FOOD PRODUCTS CORPORATION

Annual Report

1954
NATIONAL FOOD PRODUCTS CORPORATION

Annual Report

For the Year Ending December 31, 1954

March 18, 1955.

To the Stockholders:

The net income for the year 1954, after providing for Federal Income Taxes, and including $46,940.54 profit on the sale of investments, amounted to $907,875.65, as compared with $805,968.55 for the year 1953 — an increase of $51,907.10 before including the above-mentioned profit.

In 1949 your Corporation sold certain securities resulting in a loss which, for Federal Income Tax purposes, has been carried forward since that time. During 1954, in order to substantially offset this loss, securities were sold at a profit of $46,940.54 — a like amount of the same securities were subsequently purchased, so that, as of the year end, the investments held were the same as a year ago.

Dividends received from Colonial Stores Incorporated amounted to $801,660.00, as compared with $768,257.00 in 1953; and from H.C. Bohack Co. Inc. $148,350.00, as compared with $129,000.00 in 1953. This latter company increased the quarterly dividend on its Common stock from $37 1/2¢ to 45¢ on June 15, 1954. On February 23, 1955 the quarterly dividend was again increased to 50¢ beginning with the March 15, 1955 dividend.

Expenses were $23,956.19, as compared with $30,695.72 for the previous year. Provision for Federal Income Taxes increased from $62,218.60 to $66,868.70, due to the larger amount of dividends received.

During the year, quarterly dividends of 50¢ per share and an extra dividend of 10¢ were paid to stockholders. The total amount of cash dividends distributed was $811,576.50, as compared with $734,306.00 in 1953.

There were 386,465 common shares outstanding as of December 31, 1954, the same number as the previous year.

The quoted market value of the shares of Colonial Stores Incorporated and H. C. Bohack Co. Inc. owned at the year end amounted to $21,570,265.00, as compared with $17,295,540.00 at the end of the previous year.

It is with deep regret that we report the death on November 28, 1954 of Mr. Roger Preston. He served your Corporation as a Director loyally and faithfully for many years — his counsel and advice will be sorely missed.
COLONIAL STORES INCORPORATED

Sales of $244,671,777 of Colonial Stores Incorporated for the 53-week fiscal year ended January 1, 1955 were again the largest in its history, and exceeded those of the previous 52-week year by $10,781,842—an increase of 4½%. On the basis of comparable 52-week years, the increase was 3%.

Profits before income taxes for 1954 were $7,358,085, as compared with $6,713,860 for the previous year, an increase of 9.6%.

After provision for all taxes, net profit amounted to $3,356,085, as compared with $2,623,860 for the previous year, an increase of 27.9%.

Common stock earnings amounted to $3.90 per share, as compared with $3.02 for the previous year. There were 812,241 common shares outstanding at the end of the year. Provision for income taxes in 1954 amounted to $4.93 per share, as compared with $5.08 in 1953.

At the close of the year, there were 334 stores in operation.

A copy of the annual report of Colonial Stores Incorporated is enclosed for your information.

H. C. BOHACK CO. INC.

Sales of H. C. Bohack Co. Inc. also were the largest in its history, as were its earnings, for its 52-week fiscal year ending January 29, 1955.

Subject to year-end adjustments and audit for 1954, the following comparative statement is submitted for your information:

<table>
<thead>
<tr>
<th></th>
<th>1954</th>
<th>1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
<td>$135,497,370</td>
<td>$128,702,527</td>
</tr>
<tr>
<td>Net Earnings</td>
<td>1,731,326</td>
<td>1,504,667</td>
</tr>
<tr>
<td>Earned per share of Common Stock</td>
<td>3.53</td>
<td>3.00</td>
</tr>
<tr>
<td>Dividends paid per share of Common Stock</td>
<td>1.72½</td>
<td>1.50</td>
</tr>
</tbody>
</table>

At the end of the fiscal year, the company had in operation a total of 184 stores, as compared with 193 at the end of the previous year.

