



**ninety-first
annual report**

1964

FORANO LIMITED

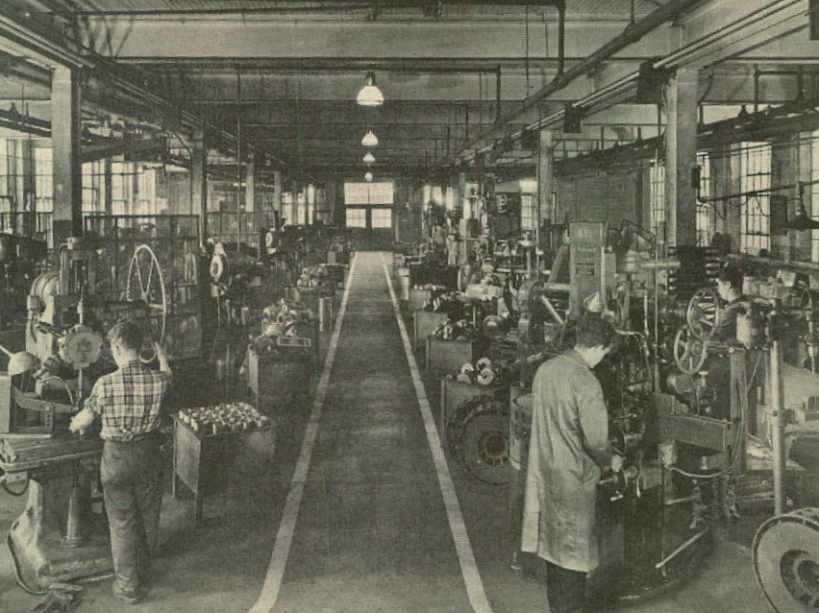
DIRECTORS:

HENRI CLÉMENT.....	<i>Québec</i>
PAUL DESRUISSEAUX.....	<i>Sherbrooke</i>
*GÉRARD FILION.....	<i>Montreal</i>
J. A. FORAND.....	<i>Plessisville</i>
*PAUL M. FORAND.....	<i>Plessisville</i>
WILFRID GIROUARD.....	<i>Montreal</i>
*J. E. MAHEU.....	<i>Montreal</i>
RENÉ PARÉ.....	<i>Montreal</i>
A. LUDGER SIMARD.....	<i>Sorel</i>

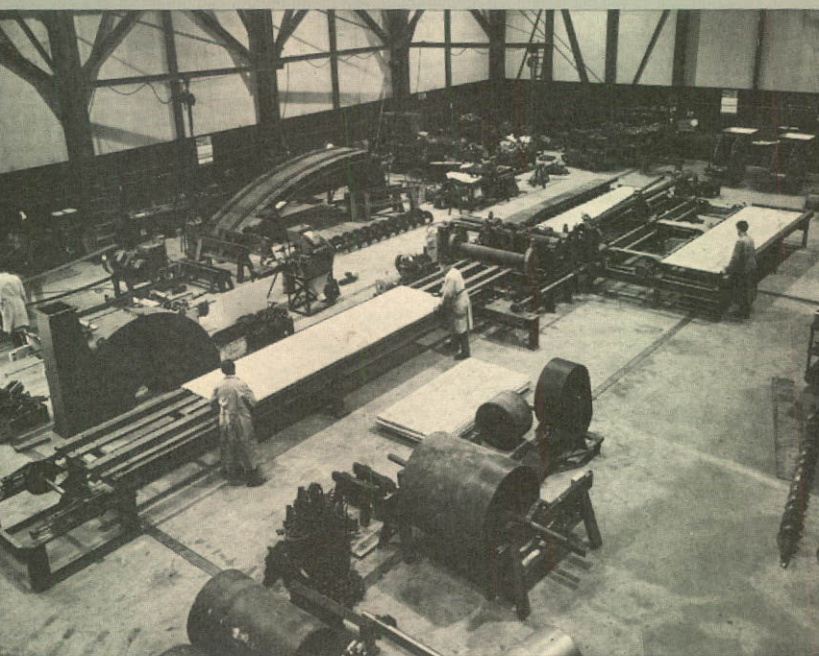
**Members of the Executive Committee*

OFFICERS:

J. A. FORAND.....	<i>Chairman</i>
PAUL M. FORAND.....	<i>President & General Manager</i>
GÉRARD FILION.....	<i>Vice-President</i>
JEAN N. DOMEY.....	<i>Secretary</i>
L. E. PRESSEAULT.....	<i>Treasurer</i>



Forano Production Machine Shop: This department mass produces small and medium-size precision machine parts.



