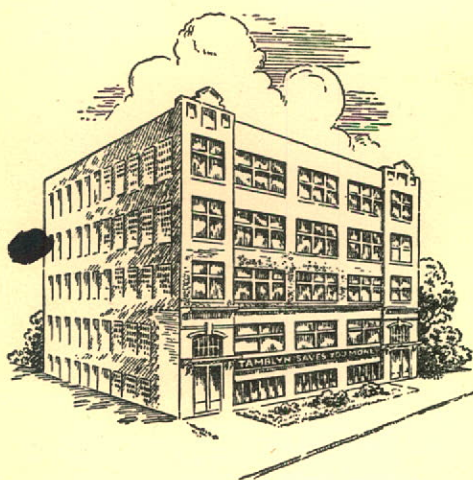


ANNUAL REPORT

For the Year Ending
December 31st
1947



G. TAMBLYN Limited
TORONTO, CANADA

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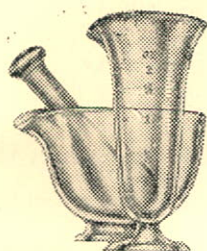
The aim of G. Tamblin, Limited is to fulfil with ever-increasing efficiency, through the medium of its retail stores, those responsibilities adherent to the profession of Pharmacy in all its phases, thereby to effect a definite contribution to the health and welfare of the numerous communities where 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.



REPORT OF THE DIRECTORS
TO THE SHAREHOLDERS

OF

G. TAMBLYN, Limited



For the Year Ending
December 31st
1947

G. TAMBLYN, Limited



DIRECTORS

H. G. BROWNE	F. W. BLACK
N. S. ROBERTSON, K.C.	H. W. MURRAY
W. A. ARBUCKLE	R. S. FRAME
W. S. LINTON	A. J. RICHES

G. R. GINN

OFFICERS

HAROLD G. BROWNE, *President and General Manager*
F. W. BLACK, *Vice-President*
A. J. RICHES, *Secretary-Treasurer*

STOCK TRANSFER AGENTS

Chartered Trust and Executor 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 Directors have much pleasure in presenting herein the Financial Statements of your Company for the fiscal year ended December 31st, 1947, together with other data which will be found valuable in an analysis of the progress made by the Company during the period.

REVENUE

Store sales during 1947 reached the largest volume attained in any year since the founding of the Company, and amounted to \$7,052,902.58—an increase over 1946 of \$614,114.57, or 9.54%. Revenue from Warehouse and Agency sales, rents, and sundry other sources amounted to \$128,937.12—making a gross Income for the year of \$7,181,839.70.

EARNINGS

Stores Trading Profits for the year amounted to \$1,055,833.18 as compared with \$906,945.09 in 1946—showing an increase of \$148,908.09.

Net Income after all charges including Provision for Depreciation, Amortization of Leases, Necessary Reserves, and other non-trading costs, but before provision for Dominion and Province of Ontario Taxes, was \$589,644.96—compared with \$524,525.01 in 1946.

Net Profit after making provision for Dominion Income and Excess Profits Taxes of \$250,269.76, and Province of Ontario 7% Income Taxes, amounting to \$45,236.71, was \$294,138.49, showing an increase as compared with the previous year, of \$45,115.53.

DIVIDENDS

Regular quarterly dividends were paid or provided for during the year on both Preferred and Common Stock—Preferred at the rate of 4% on the 10,000 shares outstanding, and dividends totalling \$1.50 per share on the 112,000 shares of Common Stock.

OPERATING COSTS

Operating costs when compared in total with 1946 will show some increase, as a result of greater sales volume—higher wages, increased rents and taxes—these increases however, were offset to some extent by decreases in the costs of some of the other services.

CAPITAL

Working Capital increased during the year by \$148,277.30. A substantial portion of this was realized from the sale during the year of four store properties which heretofore had been owned by the Company, and carried on the Balance Sheet under Fixed Assets.

Net Working Capital on December 31st, 1947 amounted to \$1,378,604.94, and reveals a satisfactory ratio between Current Assets and Current Liabilities.

