

CASSIDY'S LIMITED



ANNUAL
REPORT
1944

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McGILL UNIVERSITY

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 OF THE DIRECTORS

TO THE SHAREHOLDERS OF
CASSIDY'S LIMITED:

Your Directors take pleasure in submitting a Consolidated Balance Sheet of your Company and its Subsidiary Company and a Consolidated Statement of Profit and Loss and Earned Surplus as at December 31, 1944, together with the Auditors' Report thereon.

During the year the shares of Elkington & Company Limited owned by your Company were disposed of to New Trading Company Limited, London, England, the consideration being One Million Dollars (Canadian) paid in Montreal and 80,000 "B" Ordinary Shares of Elkington & Company Limited, which shares were created on the reorganization of that Company. An option, good for ten years, to purchase these shares for Eighty thousand Pounds Sterling has been given to New Trading Company Limited which has also caused to be surrendered to your Company 21,618 Cassidy's Limited Common Shares previously held by Elkington & Company Limited.

The Capital Stock of Elkington & Company Limited, after giving effect to the above mentioned reorganization, is £420,000, divided into 150,000 Cumulative 6% Preference Shares of £1 each, 250,000 "A" Ordinary Shares of £1 each and 80,000 "B" Ordinary Shares of 5/- each. These "B" Shares participate, in proportion to the Par Value, equally with the "A" Ordinary Shares in any distribution in excess of 10% of the combined Par Value of the Preference and "A" Ordinary Shares.

The sale of the shares of Elkington & Company Limited has brought about a much improved Working Capital position for your Company, the ratio of Current Assets to Current Liabilities now being 4.78 to 1. The Earned Surplus is reduced by the undistributed Surplus of Elkington & Company Limited, which was included in the Surplus carried forward at December 31, 1943.

The Operating Profit is shown at \$121,783, after provision for Income and Excess Profits Taxes and exclusive of the 1944 refundable portion of the Excess Profits Tax, \$60,488. This Operating Profit compares with \$120,472 for 1943, which is exclusive of the profits of Elkington & Company Limited for that year. Provision for Income and Excess Profits Taxes for the Year 1944 has been made to the extent of \$399,804. The corresponding figure for 1943 was \$362,350.

During the year dividends totalling 7% were paid quarterly on the Preferred Stock. Your Directors recommend to the incoming Board the

REPORT OF THE DIRECTORS (Continued)

consideration of an additional payment of 3% on account of arrears before the end of the current year, if favourable conditions continue.

1944 Sales in Canada were the largest in the history of the Company and notwithstanding the Wartime shortages in many lines inventories have been well maintained. At present business continues at about the same level as last year.

It is proposed to effect a reduction in the paid-up Capital of your Company by the cancellation of a total number of 25,835 Common Shares and 70 Preference Shares which have been held by Subsidiaries of your Company and which have been surrendered for such cancellation. Of these 21,618 Common Shares have been so surrendered through New Trading Company Limited, as previously stated, and 4,217 Common and 70 Preference Shares have been surrendered by John Round & Son Limited, a Subsidiary of your Company.

You will be asked to sanction By-Law No. 14 giving effect to the aforementioned reduction in paid-up Capital and also to By-Law No. 15 giving your Company the right to purchase on the open market its Preference Shares for redemption.

During the year, with the co-operation of the employees, the Company instituted an Employees' Welfare programme, whereby employees participate in life assurance and disability benefits on a contributory basis.

Your Directors wish to record their appreciation to all officers and employees who by their continued faithful services and effort have made possible the completion of another year of satisfactory progress.

Respectfully submitted on behalf of the Board,

N. M. YUILE,
President.

MONTREAL, April 12, 1945.

CASSIDY'S LIMITED

AND

SUBSIDIARY COMPANY

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1944

ASSETS

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.....	\$1,247,964
Trade Accounts and Bills Receivable, less reserve..	573,628
Other Accounts Receivable.....	43,610
Dominion of Canada Bonds, at market.....	50,000
Cash in Bank and on Hand.....	761,294

\$2,676,496

REFUNDABLE PORTION OF EXCESS PROFITS TAX

133,962

INVESTMENT IN ELKINGTON & CO. LIMITED:

80,000 "B" Ordinary Shares of five shillings each	88,600
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LAND, BUILDINGS, FURNITURE AND FIXTURES

At cost, less amounts written off.....	866,660
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INSURANCE AND TAXES, ETC. PREPAID

3,569

\$3,769,287

LIABILITIES

CURRENT LIABILITIES:

Secured Bank Loan re Employees' Victory Loan Subscriptions.....	\$ 12,001
Preferred Dividend, payable January 2, 1945.....	28,294
Accounts Payable and Accrued Liabilities.....	282,428
Income and Other Taxes.....	236,939
	<u>\$ 559,662</u>

RESERVES:

For Buildings.....	\$ 273,950
For Furniture, Fixtures and Fittings, etc.....	272,809
For Contingencies.....	18,644
	<u>565,403</u>

CAPITAL AND SURPLUS:

Capital Stock	Authorized	Issued	
7% Cumulative Preferred Shares of \$100 each.....	\$5,589,700	\$1,623,800	
Less: Held by Subsidiary Company.....		7,000	\$1,616,800
Common Shares of \$1 each.....	\$ 100,000	\$ 100,000	
Less: Held for cancellation.....	\$ 21,618		
Held by Subsidiary Company.....	4,217	25,835	74,165

\$1,690,965

Capital Surplus.....	3,975
Deferred Surplus—	
Refundable Portion of Excess Profits Tax.....	133,962
Earned Surplus, per statement attached.....	815,320

2,644,222

Note—Preferred Dividend Arrears, December 31, 1944,
\$254,646.

\$3,769,287

Approved on behalf of the Board:

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

Submitted with our Report to the Shareholders dated March 21, 1945.

PRICE, WATERHOUSE & CO.,
Auditors.

CASSIDY'S LIMITED

AND

SUBSIDIARY COMPANY

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

DECEMBER 31, 1944

Combined profits from operations for the year ending December 31, 1944 before taking into account the items shown below.....		\$ 616,174
<i>Deduct:</i>		
Depreciation.....	\$ 18,639	
Interest on Loans.....	10,257	
Salaries of Executive Officers.....	61,969	
Directors' Fees.....	3,220	
Legal Expenses.....	502	
Provision for Income and Excess Profits Taxes (in- cluding \$60,488 refundable portion of Excess Profits Tax).....	399,804	
		494,391
Net Profit for the year.....		\$ 121,783
Earned Surplus, December 31, 1943.....	\$1,015,800	
<i>Deduct:</i> Undistributed surplus of Subsidiary Company sold during the year, included in Surplus carried forward at December 31, 1943.....		
	209,087	806,713
		\$ 928,496
<i>Deduct:</i> Dividends on Preferred Stock.....		
		113,176
Earned Surplus, December 31, 1944.....		\$ 815,320

AUDITORS' REPORT TO THE SHAREHOLDERS

MONTREAL, March 21, 1945.

We have made an examination of the consolidated balance sheet of Cassidy's Limited and Subsidiary Company as at December 31, 1944, 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 the Companies and have received all the information and explanations which we have required.

Based upon our examination we report that the attached consolidated balance sheet at December 31, 1944, 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.

PRICE, WATERHOUSE & CO.,

Auditors.