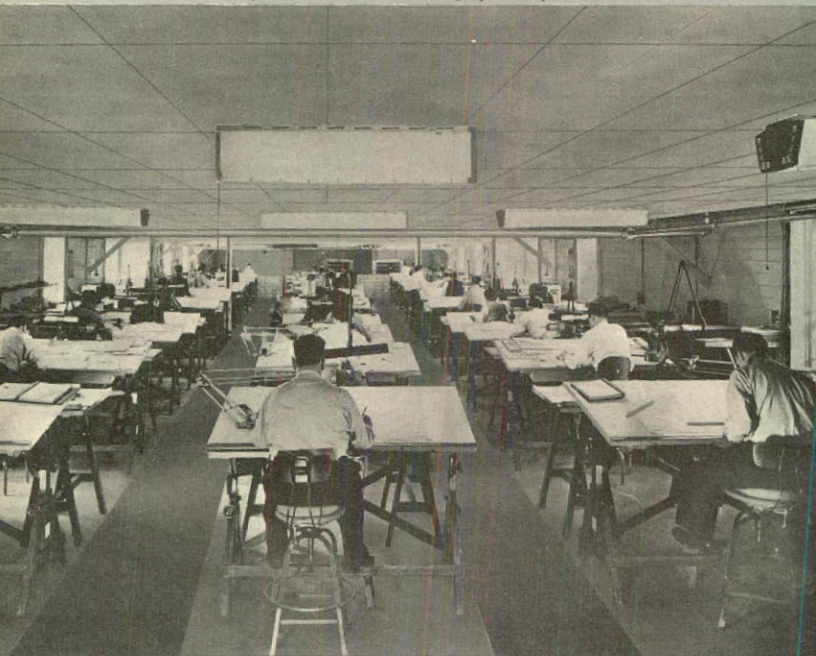
Assembly Department: Here Forano assemble and test various intricate equipment prior to shipment.



Part of Forano's extensive facilities for the storage and handling of thousands of component parts.



Forano Grey Iron and Alloy Foundry: Capable of producing up to 20 tons of castings per day.



Forano Engineering Department: Staff consists of more than 50 highly-trained engineers, designers and draftsmen.



Overall view of the General Machine Shop at the Forano plant, Plessisville, Que.

MESSAGE FROM THE PRESIDENT

To the shareholders of Forano Limited

On behalf of the board of directors, I am pleased to submit the 91st annual report of your company for the fiscal year ending November 30th, 1964.

The year 1964 has been the most successful in the history of Forano Limited; sales increased by 31% to attain a record high of \$11,259,000 and profits after taxes reached a total of close to \$294,000, representing an increase of 123% over the preceding year.

Also worthy of note is that due to the continued diligence of our personnel and the overall efficiency of our organization, this substantial increase in our sales was reached in a relatively normal manner, without causing any major problems or undue delays in shipments.

In the technical field we have continued to improve our manufacturing facilities through the addition of new machines and sundry equipment. The recent installation of a data processing centre should be a decided asset in providing a faster and more efficient control of our overall operation.

A number of new products have been added to the Forano line of equipment with still other new items in the development stage. We have also substantially improved our distribution system with particular emphasis in the Quebec and British Columbia markets.

In February 1965, supplementary letters patent were obtained to increase the authorized capital of Forano Limited and an issue of common stock slightly in excess of half a million dollars was subscribed and paid up, a major share of this additional working capital will be used to finance our rising sales volume.

Prospects for the coming months are encouraging and we fully expect to receive our share of the many projects presently under study.

In conclusion, I wish to extend my sincere thanks to all those who have contributed directly or indirectly to the success of our company in 1964 and I solicit their continued support for the future.