COMPANY PROGRESS

Your Company was successful in adding several new units during the year—three in Toronto, namely Eglinton Avenue West at Dufferin Street, Eglinton Avenue East at Laird Drive, and Bloor Street West at Willingdon Avenue in the new Kingsway District. A branch was also opened in the city of North Bay. All four units proved very successful from the start, and undoubtedly are worthy additions to the group. Plans for the current year include the opening of stores in other Ontario cities not presently serviced, as well as in new locations in the Greater Toronto area.

SERVICES AND PERSONNEL

The Company's Retirement Pension Plan which was installed late in 1946 has now become well established, and embraces a membership of One Hundred and Thirty-Nine employees. Eighteen employees became eligible during the year, and joined the Plan, and are now regular contributors. Four employees who attained retirement age are receiving Pension Cheques regularly each month, and will continue to do so during their lifetime.

I would like, on behalf of your Board of Directors, to record a word of praise for the loyalty and co-operation accorded your Company by the entire staff throughout the year just ended—it is the feeling of your Board that without the wholehearted co-operation and individual effort of all of its employees, the success attained by your Company could not have been possible.

Your Directors also wish to record their sincere appreciation for the support accorded them by the Shareholders and the Company's many patrons who certified their approval of the policies of your Company by their continued patronage.

H. G. BROWNE,

TORONTO, March 6th, 1948.

President.

G. TAMBLYN, Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1947

Profit for the year, after charging all operating, selling and administrative expenses, but before providing for the undernoted charges and credits.. \$ 771,513.82

Deduct—

Directors' fees.....	\$ 3,470.00	
Provision for depreciation of buildings and equipment....	53,002.15	
Provision for amortization of leases and of improvements to leased premises.....	15,235.35	
Payment in respect of employees' pension plan	67,954.88	
		<u>139,662.38</u>

Add—

Interest on investments.....	\$ 5,740.81	\$ 631,851.44
Bank interest (net).....	219.41	
Profit on disposal of fixed assets (net)	1,833.30	
		<u>7,793.52</u>
		\$ 639,644.96

Deduct—

Provision for taxes on income:		
Dominion of Canada.....	\$250,269.76	
Province of Ontario	45,236.71	
		<u>295,506.47</u>
		\$ 344,138.49

*Deduct—*Provision against future decline in inventory values. 50,000.00

BALANCE OF PROFIT FOR THE YEAR, CARRIED TO EARNED SURPLUS \$ 294,138.49

NOTE: Remuneration for the year (other than directors' fees) of solicitors and counsel and of executive officers and salaried directors \$84,904.28.

STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDING DECEMBER 31, 1947

Balance, December 31, 1946..... \$ 846,474.11

Add—

Refundable portion of excess profits tax (previously shown separately) now transferred to Earned Surplus.....	\$198,234.73	
Profits on sale of buildings.....	44,265.58	
		<u>242,500.31</u>
		\$1,088,974.42

*Add—*Balance of profit for the year ending December 31, 1947 294,138.49

\$1,383,112.91

*Deduct—*Dividends paid:

On preference shares.....	\$ 20,000.00	
On common shares.....	168,000.00	
		<u>188,000.00</u>

BALANCE, DECEMBER 31, 1947..... \$1,195,112.91

G. TAMBLER

BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$	362,606.16	
Investment in Dominion Government bonds, at cost (market value \$301,875.00).....		300,425.00	
Accounts receivable:			
Sundry.....	\$28,308.43		
Owing by employees:			
On pension fund contributions.....	20,427.75		
On purchase of Canada Savings Bonds.	7,045.17		
		55,781.35	
Inventories of merchandise as determined and certified to by responsible officials of the company valued on the basis of approximate cost.....		1,546,882.07	
			\$2,265,694.58

REFUNDABLE PORTION OF EXCESS PROFITS TAX..... 198,234.73
(of which \$11,398.88 is due within one year)

INVESTMENT IN SUBSIDIARY COMPANY:

Investment in shares.....	\$	3,000.00	
Advances (net).....		8,788.91	
			11,788.91

DEFERRED CHARGES:

Unexpired insurance premiums and inventories of supplies, etc., at cost. . 14,746.12

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.

