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ANNUAL REPORT

British American Bank Note Company
LIMITED
Ottawa, Ontario

YEAR ENDED DECEMBER 31, 1947.

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ANNUAL REPORT



British American Bank Note Company

LIMITED

Ottawa, Ontario

CANADIAN RECORD

1005 RAB - CANADA

YEAR ENDED DECEMBER 31, 1967

1967
1968
1969

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders:

Your Directors have pleasure in submitting to the shareholders the Annual Report of operations for the year 1947.

Accompanying the report is a Balance Sheet recording the Company's position as at December 31 1947 and a Profit and Loss Statement. It will be observed that the form of the Balance Sheet and Profit and Loss Statement has been changed as compared with previous years in order to comply with current accounting practice. After provision for Dominion and Provincial profits taxes amounting in all to \$100,472.02, profits totalled \$168,277.47 or \$1.12 per share. Due to reduced volume of sales, higher labour and material costs and special charges incidental to the occupation of the Company's new plant, the record rate of profit established in 1946 was not maintained in 1947.

Dividends amounting to \$1.00 per share were paid in 1947.

In accordance with established corporate practice, part of the debt incurred as a result of special capital expenditures in respect of the erection of the Company's new plant was funded and in December, 1947, \$800,000. 2½% to 3¼% Serial Debentures maturing December 15, 1948 to 1955, were sold privately through the Company's bankers. Current assets at December 31, 1947, amounted to \$786,950.67 and current liabilities stood at \$145,277.63. Working capital was adequate for all purposes and will be maintained at a level sufficient to redeem maturing debentures and to provide for the normal requirements of the Company.

As was indicated in last year's report the record volume of sales established in 1946 was not reached in 1947, although the totals are impressive. Foreign business which accounted for a good proportion of sales in 1947 is being maintained in 1948.

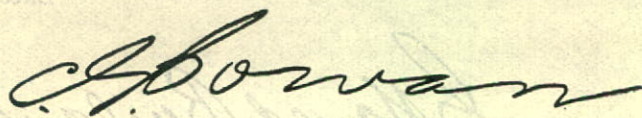
The Company's new plant at 975 Gladstone Avenue, Ottawa, was occupied in December, 1947 and will be fully completed in April, 1948. Moving was accomplished at a low cost and without disturbance to production schedules. The total cost of the new building will be in the neighborhood of \$1,500,000.

During the year Mr. Howard W. Pillow who had been President for over thirty years tendered his resignation because of ill health. The Directors accepted Mr. Pillow's resignation with great regret and appointed him as Chairman of the Board. Subsequently Mr. Charles G. Cowan was elected President and Mr. Duncan K. MacTavish, K.C., Vice-President.

On the resignation of Mr. F. James Webb as Director, Mr. Bernard C. Westall of London, England, was elected his successor.

Your Directors welcome this opportunity to express appreciation of the loyalty and efficient services of the officers and employees of the Company.

On behalf of the Board of Directors.



President.

March 29, 1948.

ASSETS

Current:

Cash on hand and in banks.....	\$	74,881.49	
Accounts receivable.....		68,235.74	
Refundable portion of excess profits tax due in 1948.....		32,478.78	
Investments—bonds and stocks at cost.....		306,821.22	
(Quoted market value \$288,478.50)			
Inventories of raw materials, work in process and finished stock, valued at cost or market whichever was lower, according to physical count taken December 31, 1947 as certified to by respon- sible officers of the Company.....		304,533.44	\$ 786,950.67

Other:

Refundable portion of excess profits tax.....		196,136.14	
Prepaid charges.....		1,057.45	197,193.59

Fixed:

Plant.....		730,025.03	
Engraved stock.....		374,591.46	
Furniture, fixtures and equipment.....		62,611.09	
		1,167,227.58	
Less: Reserve for depreciation.....		950,043.42	
		217,184.16	
Land.....		30,000.00	
Building under construction (Note 1).....		1,264,904.65	1,512,088.81
			<u>\$2,496,233.07</u>

APPROVED ON BEHALF OF THE BOARD:

C. Bowman

Director.

Harold Burland

Director.

BANK NOTE COMPANY

LIMITED

AS AT DECEMBER 31, 1947

LIABILITIES

Current:

Accounts payable and accrued liabilities.....	\$ 101,332.69	
Provision for taxes on profits.....	43,944.94	\$ 145,277.63

Funded Debt:

2½% to 3¼% Serial debentures maturing December 15, 1948 to 1955.....	800,000.00
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Net Worth:

Capital stock—Authorized and issued—		
150,000 common shares of no par value.....	300,000.00	
General reserve.....	100,000.00	
Earned surplus—as per statement attached.....	1,150,955.44	1,550,955.44

Note 1: It is estimated that at December 31, 1947 the remaining cost of building under construction and equipment ordered amounted to approximately \$240,000.00.

\$2,496,233.07

AUDITORS' REPORT TO THE SHAREHOLDERS

British American Bank Note Company Limited,
Ottawa, Ontario.

We have made an examination of the books and accounts of the British American Bank Note Company Limited for the year ended December 31, 1947 and have obtained all the information and explanations which we have required.

We report that, in our opinion, the accompanying Balance Sheet and related Statements of Surplus and Profit and Loss are properly drawn up so as to exhibit a true and correct view of the affairs of the Company at December 31, 1947, and results of its operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Montreal, Que., February 28, 1948.

P. S. ROSS & SONS,
Chartered Accountants.

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

STATEMENT OF EARNED SURPLUS AS AT DECEMBER 31, 1947

Balance at credit—January 1, 1947.....	\$1,135,984.24
Less: Net Loss on disposal of Fixed Assets.....	11,103.69
	1,124,880.55
Add: Net profit on sale of securities.....	7,797.42
Net profit for the year ended December 31, 1947.....	168,277.47
	\$1,300,955.44
Less: Dividends paid on Capital Stock.....	150,000.00
Balance at credit—December 31, 1947.....	\$1,150,955.44

This is the Statement of Earned Surplus referred to in our accompanying Report dated February 28, 1948.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, Que.

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED DECEMBER 31, 1947

Profit from operations before deducting the expenses shown below.....	\$396,956.93
Deduct:	
Depreciation on plant and equipment.....	\$ 44,816.15
Moving expenses.....	26,493.91
Legal fees.....	7,820.80
Executive remuneration.....	61,721.63
Directors' fees.....	1,245.00
Debenture interest.....	961.46
	143,058.95
Net Profit from operations.....	253,897.98
Add: Revenue from investments.....	14,851.51
	268,749.49
Provision for taxes on income.....	100,472.02
Net profit transferred to Earned Surplus.....	\$168,277.47

This is the Profit and Loss Statement referred to in our accompanying Report dated February 28, 1948.

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

OFFICERS

Howard W. Pillow

Chairman of the Board

Charles G. Cowan

President

Duncan K. MacTavish, K.C.

Vice-President

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

Montreal, Quebec

Charles G. Cowan

Ottawa, Ontario

Bernard C. Westall

London, England

TRANSFER AGENT

The Royal Trust Company, Montreal and Toronto

REGISTRAR

The Montreal Trust Company, Montreal and Toronto