PAUL M. FORAND

President and General Manager

FORANO LIMITED,
INCORPORATED UNDER C

BALANCE SHEET AS A
with comparative figures as

ASSETS	1964	1963
CURRENT ASSETS:		
Cash on hand and in bank	\$ 35,031	\$ 23,234
Accounts and bills receivable less reserve for bad debts	3,608,424	2,661,471
Subscriptions to capital stock	—	1,200
Inventories, as valued by officers of the Company, at the lower of cost or market	2,929,870	2,085,403
Prepaid expenses	38,849	27,420
	\$ 6,612,174	\$ 4,798,728
 INVESTMENTS:		
Mortgage loans and shares	15,226	23,127
 FIXED ASSETS:		
Buildings, machinery and equipment, at replacement value, as per valuation by Industrial Valuation Co. Ltd. in September 1961, with subsequent additions at cost; fixed assets at cost less accumulated depreciation	2,409,861	2,535,946
1963—\$4,636,720 less \$2,100,774		
1964—\$4,830,415 less \$2,420,554		
 DRAWINGS, JIGS AND PATTERNS	1	1
 DIFFERED EXPENSES:		
Unamortized bond discount 1964—40%	33,000	49,500
1963—60%		

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Balance Sheet of Forano Limited, as at November 30, 1964, and the Statements of Profit and Loss and Surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedure and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above Balance Sheet and Statement of Profit and Loss and Surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at November 30, 1964, and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

SAMSON, BELAIR, COTE, LACROIX & ASSOC.,
Chartered Accountants

Quebec, February 15, 1965.

\$ 9,070,262

\$ 7,407,302

Approved on Behalf of the Board:

Paul-M. FORAND
G. FILION
Directors

PLESSISVILLE, QUE.

QUEBEC COMPANIES ACT

T NOVEMBER 30, 1964

at November 30th, 1963

	LIABILITIES	
CURRENT LIABILITIES:	1964	1963
Bank loan	\$ 2,000,000	\$ 1,100,000
Accounts payable and accrued expenses	1,783,292	1,141,671
Bonds and notes maturing in 1965	98,500	93,400
Dividend payable	10,296	1,277
Provision for income taxes	254,367	78,621
	<u>\$ 4,146,455</u>	<u>\$ 2,414,969</u>
LONG TERM LIABILITY:		
Notes payable 6, 6½ and 7% December 1, 1965 to June 1, 1973	80,450	94,450
BONDS:		
6, 6½% maturing in series from 1963 to 1973	\$ 780,000	
6½%, sinking fund maturing in 1974	720,000	
	<u>\$ 1,500,000</u>	
Less: redeemed	\$160,000	
Redeemable in 1965	<u>85,000</u>	
	<u>\$ 245,000</u>	
	1,255,000	1,340,000
SHAREHOLDERS' EQUITY:		
CAPITAL-STOCK:		
PREFERRED—1st Class 5% cumulative and redeemable at \$10.50 ..		
AUTHORIZED: 6,700 shares at a par value of \$10.00 each	\$ 67,000	
	<u>67,000</u>	
PREFERRED—2nd Class 6% cumulative and redeemable at \$105.00		
AUTHORIZED: 1,830 shares of a par value of \$100.00 each	\$ 183,000	
	<u>183,000</u>	
ISSUED AND PAID UP: 864 shares	86,400	86,400
COMMON:		
AUTHORIZED: ISSUED AND PAID UP: 12,000 shares of no par value ..	500,000	500,000
SURPLUS:	1,211,579	960,649
CAPITAL SURPLUS, by valuation of fixed assets	1,790,378	2,010,834
	<u>\$ 9,070,262</u>	<u>\$ 7,407,302</u>
CONTINGENT LIABILITY:		
Notes discounted	<u>\$ 2,924,000</u>	<u>\$ 2,139,349</u>