	Gross Book Value	Reserve for Depreciation	Net Book Value
Land.....	\$ 64,750.00	\$.....	\$ 64,750.00
Buildings.....	280,619.81	88,193.32	192,426.49
Furniture and fixtures. . .	736,064.03	492,454.88	243,609.15
Automobiles.....	17,462.99	2,551.59	14,911.40
Leases and improvements to leased premises. . .	136,813.05	58,872.88	77,940.17
	<u>\$1,235,709.88</u>	<u>\$642,072.67</u>	593,637.21

GOODWILL..... 1.00

\$3,084,102.55

N, LIMITED

December 31, 1947

LIABILITIES

CURRENT LIABILITIES:

Dividends payable January 2, 1948:

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

Accounts payable and accrued liabilities \$ 83,400.00
Reserve for income and excess profits taxes..... 629,198.43
Mortgage payable..... 170,791.21
3,700.00

\$ 887,089.64

RESERVE AGAINST FUTURE DECLINE IN INVENTORY VALUES 50,000.00

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

Capital Surplus (designated as such
pursuant to section 61 of Dominion
Companies Act)

Appropriated from earnings for
the redemption of preferred
shares of an issue now retired
in full (no change during the
year)..... 411,900.00

Earned Surplus (including refundable
portion of excess profits taxes), per
statement attached.....

1,195,112.91 1,647,012.91

2,147,012.91

APPROVED ON BEHALF OF THE BOARD:

H. G. BROWNE, *Director*.

A. J. RICHES, *Director*.

\$3,084,102.55

PRICE, WATERHOUSE & CO.

Royal Bank Building

Toronto, March 6, 1948

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

We have examined the balance sheet of G. Tamblyn, Limited as at December 31, 1947 and the statements of profit and loss and earned surplus for the year ending on that date. In connection therewith we examined or tested accounting records and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year but we did not make a detailed audit of the transactions.

Pursuant to section 114 of The Companies Act (1934) we report that the accumulated profits to December 31, 1947 of the subsidiary company have not been taken up in the accounts of G. Tamblyn, Limited.

We report that we have obtained all the information and explanations which we required and that, in our opinion, based upon the examination indicated in this report the accompanying balance sheet and statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the company's affairs as at December 31, 1947 and the result of operations for the year ending that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

PRICE, WATERHOUSE & CO.

Chartered Accountants.

**DISPOSITION OF THE TOTAL INCOME DOLLARS
RECEIVED DURING THE YEAR 1947**

	TOTAL	INCOME DOLLAR
Paid for merchandise and supplies including shipping and handling....	\$4,722,581.21	.6575¢
Paid to employees and for services for their benefit—includes salaries, wages, commissions, hospitalization and surgical benefits, pension fund and group life insurance....	1,125,137.49	.1567¢

OPERATING COSTS

Rents, taxes, insurance, telephones, light, heat, repairs, painting and decorating, licences, travelling and supervision, store delivery expense, cleaning and laundry, depreciation, etc.	510,252.70	.0710¢
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MERCHANDISING COSTS

Comprising: advertising, store and window display materials, etc....	149,005.08	.0208¢
Other miscellaneous or sundry costs	30,418.26	.0043¢
Provision for federal and Province of Ontario taxes	300,306.47	.0418¢
Paid to shareholders in dividends on Preferred and Common Stock....	188,000.00	.0262¢
Reserved and carried forward for future needs of the Company....	156,138.49	.0217¢
	<u>\$7,181,839.70</u>	<u>\$1.00</u>

