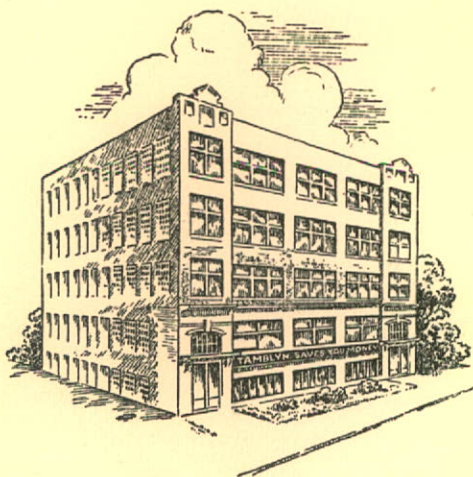


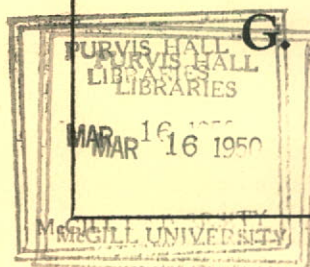
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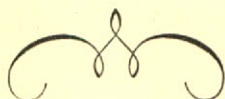
ANNUAL REPORT

For the Year Ending
December 31st
1949



G. TAMBLYN, Limited
TORONTO, CANADA





The aim of G. Tamblyn, Limited is to fulfil with ever-increasing efficiency, through the medium of its retail stores, those responsibilities adherent to the profession of Pharmacy in all its phases, thereby to effect a definite contribution to the health and welfare of the numerous communities where its branches are located; also to discharge its responsibility to shareholders, whose investment makes the Company possible, and to provide its employees with satisfactory remuneration and those services which contribute to a happy life under the best possible conditions.



G. TAMBLYN, LIMITED

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF G. TAMBLYN LIMITED

Please take notice that the Annual General Meeting of the Shareholders of G. Tamblyn Limited will be held at the head office of the Company, 225 Jarvis Street, Toronto, Canada, on Wednesday, March 29th, 1950, at the hour of two-thirty o'clock in the afternoon for the purpose of receiving the report of the Directors, the election of Directors, the appointment of Auditors and the transaction of such other business as may properly come before the meeting.

Toronto, Canada, March 14th, 1950.

A. J. RICHES, *Secretary.*

Note: If you cannot be present at the meeting, please sign and return the attached instrument of Proxy. A self-addressed envelope is enclosed for your convenience.

PROXY

No. of Shares

KNOW ALL MEN BY THESE PRESENTS, that the undersigned shareholder of G. Tamblyn Limited, hereby constitutes and appoints H. G. Browne, F. W. Black, A. J. Riches, H. W. Murray, or

.....
(Fill in the name of any other Director you may choose)

the true and lawful attorney, agent and proxy of the undersigned, with full power of substitution for and in the name, place and stead of the undersigned, to vote upon and act with respect to all the shares of the capital stock of G. Tamblyn Limited, registered in the name of the undersigned, at the Annual General Meeting of the Shareholders of the Company called to be held at the Head Office of the Company, 225 Jarvis Street, Toronto, Canada, on Wednesday, the 29th day of March, 1950, at the hour of 2.30 o'clock in the afternoon, and at any and all adjournments thereof, with all the powers the undersigned would possess if personally present at said meeting.

The undersigned hereby ratifies and confirms all that said attorney, agent and proxy may do by virtue hereof.

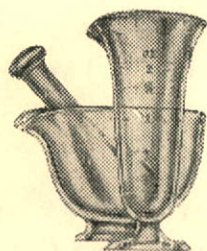
WITNESS the hand of the undersigned this.....day of March, 1950.

.....
Witness

.....
Signature

Your Directors are H. G. Browne, F. W. Black, N. S. Robertson, K.C., H. W. Murray, W. A. Arbuckle, A. J. Riches, R. S. Frame, G. R. Ginn and R. H. Crane, any one of whom may be nominated as proxy.