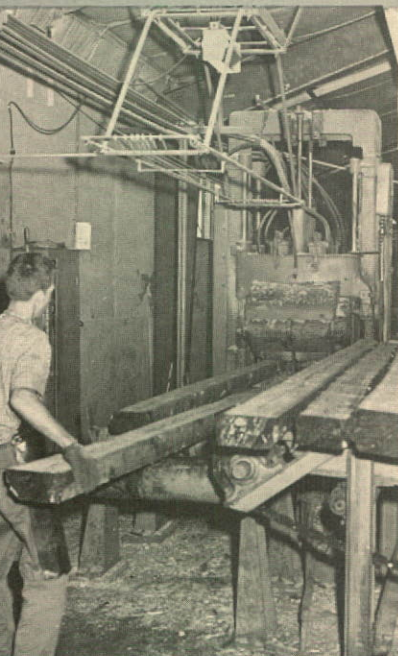
FORANO LIMITED

STATEMENT OF EARNINGS AND RETAINED EARNINGS

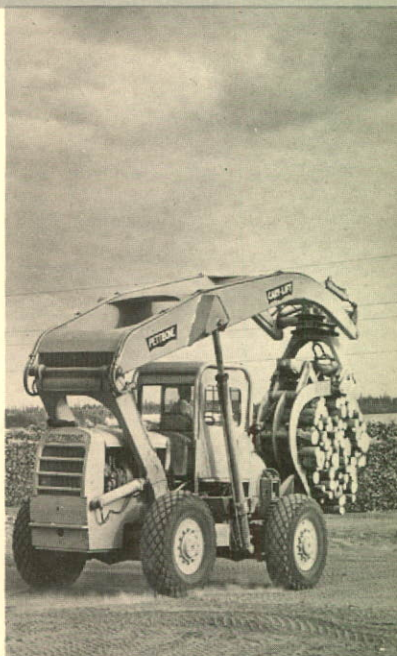
	as at November 30	
	1964	1963
NET SALES.....	<u>\$11,259,684</u>	<u>\$ 8,589,329</u>
PROFIT for the year after selling expenses and administrative expenses, but before following provisions.....	<u>\$ 826,221</u>	<u>\$ 486,818</u>
DEDUCT:		
Bond interest.....	\$ 87,818	\$ 92,650
Bond discount amortized.....	\$ 16,500	\$ 16,500
Depreciation of fixed assets less \$220,456 in 1964 and \$220,456 in 1963 charged to Capital Surplus by valuation of fixed assets.....	\$ 120,766	\$ 115,206
Income taxes.....	<u>\$ 307,183</u>	<u>\$ 130,726</u>
	<u>\$ 532,267</u>	<u>\$ 355,082</u>
NET PROFIT for the year.....	\$ 293,954	\$ 131,736
RETAINED EARNINGS:		
BALANCE, BEGINNING OF THE YEAR.....	<u>\$ 960,649</u>	<u>\$ 833,955</u>
	<u>\$ 1,254,603</u>	<u>\$ 965,691</u>
DEDUCT:		
Income tax adjustments for prior years.....	\$ 1,896	—
Dividends on preferred shares.....	\$ 5,128	\$ 5,042
Dividends on common shares.....	<u>\$ 36,000</u>	—
	<u>\$ 43,024</u>	<u>\$ 5,042</u>
BALANCE, END OF THE YEAR.....	<u>\$ 1,211,579</u>	<u>\$ 960,649</u>



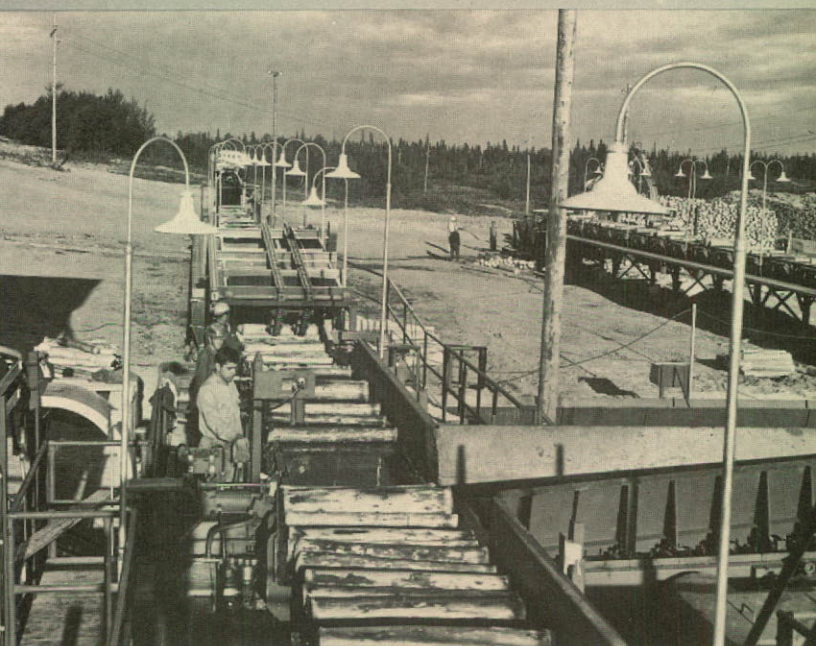
Forano Inclined Belt Conveyor carrying iron ore to the secondary crushers.