G. TAMBLYN, Limited

**THE COMPANY OWNS AND OPERATES 75 RETAIL DRUG STORES
SITUATED IN THE FOLLOWING LOCATIONS**

TORONTO

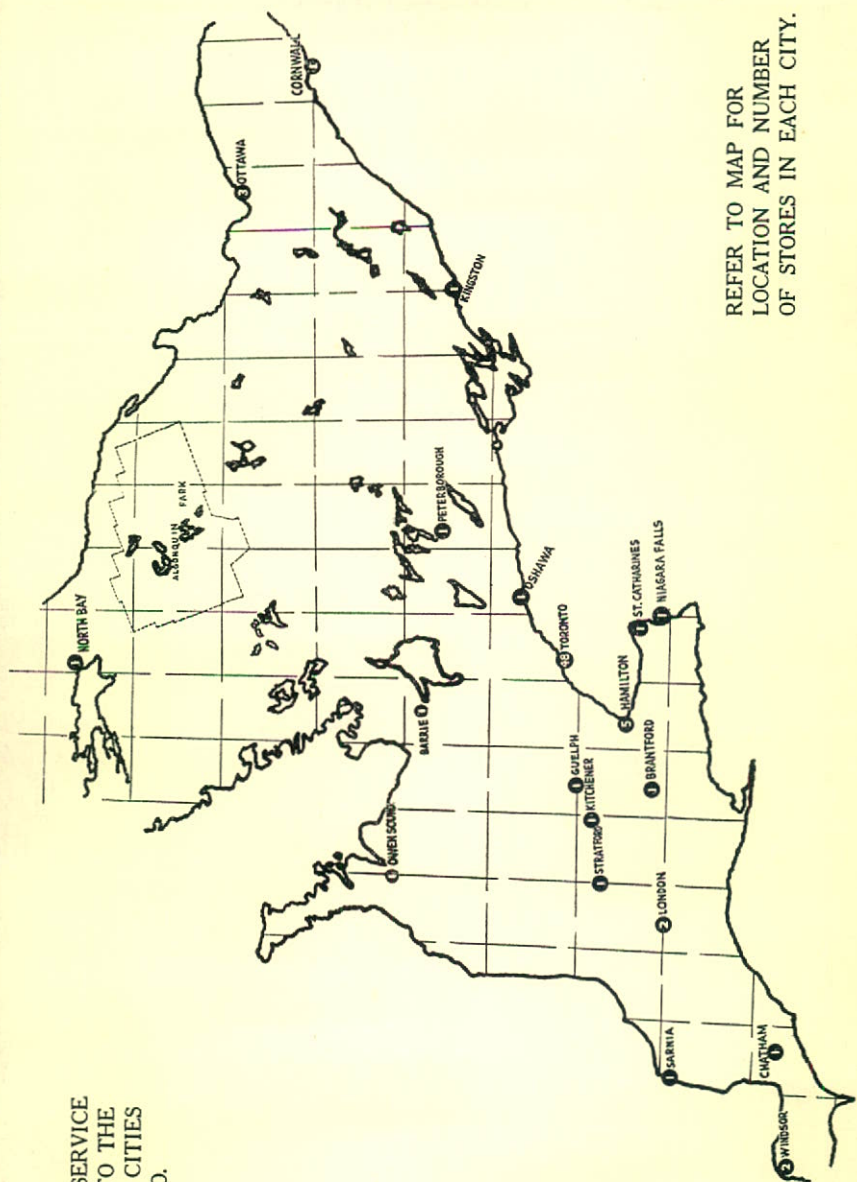
142 Avenue Rd.	2052 Danforth Ave.	329 Roncesvalles Ave.
515 Bayview Ave.	2560 Danforth Ave.	393 Spadina Rd.
324 Bloor St. W.	2865 Dundas St. W.	503 St. Clair Ave. W.
524 Bloor St. W.	304 Eglinton Ave. W.	744 St. Clair Ave. W.
978 Bloor St. W.	1887 Eglinton Ave. W.	950 St. Clair Ave. W.
1310 Bloor St. 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.
403 Bloor St. E.	988 Kingston Rd.	410 Yonge St.
369 Broadview Ave.	621 Mt. Pleasant Rd.	788 Yonge St.
938 College St.	479 Parliament St.	1441 Yonge St.
91 Danforth Ave.	1480 Queen St. W.	1987 Yonge St.
489 Danforth Ave.	720½ Queen St. E.	2449 Yonge St.
886 Danforth Ave.	2052 Queen St. E.	3202 Yonge St.
1426 Danforth Ave.	2377 Queen St. E.	3436 Yonge St.

