

# ANNUAL REPORT

## British American Bank Note Company

LIMITED

Ottawa, Ontario

YEAR ENDED DECEMBER 31, 1945.

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# BRITISH AMERICAN BANK NOTE COMPANY LIMITED

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## ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders:

Early in 1945 certain shares of the Company which until then had been closely held were offered to the public and stock of the Company was listed on the Montreal Stock Exchange. The result has been that the shares are now quite widely distributed among Canadian investors.

The financial position of the Company and the earnings for the fiscal year ended December 31, 1945, as certified by the Company's auditors, are shown in the statements published in this report. After provision of \$488,335.72 for Dominion Income and Excess Profits Taxes, Retainable Profit (not including Refundable Portion of Excess Profits Tax) amounted to 98.4c per share. The Refundable Portion of taxes is equivalent to an additional 52.5c per share.

During the year dividends were paid at the rate of \$1.00 per share.

The Balance Sheet shows that the financial position of the Company is strong and although Working Capital is down somewhat as compared to last year it is still adequate. The productive capacity of the Company has been well maintained.

The volume of business handled during the year 1945 was the largest in the Company's history. Regardless of difficulties due to shortage of staff the Company's high record of service to its clients did not depreciate. An exceedingly large backlog of orders was carried forward into 1946.

It is pleasant to report that a large proportion of those who enlisted in the Armed Services have now returned to the Company's employ and the value of their work will be increasingly felt during the present year. It is with deep regret that the Directors record that four employees lost their lives on active service.

In a highly specialized and confidential business such as ours the first line of policy must always be to maintain and develop efficiency and to continue to offer everything that can be devised for the protection against counterfeiting of those instruments of value which form the staple of the Company's product. Your Directors feel that the special character of the business in this regard will be apparent to all shareholders.

Subject to the above considerations the Directors recognize that the interest of those who have subscribed capital in order to provide the plant and equipment necessary to carry on the business must always be kept prominently in mind.

# BRITISH AMERICAN BANK NOTE COMPANY LIMITED

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## ANNUAL REPORT OF THE BOARD OF DIRECTORS

The employees of the Company have continued to give loyal and efficient service. Shareholders will be interested in the following facts with regard to employer-employee relations:

**Medical Services.** A fully equipped First Aid room in charge of a registered nurse is available at all times. The Company's physician attends at the plant a certain number of hours every week and all employees are subject to medical examination.

**Holidays.** After one year's service all employees receive one week's vacation with pay.

**Sick Benefit.** A contributory fund is maintained for sickness and hospitalization which is administered by the Company.

**Group Insurance** is carried on a contributory basis with a considerable proportion of the premium paid by the Company.

**Pension.** The Company co-operates to maintain a pension plan for male employees. The yearly contribution of the Company is substantial and in addition a large special contribution was made at the time of the inauguration of the plan in order to equalize the benefits for all eligible employees.

**Personnel.** A Personnel Department was instituted during the year and as opportunity affords the scope of its work will be extended. It is hoped through this service to secure new employees with the highest qualifications and to effectively organize various employee activities in the plant.

Submitted on behalf of the Board of Directors.

HOWARD W. PILLOW,  
President.

Ottawa, March 11, 1946.

# BRITISH AMERICAN BANK NOTE COMPANY LIMITED

## BALANCE SHEET AS AT DECEMBER 31, 1945

### ASSETS

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

Land, Buildings, Plant, Engraved Stock, Furniture and Fixtures..... \$1,499,528.28

Current:

Investments—Bonds and Stocks.....\*\$563,419.54

Accrued Revenue on Investments..... 123.22

Accounts Receivable..... 130,072.92

Due from Employees on Instalment Sales of Victory Bonds ..... 1,012.08

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, 1945 as certified by responsible officers of the Company..... 266,730.41      961,358.17

Refundable Portion of Excess Profits Tax..... 228,614.92

Deferred Charges:

Prepaid Insurance and Unemployment Insurance ..... 1,943.48

\$2,691,444.85

\*Estimated market value at December 31, 1945 calculated at \$553,833.92

APPROVED ON BEHALF OF THE BOARD:

C. G. COWAN, Director.

G. HAROLD BURLAND, Director.

British American Bank Note Company Limited,  
Ottawa, Ontario.

