profits from operations for the year ending December 31, 1940, before taking into account the items shown below.....	\$ 697,386.31
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DEDUCT:

Depreciation on buildings, plant and equip- ment and amortization of leases.....	\$ 64,787.13	
Bad Debts.....	11,193.96	
Interest on loans.....	18,851.06	
Salaries of executive officers (including asso- ciated companies).....	77,759.24	
Directors' fees.....	3,060.00	
Legal Expenses.....	357.26	
Provision for income and excess profits taxes.....	318,250.00	494,258.65
Operating profit for the year.....		\$ 203,127.66
Earned surplus, balance December 31, 1939....		710,650.88
		<u>\$ 913,778.54</u>
<i>Deduct:</i> Dividends paid on preferred stock to June 30, 1938 (10½%).....		169,764.00
Earned surplus, Balance December 31, 1940..		<u><u>\$ 744,014.54</u></u>



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