Respectfully yours,

RUSSELL B. STEARNS
President.
Accountants’ Report

To the Board of Directors

National Food Products Corporation:

We have examined the balance sheet of National Food Products Corporation as of December 31, 1954 and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We inspected the investment securities, confirmed the cash in banks by certificates from the depositaries and counted the cash fund.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the financial position of National Food Products Corporation at December 31, 1954 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

January 12, 1955.
## NATIONAL FOOD PRODUCTS CORPORATION

### Balance Sheet

**December 31, 1954**

### ASSETS

**INVESTMENTS**, at cost:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock of Colonial Stores Incorporated (a controlled company),</td>
<td>$3,197,200.50</td>
</tr>
<tr>
<td>400,380 shares</td>
<td></td>
</tr>
<tr>
<td>Common stock of H. C. Bohack Co. Inc., 86,000 shares</td>
<td>1,323,475.51</td>
</tr>
<tr>
<td>Other</td>
<td>100,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>4,620,676.01</strong></td>
</tr>
<tr>
<td><strong>Cash in banks and on hand</strong></td>
<td><strong>54,794.80</strong></td>
</tr>
</tbody>
</table>

**Total Assets** **$4,675,470.81**

*Quoted market value, $21,570,265.00*
NATIONAL FOOD PRODUCTS CORPORATION

Balance Sheet

DECEMBER 31, 1954

LIABILITIES

Notes payable to bank, due on demand. ...................................... $ 60,000.00
Accounts payable and accrued expenses. ..................................... 3,547.88
Federal income tax payable, subject to review by Treasury Department. ....... 66,868.70

CAPITAL STOCK AND SURPLUS:

CAPITAL STOCK:

Authorized, 500,000 shares of common stock of the par
value of $1.00 each.
Issued, 391,790 shares. ..................................................... $ 391,790.00

SURPLUS, per accompanying statement:

Capital surplus. ......................... $3,412,810.62
Earned surplus from December 8, 1938. . . 745,778.61 4,158,589.23
........... 4,550,379.23
Less treasury stock, 5,325 shares, at par value ........... 5,325.00 4,545,054.23
$4,675,470.81
# NATIONAL FOOD PRODUCTS CORPORATION

## Statement of Income

**Year Ended December 31, 1954**

### Income:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends:</td>
<td></td>
</tr>
<tr>
<td>Colonial Stores Incorporated (a controlled company)</td>
<td>$801,660.00</td>
</tr>
<tr>
<td>H. C. Bohack Co. Inc.</td>
<td>$148,350.00</td>
</tr>
<tr>
<td>Total Dividends</td>
<td>$950,010.00</td>
</tr>
<tr>
<td>Interest</td>
<td>$1,750.00</td>
</tr>
<tr>
<td>Profit on sale of investments</td>
<td>$46,940.54</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$998,700.54</strong></td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$11,500.00</td>
</tr>
<tr>
<td>Legal and audit fees</td>
<td>$2,681.38</td>
</tr>
<tr>
<td>Transfer agency fees</td>
<td>$2,696.50</td>
</tr>
<tr>
<td>Directors' fees and expenses</td>
<td>$903.75</td>
</tr>
<tr>
<td>Taxes (other than Federal taxes on income)</td>
<td>$800.13</td>
</tr>
<tr>
<td>Interest on bank loans</td>
<td>$2,791.40</td>
</tr>
<tr>
<td>General expenses</td>
<td>$2,583.03</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>23,956.19</strong></td>
</tr>
<tr>
<td>Net Income before Federal income taxes</td>
<td></td>
</tr>
<tr>
<td>Federal income taxes</td>
<td>$66,868.70</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>$907,875.65</strong></td>
</tr>
</tbody>
</table>
NATIONAL FOOD PRODUCTS CORPORATION

Statement of Surplus

Year Ended December 31, 1954

CAPITAL SURPLUS
Amount at December 31, 1953 and December 31, 1954. $3,412,810.62

EARNED SURPLUS FROM DECEMBER 8, 1938
Amount at December 31, 1953 $ 649,479.46
Net income for the year 907,875.65
1,557,355.11
Less cash dividends paid, $2.10 per share. 811,576.50
Amount at December 31, 1954 $ 745,778.61

$4,158,589.23
NATIONAL FOOD PRODUCTS CORPORATION
24 FEDERAL STREET
BOSTON 10, MASSACHUSETTS

Officers

RUSSELL B. STEARNS
EDWARD K. DUNN
C. T. WILLIAMS, JR.
ALLISON M. BERRY
M. MAY

President
Vice-President and Treasurer
Secretary
Assistant Secretary and Assistant Treasurer
Assistant Secretary and Assistant Treasurer

Directors

EDWARD K. DUNN
JOHN M. FOSTER
JAMES W. MOSS
HUNTER C. PHelan
ELLIS D. SLATER
RUSSELL B. STEARNS
C. T. WILLIAMS, JR.

Auditors

PEAT, MARWICK, MITCHELL & CO.

Transfer Agent

FIDELITY-BALTIMORE NATIONAL BANK & TRUST COMPANY
Baltimore, Maryland