AUDITORS' REPORT

We have made an examination of the books and accounts of the British American Bank Note Company Limited and the explanations which we have required.

We report that, in our opinion, the accompanying Balance Sheet and relative Statement of Profit and Loss show a true and correct view of the affairs of the Company at December 31, 1945, and the results of its operations for the year ended on that date, and the explanations given to us and as shown by the books of the Company.

February 7, 1946.

# BANK NOTE COMPANY LIMITED

AT DECEMBER 31, 1945.

## LIABILITIES

### Fixed:

Capital Stock—

Common—Authorized and Issued—

150,000 Shares of No Par Value..... \$ 300,000.00

### Current:

Bank Overdraft..... \$ 13,011.86

Accounts Payable and Accrued Liabilities..... 62,488.74

Provision for Taxes—balance..... 234,601.03

Customer's Deposit re Contract..... 194,425.00 504,526.63

Reserve for Depreciation..... 971,785.49

General Reserve..... 100,000.00

Earned Surplus—as per attached schedule..... 815,132.73

\$2,691,444.85

This is the statement referred to in our accompanying  
Report dated February 7, 1946.

P. S. ROSS & SONS,  
Chartered Accountants,  
Montreal, Que.

### TO THE SHAREHOLDERS

Bank Note Company Limited for the year ended December 31, 1945 and have obtained all the informa-

tion of Surplus and Operating and Profit and Loss Accounts are properly drawn up so as to exhibit  
a true and correct view of the operations for the year ended that date, according to the best of our information and the

P. S. ROSS & SONS,  
Chartered Accountants.

# BRITISH AMERICAN BANK NOTE COMPANY LIMITED

## STATEMENT OF EARNED SURPLUS ACCOUNT AS AT DECEMBER 31, 1945

Balance at credit January 1, 1945.....	\$ 737,765.99
Add:	
Net Prior Year Adjustments—Income and Excess Profits Taxes	1,013.85
	738,779.84
Add:	
Net Profit for the year 1945 before provision for Income and Excess Profits Taxes .....	635,954.25
	1,374,734.09
Deduct:	
Dividends on No Par Value Common Stock.....	\$150,000.00
Provision for Federal Income and Excess Profits Taxes for 1945.....	\$488,335.72
Less: Refundable portion of Excess Profits Tax... 78,734.36	409,601.36
	559,601.36
Balance at credit December 31, 1945.....	\$ 815,132.73

## OPERATING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1945

Gross Operating Profit.....	\$962,965.10
General Expenses.....	297,084.35
	665,880.75
Revenue from Investments.....	16,932.51
	682,813.26
Depreciation on Buildings, Plant and Equipment.....	47,558.86
	635,254.40
Profit on sale of Investments—net.....	699.85
	635,954.25
Net Profit before provision for Income and Excess Profits Taxes transferred to Earned Surplus Account.....	\$635,954.25

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

Legal Fees.....	\$ 2,285.00
Executive Salaries.....	63,050.00
Directors' Fees.....	150.00

This is the statement referred to in our accompanying Report dated February 7, 1946.

P. S. ROSS & SONS,  
Chartered Accountants.

Montreal, Que.

# BRITISH AMERICAN BANK NOTE COMPANY LIMITED

HEAD OFFICE AND PLANT — OTTAWA, ONTARIO  
BRANCHES — TORONTO, ONTARIO AND MONTREAL, QUEBEC

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## OFFICERS

Howard W. Pillow  
President

Charles G. Cowan  
Vice-Pres. & Man. Dir.

G. Harold Burland  
Secretary-Treasurer

## DIRECTORS

F. E. Bronson  
Ottawa, Ontario

Duncan K. MacTavish, K.C.  
Ottawa, Ontario

G. Harold Burland  
Ottawa, Ontario

Howard W. Pillow  
Montreal, Quebec

Ross Clarkson  
Montreal, Quebec

A. Murray Vaughan  
Ottawa, Ontario

Charles G. Cowan  
Ottawa, Ontario

F. James Webb  
Montreal, Quebec

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## TRANSFER AGENT

The Royal Trust Company, Montreal and Toronto

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## REGISTRAR

The Montreal Trust Company, Montreal and Toronto