HAMILTON

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.
BRANTFORD—160 Colborne St.	OTTAWA—153 Bank St.
CHATHAM—King & Sixth Sts.	OTTAWA—100 Sparks St.
CORNWALL—138 Pitt St.	OTTAWA—45 Rideau St.
GUELPH—15 Lower Wyndham St.	OWEN SOUND—878 Second St. E.
KINGSTON—116 Princess St.	PETERBORO—339 George St.
KITCHENER—21 King St. W.	ST. CATHARINES—157 St. Paul St.
LONDON—174 Dundas St.	SARNIA—184 N. Christina St.
LONDON—640 Dundas St.	STRATFORD—19 Downie St.
NIAGARA FALLS—495 Queen St.	WINDSOR—Canada Bldg.
NORTH BAY—100 Main St.	WINDSOR—1298 Ottawa St.

TAMBLYN SERVICE
EXTENDS TO THE
PRINCIPAL CITIES
IN ONTARIO.



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

COMPARATIVE FIGURES FOR THE YEARS 1947 to 1943

PROFIT AND LOSS ACCOUNT	1947	1946	1945	1944	1943
Profit as shown by published reports—before provision for Income and Excess Profits Taxes.....	\$ 589,644.96	\$ 524,525.01	\$ 589,176.99	\$ 549,649.63	\$ 589,506.11
Provision for Income and Excess Profits Taxes—giving effect to the Determined Standard Profit.....	295,506.47	275,502.05	428,135.94	390,260.37	428,576.26
NET PROFIT	<u>\$ 294,138.49</u>	<u>\$ 249,022.96</u>	<u>\$ 161,041.05</u>	<u>\$ 159,389.26</u>	<u>\$ 160,929.85</u>
*After Provision Against Future Decline in Inventory Values.					
WORKING CAPITAL ACCOUNT					
Current Assets					
Cash.....	\$ 362,606.16	\$ 254,975.00	\$ 160,765.96	\$ 233,682.98	\$ 213,340.32
Investment in Dominion Government Bonds.....	300,425.00	323,190.00	250,000.00	250,000.00	250,000.00
Accounts Receivable.....	55,781.35	44,534.25	11,382.11	17,861.50	8,806.71
Inventories of Merchandise.....	1,546,882.07	1,229,136.70	1,088,423.76	980,021.67	1,066,441.31
	<u>\$2,265,694.58</u>	<u>\$1,851,855.95</u>	<u>\$1,510,571.83</u>	<u>\$1,481,566.15</u>	<u>\$1,538,588.34</u>
Current Liabilities.....	887,089.64	621,528.31	521,928.54	\$ 670,231.42	746,831.35
NET WORKING CAPITAL.....	<u>\$1,378,604.94</u>	<u>\$1,230,327.64</u>	<u>\$ 988,643.29</u>	<u>\$ 811,334.73</u>	<u>\$ 791,756.99</u>

SUMMARY OF SHAREHOLDERS BY SHARE GROUPS

SHARE GROUPS	1—50	51—100	101—300	301—500	501—1,000	1,001—5,000	over 5,000	TOTAL
<i>Common Stock</i>								
No. of shareholders.....	952	244	131	17	15	6	1	1,366
No. of shares held.....	24,100	22,183	24,688	7,131	12,789	13,609	7,500	112,000
Percentage of Total Shares.....	21.52	19.81	22.04	6.36	11.42	12.15	6.70	100%
<i>Preferred Stock</i>								
No. of shareholders.....	166	19	10	3	2	—	—	200
No. of shares held.....	3,552	1,578	2,220	1,300	1,350	—	—	10,000
Percentage of Total Shares.....	35.52	15.78	22.20	13.00	13.50	—	—	100%