**REPORT OF THE DIRECTORS
TO THE SHAREHOLDERS
OF
G. TAMBLYN, Limited**



**For the Year Ending
December 31st
1949**

G. TAMBLYN, Limited



DIRECTORS

H. G. BROWNE

N. S. ROBERTSON, K.C.

W. A. ARBUCKLE

G. R. GINN

F. W. BLACK

H. W. MURRAY

R. S. FRAME

A. J. RICHES

R. H. CRANE

OFFICERS

HAROLD G. BROWNE, *President and General Manager*

F. W. BLACK, *Vice-President*

A. J. RICHES, *Secretary-Treasurer*

STOCK TRANSFER AGENTS

Chartered Trust Company

Toronto

BANKERS AND STOCK REGISTRARS

Canadian Bank of Commerce

Administration Offices, Laboratory

and Distributing Warehouse

225 Jarvis Street

Toronto

Canada

G. TAMBLYN, Limited

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

Your Board of Directors have pleasure in presenting, herewith, the Financial Statements of your Company for the fiscal year ending on December 31, 1949, together with other information which it is hoped you will find of value in making an analysis of the Company's progress during the past year.

REVENUE

Retail store sales during the year 1949 amounted to \$7,662,460.62, the greatest volume in any year of the Company's history, showing an increase over 1948 of \$352,165.85 or 4.82%. Revenue from warehouse and agency sales, investment income, rent and sundry other sources totalled \$143,141.56, producing a gross income from all sources of \$7,805,602.18 for the fiscal year.

EARNINGS

The gross profit ratio earned by the Company was well maintained during the year, but increased costs of stores operations resulted in a Store Trading Profit of \$990,971.31 for the year under review as compared with \$1,018,952.25 in 1948, a decrease of \$27,980.94.

Net income after providing for all charges including Depreciation, Amortization of Lease Improvements, and other non-trading costs but before provision for Federal and Provincial Income Taxes was \$480,215.60.

Net profit after providing for Federal and Province of Ontario Income Taxes of \$188,809.55 amounted to \$291,406.05.

OPERATING COSTS

As was the case in the year 1948, the operating costs for the fiscal year under review showed a marked increase over those for the previous year. The increase is particularly noticeable in Stores, Warehouse and Office Salaries, Rents and Advertising.

A substantial portion of the increased expenses may be attributed to the operation of additional stores during part of the year, and increased provision for depreciation and amortization of lease improvements.

In providing for depreciation and amortization of lease improvements in 1949, your Company has used the rates and methods permitted by the new Income Tax Regulations, and as a result, these reserves are \$19,801.08 greater in 1949 than they would have been if there had been no change in the Company's depreciation practice.

CAPITAL

Ample funds were available throughout the year to meet all operating and expansion requirements and Working Capital at

December 31, 1949, amounts to \$1,395,372.09, revealing a small increase as compared with the current position one year ago. The ratio between Current Assets and Current Liabilities remains satisfactory.

DIVIDENDS

Dividends were well maintained throughout the year and regular quarterly payments were made on both classes of stock—Preferred at the rate of 4% or \$2.00 per share on the 10,000 Fifty Dollar par shares and \$1.60 per share on the 112,000 no par value shares of Common Stock.

COMPANY PROGRESS

Your Company's progress during the year was highly satisfactory—four new units being added to the former group, namely: Yonge Street at Eglinton Avenue and at Danforth and Coxwell Avenues in Toronto, and branches in Sudbury and New Toronto. All four, from the start, have proven to be valuable additions to the former group. A number of the older stores have also been modernized and in each case a gratifying improvement in sales has been noticed.

Your Company's subsidiary, Advance Show Case Limited, also showed a greatly improved year's business proving beyond doubt that suitable accommodation and modern equipment can contribute to more successful operation.

SERVICES AND PERSONNEL

During the year, the Company has been able to make available to eligible employees increased protection, both in Group Life and Permanent Disability Insurance, and in Group Hospitalization and Surgical Benefits. A further number of employees became eligible for membership in the Retirement Pension Plan and have been duly enrolled therein.

There are now 23 employees who have each completed twenty-five years continuous service with the Company, and all have been suitably rewarded.

Before closing, I would like on behalf of the Board, to express appreciation of the efforts of the entire staff of your Company; their loyalty and cooperation in the maintenance of a high standard of service has gained for your Company a host of new friends and contributed greatly to the success attained during the year.

Your Directors also wish to express their sincere appreciation of these efforts and of the support accorded them by the Shareholders and by the many patrons of the Company who demonstrated, by their continued patronage, their approval of your Company's policies.

H. G. BROWNE,
President.

TORONTO, MARCH 6th, 1950.

