British American Bank Note Company
Ottawa, Ontario

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R 8 1947

YEAR ENDED DECEMBER 31, 1946.

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LIMITED

ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders:

Your Directors have pleasure in submitting herewith Balance Sheet, Profit and Loss Account and Earned Surplus Account of the Company for the year ending December 31, 1946, as certified by P. S. Ross & Sons, Chartered Accountants.

After provision for Dominion and Excess Profits Taxes amounting to \$395,006.00 net profits totalled \$349,467.00 or \$2.33 per share.

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

By reference to the Balance Sheet you will observe that the Company's current assets amounted, at December 31, 1946, to \$1,188,196.00, and current liabilities to \$383,698.00, leaving working capital of \$804,498.00, which figure is substantially higher than a year ago.

The volume of sales during the year constituted a new record. Some of this business was a direct result of the war and cannot be expected to continue. However, a good backlog of orders was carried into the new year guaranteeing normal operations for many months to come.

In a letter to the shareholders dated May 8, 1946, you were advised of the sale of the Company's land and buildings in Ottawa to the Bank of Canada and the purchase by the Company of a fine block of land on Gladstone Avenue as a site for a new plant. Plans were most carefully prepared for a building of a size adequate to permit future growth. The building will be modern in every respect and will make possible certain economies in operation.

A start was made on construction in July, 1946. While the steel strike and shortage of labour have naturally retarded building operations, still under the circumstances good progress has been made and it is our hope that we will be able to operate in the new building the latter part of this year.

It is estimated that the new building will cost \$1,300,000.00. A progress payment was made in 1946 and a substantial portion of the remainder will come from the proceeds of the old building and from surplus working capital accumulated for the purpose. The balance will be borrowed upon favourable terms.

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

Submitted on behalf of the Board of Directors.

HOWARD W. PILLOW,

President.

Ottawa, March 18, 1947.

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BALANCE SHEET AS

ASSETS

Fixed:		La inc Stratege
Land, Plant, Engraved Stock, Furniture and Fixtures and Building		
under construction		\$1,456,830.38
Current:		
Cash on hand and in banks	\$ 24,381.89	
Investments—Bonds, Stocks and Certificates of Deposit at cost	*733,053.65	
Accrued Revenue on Investments	158.00	
Accounts Receivable	71,353.79	
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, 1946 as certified to by respon-		
sible officers of the Company	359,248.97	1,188,196.30
Refundable Portion of Excess Profits Tax		228,614.92
Prepaid Expenses:		
Prepaid Insurance and Unemployment Insurance		811.11
and the lating come of the state of the discumption of the state of th		\$2,874,452.71
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*Estimated market value at December 31, 1946 \$729,240.50

APPROVED ON BEHALF OF THE BOARD:

C. G. COWAN, Director.

G. HAROLD BURLAND, Director.

AUDITORS' REPORT T

British American Bank Note Company Limited, Ottawa, Ontario.

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

We report that, in our opinion, the accompanying Balance Sheet and relative States a true and correct view of the affairs of the Company at December 31, 1946, and the results of explanations given to us and as shown by the books of the Company.

February 24, 1947.

NK NOTE COMPANY

DECEMBER 31, 1946.

LIABILITIES

Capital Stock:

Common-Authorized and Issued-

150,000 shares of No Par Value \$ 300,000.00

Current:

Accounts Payable and Accrued Liabilities \$ 78,132.61 Provision for taxes 249,740.71 Customer's Deposit re Contract 55,825.00 383,698.32 954,770.15 Reserve for Depreciation 100,000.00 General Reserve 1,135,984.24 Earned Surplus—as per Statement attached Note: It is estimated that at December 31, 1946 the remaining cost

of building under construction, authorized but not completed, amounted to approximately \$1,120,000.00

\$2,874,452.71

This is the Balance Sheet referred to in our accompanying Report dated February 24, 1947.

> P. S. ROSS & SONS, Chartered Accountants.

Montreal, Que.

HE SHAREHOLDERS

te Company Limited for the year ended December 31, 1946 and have obtained all the informa-

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

> P. S. ROSS & SONS, Chartered Accountants.

LIMITED

STATEMENT OF EARNED SURPLUS AS AT DECEMBER 31, 1946

Balance at credit—January 1, 1946		\$ 815,132.73
Add: Net Profit on disposal of Fixed Assets		121,384.24
		936,516.97
Net Profit for the year ended December 31, 1946.	\$349,467.27	
Less: Dividends paid on Capital Stock	150,000.00	199,467.27
Balance at credit—December 31, 1946.		\$1,135,984.24

This is the Statement of Earned Surplus referred to in our accompanying Report dated February 24, 1947.

> P. S. ROSS & SONS, Chartered Accountants.

Montreal, Que.

STATEMENT OF OPERATIONS AND PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 1946

Gross Operating Profit	\$1	,095,722.97
General Expenses		326,664.75
. The second of the condition of the second		769,058.22
Depreciation on Building, Plant and Equipment		44,417.43
Net Profit from Operations	ren d i	724,640.79
Revenue from Investments		18,277.00
Net Profit on Sale of Investments		1,555.72
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Provision for Income and Excess Profits Taxes		395,006.24
Net Profit transferred to Earned Surplus	\$	349,467.27
Note: Included under the heading of General Expenses are the following:—		
Legal Fees \$ 8,824.66		
Executive Remuneration 66.850.00		

Directors' Fees.

This is the Statement of Operations and Profit and Loss referred to in our accompanying Report dated February 24, 1947.

1,175.00

P. S. ROSS & SONS, Chartered Accountants.

Montreal, Que.

LIMITED

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

OFFICERS

Howard W. Pillow President Charles G. Cowan
Vice-Pres. & Man. Dir.

G. Harold Burland Secretary-Treasurer

DIRECTORS

F. E. Bronson
Ottawa, Ontario

G. Harold Burland Ottawa, Ontario

Ross Clarkson Montreal, Quebec

Charles G. Cowan Ottawa, Ontario Duncan K. MacTavish, K.C. Ottawa, Ontario

Howard W. Pillow Montreal, Quebec

A. Murray Vaughan Ottawa, Ontario

F. James Webb Montreal, Quebec

TRANSFER AGENT

The Royal Trust Company, Montreal and Toronto

REGISTRAR

The Montreal Trust Company, Montreal and Toronto

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