Gang saw installation supplied by the Forano Sawmill Division.



Carry-Lift Loader handling 4' wood in a pulpwood storage yard.



Part of an extensive Pulpwood Salvage System supplied by Forano Limited.

INDUSTRIAL TRUCKS

With their recent appointment as exclusive Pettibone Cary-Lift Distributors for Quebec and Ontario, Forano have formed a Cary-Lift Division to handle the sales and service of these renowned wheeled units that are so widely used in the Lumber and Pulp and Paper Industry.

ROAD BUILDING MACHINERY

Forano presently manufacture Mobile Crushing and Screening Plants in two distinct models. This is in addition to the Jaw Crushers, Roll Crushers, Portable Conveyors, etc., which are also manufactured for the construction trade.

GRISTMILL EQUIPMENT

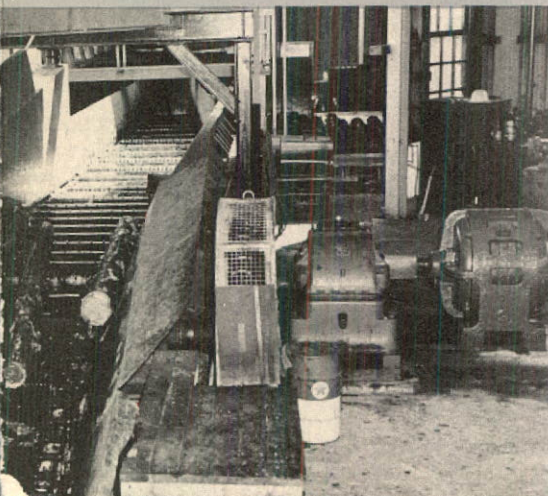
In addition to the manufacture of Hammermills, Feed Mixers, Seed Cleaners, etc., Forano also offer a complete design service to gristmill operators.

AGRICULTURAL MACHINERY

Forano distribute a wide range of proven agricultural machinery and allied equipment through authorized dealers in eastern Canada. With its impressive sales record this important Forano Division has attained a position of leadership within the agricultural trade.



Forano Prefabricated Belt Conveyors handling aggregate.



Conveyor Drive complete with Forano Reduction Unit.

FORANO products can be found in practically every branch of

Canadian Industry. Sound design, solid dependable construction plus 91 years of experience in the manufacture of dependable equipment stands behind every machine that bears the Forano trade mark. Furthermore, Forano also insists that any equipment marketed by the company, through its various sales divisions, be subject to the same rigid standards of quality and dependability.

CONVEYORS AND ELEVATORS

Forano design and manufacture complete installations for the handling of all types of bulk materials. Such equipment includes belt conveyors, drives, structures, feeders, bucket elevators, etc.

POWER TRANSMISSION EQUIPMENT

Along with such standard items as gearing, pulleys, pillow blocks, couplings, etc., Forano have for years manufactured a complete range of Gear Reduction Units in both regular and heavy duty models.

STANDARD TRANSMISSION PRODUCTS

Under the familiar "Drive-Master" trade mark Forano manufacture and distribute stock v-belt sheaves, v-belts, roller chain drives and allied equipment. Warehouse stocks are maintained in Montreal, Toronto and Plessisville and Drive-Master products are obtainable through authorized dealers from coast to coast.

PULPWOOD HANDLING

In the past dozen years Forano have designed and equipped over 24 major Pulpwood Handling and Slashing Systems for Canada's Pulp and Paper Industry.

SAWMILL MACHINERY

The Forano Sawmill Division, with over 80 major installations to their credit in the past 8 years, have pioneered the design and manufacture of improved methods of handling and control within the Sawmill Industry.