G. TAMBLYN, Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31 1949

Profit for the year, after charging all operating, selling and administrative expenses, but before providing for the undernoted charges and credits.. \$ 669,568.49

Deduct—

Directors' fees.....	\$ 3,370.00	
Provision for depreciation of buildings and equipment...	\$102,425.06	
Provision for amortization of improvements to leased premises.....	19,790.17	
Payment in respect of employees' pension plan.....	72,708.49	
		198,293.72
		\$ 471,274.77

Add—

Interest on investments.....	\$ 4,375.00	
Dividends from subsidiary company.....	2,100.00	
Profit on sale of fixed assets.....	2,465.83	
		8,940.83
		\$ 480,215.60

Deduct—

Provision for taxes on income.....		188,809.55
------------------------------------	--	------------

NET PROFIT FOR THE YEAR CARRIED TO EARNED SURPLUS..... \$ 291,406.05

NOTE: Remuneration for the year (other than directors' fees) of solicitors and counsel and of executive officers and salaried directors \$88,344.41

STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDING DECEMBER 31 1949

Balance, December 31 1948.....		\$1,698,151.65
<i>Add—</i>		
Net profit for the year ending December 31 1949.....		291,406.05
		\$1,989,557.70
<i>Deduct—</i> Dividends paid:		
On preference shares (\$2.00 per share).....	\$ 20,000.00	
On common shares (\$1.60 per share).....	179,200.00	
		199,200.00
BALANCE, DECEMBER 31 1949.....		\$1,790,357.70

G. TAMBLAY

BALANCE SHEET

ASSETS

Current Assets:

Cash on hand and in bank.....	\$ 110,584.65	
Government of Canada bonds, at cost (Quoted market value \$250,000.00).....	250,625.00	
Accounts receivable—		
Sundry.....	\$41,732.02	
Owing by employees on pension fund contributions.....	22,029.21	
	<u>63,761.23</u>	
Refundable portion of excess profits tax due within one year.....	57,019.77	
Inventories of merchandise valued on the basis of approximate cost.....	1,686,531.97	
	<u>1,686,531.97</u>	\$2,168,522.62

Refundable Portion of Excess Profits Tax due in 1951..... 64,695.54

Investment in Shares of Subsidiary Company..... 25,300.00

Deferred Charges:

Building alterations, prepaid insurance, supply inventories, etc..... 70,315.86

Fixed Assets:

At cost, except for certain furniture and fixtures acquired at the inception of the company and now fully depreciated, gross book values of which are based on appraised figures.

Land.....	\$ 80,495.00
Buildings.....	\$335,940.44
Furniture and fixtures.....	947,700.71
Automobiles.....	19,723.35
	<u>\$1,303,864.50</u>

Less—Reserve for depreciation..... 702,527.50

600,837.00

\$ 681,332.00

Leasehold improvements, less amount amortized..... 193,341.21

874,673.21

Goodwill..... 1.00

\$3,203,508.23

N, LIMITED

December 31 1949

LIABILITIES

Current Liabilities:

Dividends payable January 3, 1950:

On preference shares.....	\$ 5,000.00	
On common shares.....	78,400.00	
		\$ 83,400.00

Accounts payable and accrued liabilities..... 583,626.82

Income taxes payable..... 98,976.60

Owing to subsidiary company..... 7,147.11

\$ 773,150.53

Reserve Against Future Decline in Inventory Values..... 100,000.00

Capital Stock and Surplus:

Four per cent Cumulative Redeemable Preference Stock:

Authorized—15,000 shares of a par
value of \$50.00 each..... \$ 750,000.00

Issued, fully paid—10,000 shares..... \$ 500,000.00

Common Stock:

Authorized—200,000 shares of no par
value—

Issued, fully paid—112,000 shares... \$ 40,000.00

Earned surplus, per statement attached.. \$1,790,357.70 1,830,357.70

\$2,330,357.70

APPROVED ON BEHALF OF THE BOARD:

H. G. BROWNE, *Director.*

A. J. RICHES, *Director.*

\$3,203,508.23

AUDITORS' REPORT TO THE SHAREHOLDERS

Auditors' Report to the Shareholders of
G. TAMBLYN, LIMITED:

We have examined the balance sheet of G. Tamblyn, Limited as at December 31, 1949 and the related statements of profit and loss and earned surplus for the year ending on that date and have obtained all the information and explanations which we required. Our examination included such tests of the accounting records and other supporting evidence and such other procedures as we considered appropriate in the circumstances.

