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# BRITISH AMERICAN BANK NOTE COMPANY

LIMITED

## ANNUAL REPORT OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS:

**Y**OUR directors have pleasure in submitting herewith the Balance Sheet, Profit and Loss Account and Surplus Account of the Company for the year ended December 31, 1944, as certified by P. S. Ross & Sons, Chartered Accountants.

After provision of \$317,447.55 for Dominion Income and Excess Profits Taxes, Retainable Profit (not including refundable portion of Excess Profits Tax) amounted to \$148,856.08 or 99c. per share. The refundable portion of taxes is equivalent to an additional 29½c. per share.

During the year dividends were paid totalling \$150,000.00 or \$1.00 per share.

A glance at the Balance Sheet indicates that the financial position of the Company is strong and working capital quite adequate. Plant and equipment have been maintained in a high state of efficiency.

A large volume of business was handled during the period and the year ended with the backlog of orders considerably larger than a year ago. A high light of 1944 business was the receipt of a substantial order from a foreign government which, it is hoped, is the beginning of a useful and permanent connection.

It is with regret that your directors record the death of their colleague, Mr. George H. Burland, who served the Company in various capacities for more than fifty years. His passing is a great loss. The vacancy on the Board has been filled by the election of Captain Duncan K. MacTavish, K.C.

Your directors desire to express sincere appreciation of the loyal and efficient services rendered by employees of the Company.

Submitted on behalf of the Board.

HOWARD W. PILLOW  
President.

Ottawa, March 12, 1945.

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# BRITISH AMERICAN LIMITED

## BALANCE SHEET AS AT

### ASSETS

Fixed: (at book value not in excess of cost)

|  |                |
|--|----------------|
| Land, Buildings, Plant, Engraved Stock, Furniture and Fixtures ..... | \$1,394,365.37 |
|--|----------------|

Current:

|  |              |              |
|--|--------------|--------------|
| Cash on Hand and in Bank .....   | \$ 95,378.64 |              |
| Investments—Bonds and Stocks .....   | *562,848.73  |              |
| Accrued Revenue on Investments .....   | 161.22       |              |
| Accounts Receivable .....  | 59,359.91    |              |
| Due from Employees on Instalment Sales of Victory Bonds .....  | 13,192.04    |              |
| Inventories of Raw Materials, Goods in Progress and Finished Stock valued at cost or market whichever was the lower, according to physical count taken December 31, 1944 as certified by responsible officers of the Company ..... | 350,516.99   | 1,081,457.53 |

|  |  |            |
|--|--|------------|
| Refundable Portion of Excess Profits Tax ..... |  | 148,316.77 |
|--|--|------------|

Deferred Charges:

|  |  |          |
|--|--|----------|
| Prepaid Insurance and Unemployment Insurance ..... |  | 2,429.36 |
|--|--|----------|

\$2,626,569.03

\* Estimated market value at December 31, 1944 calculated at \$530,771.61

#### AUDITORS' REPORT

We have made an examination of the books and accounts of the British American and all the information and explanations which we have required.

We report that, in our opinion, the accompanying Balance Sheet and relative Statement of Profit and Loss so as to exhibit a true and correct view of the affairs of the Company at December 31, 1944, in accordance with the best of our information and the explanations given to us and as shown by the books and accounts.

Montreal, February 15, 1945.



# BANK NOTE COMPANY LIMITED

AT DECEMBER 31, 1944.

## LIABILITIES

### Fixed:

#### Capital Stock—

Common—Authorized and Issued—150,000 Shares of No Par Value .... \$ 300,000.00

### Current:

|   |              |            |
|---|--------------|------------|
| Accounts Payable and Accrued Liabilities..... | \$ 46,995.90 |            |
| Provision for Taxes—balance .....             | 171,734.73   |            |
| Customer's Deposit re Contract .....          | 331,100.00   | 549,830.63 |
| Reserve for Depreciation .....                |              | 938,972.41 |
| General Reserve .....                         |              | 100,000.00 |
| Earned Surplus—as per attached schedule ..... |              | 737,765.99 |

### APPROVED ON BEHALF OF THE BOARD:

C. G. COWAN, Director.

G. HAROLD BURLAND, Director.

\$2,626,569.03

### TO THE SHAREHOLDERS

Bank Note Company Limited for the year ended December 31, 1944 and have obtained

Statements of Surplus and Operating and Profit and Loss Accounts are properly drawn up for the year ended December 31, 1944, and the results of its operations for the year ended that date, according to the books of the Company.

P. S. ROSS & SONS,  
Chartered Accountants.



# BRITISH AMERICAN BANK NOTE COMPANY LIMITED

## STATEMENT OF EARNED SURPLUS ACCOUNT AS AT DECEMBER 31, 1944

|   |               |
|---|---------------|
| Balance at credit January 1, 1944 .....   | \$ 703,931.34 |
| Add:  |               |
| Balance of Reserve for Bad Debts retransferred .....                                | 7,875.42      |
|   | 711,806.76    |
| Deduct:   |               |
| Net Prior Year adjustments—Income and Excess Profits Taxes...                       | 17,216.47     |
|   | 694,590.29    |
| Add:  |               |
| Net Profit for year 1944 before provision for Income and Excess Profits Taxes ..... | 466,303.63    |
|   | 1,160,893.92  |
| Deduct:   |               |
| Dividends on No Par Value Common Stock.....\$150,000.00                             |               |
| Provision for Federal Income and Excess Profits taxes for 1944 .....                | \$317,447.55  |
| Less: Refundable portion of Excess Profits Tax.. 44,319.62                          | 273,127.93    |
|   | 423,127.93    |
| Balance at credit December 31, 1944 .....   | \$ 737,765.99 |

## OPERATING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1944

|  |              |
|--|--------------|
| Gross Operating Profit .....   | \$735,603.86 |
| General Expenses .....   | 238,201.63   |
|  | 497,402.23   |
| Revenue from Investments .....   | 12,413.60    |
|  | 509,815.83   |
| Depreciation on Buildings, Plant and Equipment .....   | 43,386.59    |
|  | 466,429.24   |
| Loss on sale of Investments—net .....  | 125.61       |
|  | 466,303.63   |
| Net Profit before provision for Income and Excess Profits Taxes transferred to Earned Surplus Account..... | \$466,303.63 |

Note: Included under the heading of General Expenses are the following:

|                          |             |
|--------------------------|-------------|
| Legal Fees .....         | \$ 2,085.00 |
| Executive Salaries ..... | 63,050.00   |