WOODWORKING AND BOARD MACHINERY

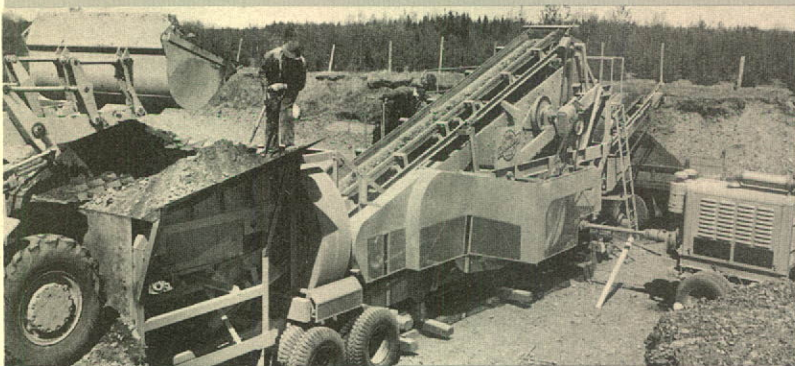
One of the newer divisions within the Forano organization. Offers a complete design and equipment service to planing mills, furniture factories as well as the manufacturers of particle board, etc.

GRAIN ELEVATOR EQUIPMENT

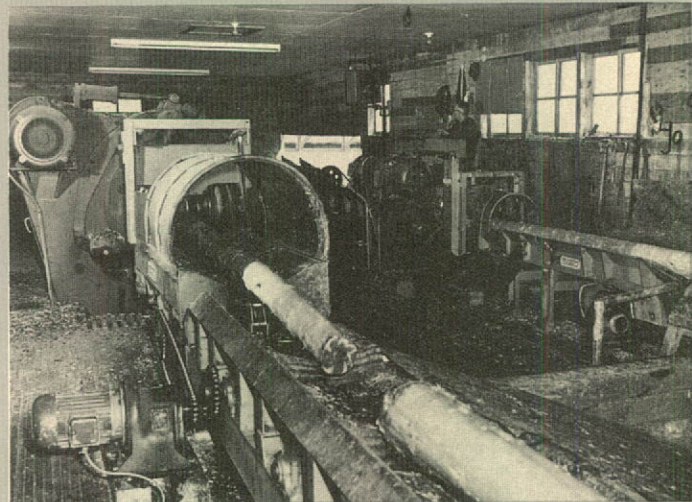
Forano have for years manufactured an extensive line of grain handling equipment. The majority of the Grain Elevators across Canada feature some form of Forano Grain Handling Machinery.

SPECIAL MACHINERY

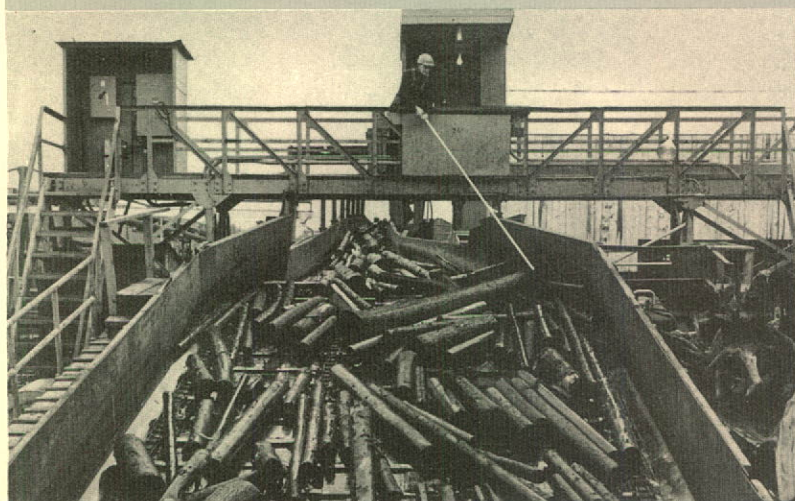
Forano, with their up-to-date plant facilities and extensive design and engineering departments have built a variety of special machinery to meet specific requirements.



Forano Mobile Crushing and Screening Plant in operation.



Cambio Log Barkers in operation at a Forano equipped Sawmill.



Part of an extensive Forano Pulpwood Handling System at Temiskaming, Que.



Montreal Elevator features Forano Grain Handling Equipment.



Founded in 1873

WORKS: PLESSISVILLE, QUE.

**Designers, Founders, Steel Fabricators, Manufacturers and Distributors
of Industrial Machinery**

SALES OFFICES

HALIFAX • PLESSISVILLE • MONTREAL • TORONTO • VANCOUVER