Pursuant to section 114 of The Companies Act (1934) we report that the accumulated profits to December 31, 1949 of the subsidiary company have not been taken up in the accounts of G. Tamblyn, Limited.

In our opinion, the accompanying balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs as at December 31, 1949 and the related statements of profit and loss and earned surplus fairly present the result of operations for the year ending on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

TORONTO, March 6, 1950.

PRICE, WATERHOUSE & Co.
Chartered Accountants.

**DISPOSITION OF THE TOTAL INCOME DOLLARS
RECEIVED DURING THE YEAR 1949**

	TOTAL	INCOME DOLLAR
Paid for merchandise and supplies including shipping and handling. . . .	\$5,145,893.19	.6592¢
Paid to employees and for services for their benefit — includes salaries, wages, commissions, hospitalization and surgical benefits, pension fund and group life insurance. . . .	1,323,628.46	.1696¢
OPERATING COSTS		
Rents, taxes, insurance, telephones, light, heat, repairs, painting and decorating, licenses, travelling and supervision, store delivery expense, cleaning and laundry, depreciation, etc.	625,595.63	.0802¢
MERCHANDISING COSTS		
Comprising: advertising, store and window display materials, etc. . . .	191,604.75	.0246¢
Other miscellaneous or sundry costs	33,634.56	.0043¢
Provision for Federal and Province of Ontario taxes.	193,839.54	.0248¢
Paid to shareholders in dividends on Preferred and Common Stock. . . .	199,200.00	.0255¢
Reserved and carried forward for future needs of the Company. . . .	92,206.05	.0118¢
	\$7,805,602.18	\$1.00

G. TAMBLYN, Limited

**THE COMPANY OWNS AND OPERATES 82 RETAIL DRUG STORES
SITUATED IN THE FOLLOWING LOCATIONS**

T O R O N T O

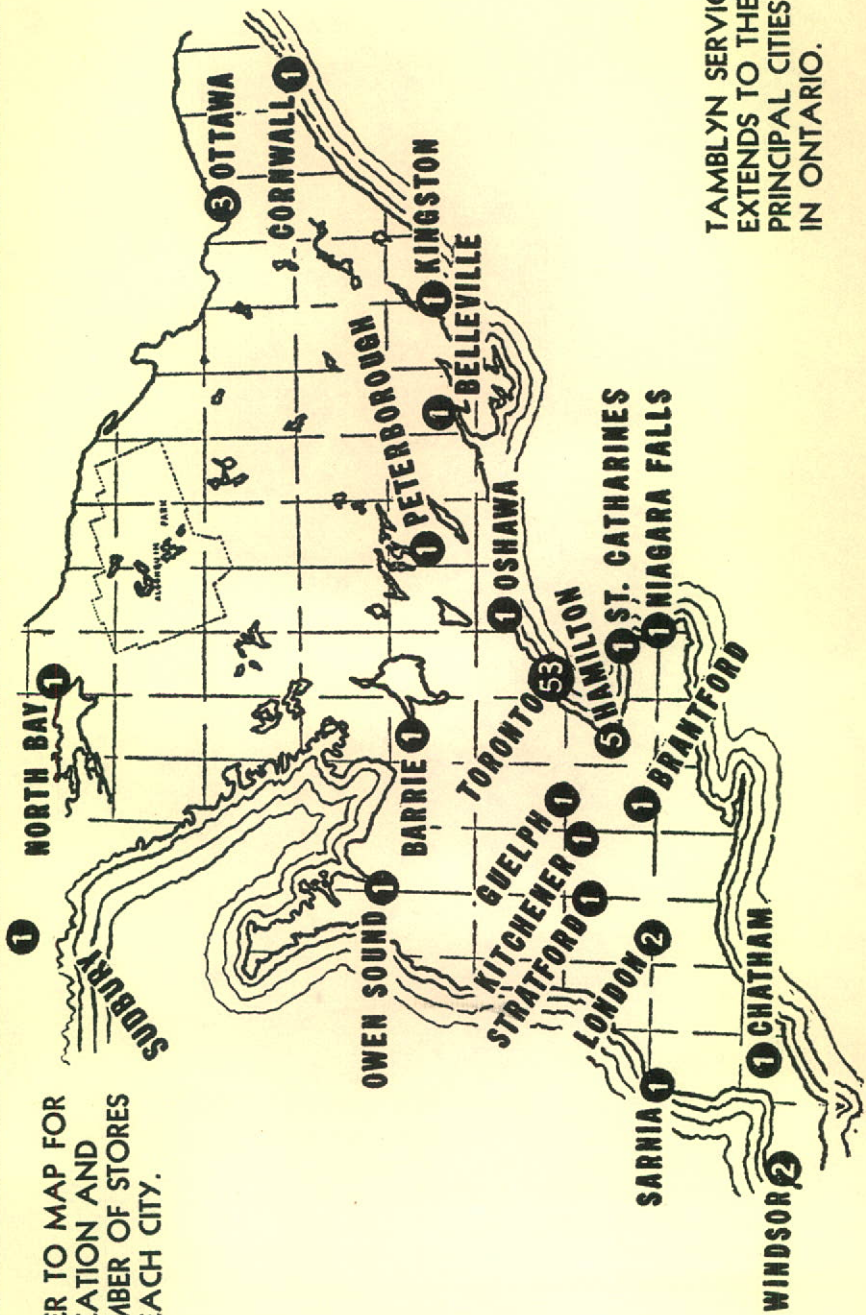
142 Avenue Rd.	1590 Danforth Ave.	2052 Queen St. E.
1719 Avenue Rd.	2052 Danforth Ave.	2377 Queen St. E.
515 Bayview Ave.	2560 Danforth Ave.	329 Roncesvalles Ave.
18 Bloor St. W.	2865 Dundas St. W.	393 Spadina Rd.
324 Bloor St. W.	304 Eglinton Ave. W.	503 St. Clair Ave. W.
524 Bloor St. W.	872 Eglinton Ave. W.	738 St. Clair Ave. W.
978 Bloor St. W.	1887 Eglinton Ave. W.	950 St. Clair Ave. W.
1310 Bloor St. W.	868 Eglinton Ave. E.	1166 St. Clair Ave. W.
2258 Bloor St. W.	1521 Gerrard St. E.	1734 St. Clair Ave. W.
2445 Bloor St. W.	399 Jane St.	765 Woodbine Ave.
2992 Bloor St. W.	1670 King St. W.	113 Yonge St.
395 Bloor St. E.	988 Kingston Rd.	410 Yonge St.
369 Broadview Ave.	798 Lakeshore Rd.	1441 Yonge St.
938 College St.	621 Mt. Pleasant Rd.	1987 Yonge St.
91 Danforth Ave.	479 Parliament St.	2290 Yonge St.
489 Danforth Ave.	1480 Queen St. W.	2478 Yonge St.
886 Danforth Ave.	720½ Queen St. E.	3202 Yonge St.
1426 Danforth Ave.		3434 Yonge St.

H A M I L T O N

423 Barton St. E.	17 King St. E.	289 Ottawa St. N.
	1111 Main St. E.	753 King St. E.

BARRIE—Dunlop & Clapperton Sts.	OSHAWA—6 King St. E.
BELLEVILLE—268 Front Street	OTTAWA—153 Bank St.
BRANTFORD—160 Colborne St.	OTTAWA—100 Sparks St.
CHATHAM—King & Sixth Sts.	OTTAWA—45 Rideau St.
CORNWALL—138 Pitt St.	OWEN SOUND—878 Second St. E.
GUELPH—15 Lower Wyndham St.	PETERBORO—339 George St.
KINGSTON—116 Princess St.	ST. CATHARINES—157 St. Paul St.
KITCHENER—21 King St. W.	SARNIA—184 N. Christina St.
LONDON—174 Dundas St.	STRATFORD—32 Downie St.
LONDON—640 Dundas St.	SUDBURY—14 Elm St. E.
NIAGARA FALLS—495 Queen St.	WINDSOR—1298 Ottawa St.
NORTH BAY—100 Main St.	WINDSOR—Canada Bldg.

REFER TO MAP FOR
LOCATION AND
NUMBER OF STORES
IN EACH CITY.



TAMBLYN SERVICE
EXTENDS TO THE
PRINCIPAL CITIES
IN ONTARIO.

