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**INTERNATIONAL BRONZE  
POWDERS LIMITED**

and Subsidiary Companies



SIXTEENTH  
**Annual Report**  
FOR THE YEAR  
1949

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INTERNATIONAL BRONZE POWDERS LIMITED

BOARD OF DIRECTORS

J. LEIGH BISHOP	THOMAS J. MULLEN
OTTO A. BOTH	SIEGFRIED SCHOPFLOCHER
C. M. CARMICHAEL	MELVIN A. THOMSON
GUSTAVE L. HEHL	M. W. TUTHILL

EXECUTIVE OFFICERS

MELVIN A. THOMSON	-----	President
SIEGFRIED SCHOPFLOCHER	--	Vice-President
THOMAS J. MULLEN	-----	Vice-President
OTTO A. BOTH	-----	Vice-President
E. V. HEISKELL	-----	Secretary
J. H. FERRIE	-----	Assistant Secretary and Assistant Treasurer

**Auditors:**

MESSRS. P. S. ROSS & SONS, MONTREAL

**Transfer Agents:**

THE MONTREAL TRUST CO.  
MONTREAL, P.Q.  
TORONTO, ONT.  
CHARLOTTETOWN, P.E.I.

REGISTRAR AND TRANSFER CO.  
NEW YORK, N.Y.  
JERSEY CITY, N.J.

**Registrars:**

THE ROYAL TRUST CO.  
MONTREAL, P.Q.  
TORONTO, ONT.  
CHARLOTTETOWN, P.E.I.

REGISTRAR AND TRANSFER CO.  
NEW YORK, N.Y.  
JERSEY CITY, N.J.

## FINANCIAL STATEMENTS

DECEMBER 31, 1949

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# INTERNATIONAL BRONZE POWDERS LIMITED

CHARLOTTETOWN, P.E.I., CANADA  
MARCH 10, 1950.

## TO THE SHAREHOLDERS OF INTERNATIONAL BRONZE POWDERS LIMITED.

Your Directors submit herewith the consolidated financial statements of your Company for the year ended December 31, 1949, together with the auditors' report thereon.

The net consolidated profits for 1949, after providing for income tax, amounted to \$89,454.27 as compared with \$180,271.81 for 1948. Dividends at the rate of 6% per annum were paid on the Preferred Shares of the Company, amounting to \$150,000.00.

During the year under review, the operating subsidiaries experienced many difficulties which were beyond their control.

Due to currency restrictions in so many of the foreign countries to which products were formerly exported, it was practically impossible for customers to obtain Canadian or United States dollars to pay for the merchandise which they eagerly sought and, as a result, the export market was almost non-existent. Unfortunately there is no immediate prospect in sight for improvement in this connection.

The civil war in China, with its unfortunate developments in that country, has caused the loss of another formerly profitable and promising market.

Owing to a serious strike in the zinc industry in the United States the operating companies had difficulty in meeting demands for their products which resulted in a loss of business.

While the operating subsidiaries both in the United States and Canada were affected by these conditions, it is encouraging to note that the relative position of the operating companies in this highly-competitive industry has been well maintained.

We are pleased to report that during the last few months of the year there was an increase in the sales volume of all our subsidiaries, and it is hoped that this improvement will continue in 1950.

To offset the adverse conditions referred to above, operating economies were effected wherever considered possible, while at the same time maintaining the plant and equipment in a high state of efficiency. During the year, efforts were directed to exploring possible new markets and new processes of manufacturing. These efforts resulted in the introduction of a wider diversification of our products to meet the needs of domestic users. Very encouraging progress in this regard has already been made.

We desire to place on record our appreciation of the efficiency and loyalty of personnel, and acknowledge the contribution which they have made to the results obtained during a very trying period.

ON BEHALF OF THE BOARD,  
M. A. THOMSON,  
President.

# INTERNATIONAL BRONZE

## COMPARATIVE CONSOLIDATED

ASSETS	December 31, 1949	December 31, 1948
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 750,101.23	\$ 589,390.95
Accounts receivable (less reserve).....	177,919.08	214,926.16
Inventories of raw materials, work in process, finished goods and supplies, as determined and certified by the Management and valued at the lower of cost or market price....	887,372.07	1,139,311.69
Canadian and United States Government Bonds including accrued interest (not in excess of market value).....	111,976.73	111,689.73
	<u>1,927,369.11</u>	<u>2,055,318.53</u>
British Government Bonds at cost par £20,466. (including accrued interest) held in England—withdrawal restricted except as to interest.....	83,630.19	83,824.11
Investments in and amounts due by Subsidiary Companies located in England—not consolidated:		
Investments at cost.....	103,956.08	103,956.08
Amounts due.....	3,056.83	7,240.44
	<u>107,012.91</u>	<u>111,196.52</u>
<b>OTHER ASSETS AND DEFERRED CHARGES:</b>		
Sundry securities—at cost.....	25,078.18	25,078.18
Refundable portion of Excess Profits Tax.....	55,422.45	70,649.32
Prepaid insurance and deferred charges.....	26,730.41	34,197.83
Unamortized balance of premiums paid under Employees' Retirement Plan.....	75,514.95	69,946.43
	<u>182,745.99</u>	<u>199,871.76</u>
<b>FIXED ASSETS—AT COST:</b>		
Land.....	35,600.72	35,600.72
Buildings.....	811,725.32	802,308.01
Machinery and Equipment.....	1,467,266.18	1,493,999.32
	<u>2,314,592.22</u>	<u>2,331,908.05</u>
PATENT RIGHTS AND PROCESSES.....	1.00	1.00
GOODWILL—excess of carrying value of securities of subsidiary companies over underlying book values at date of acquisition.	876,302.90	876,302.90
	<u>\$5,491,654.32</u>	<u>\$5,658,422.87</u>

United States currency items included in the above statement are

Signed on behalf of the Board of Directors:  
M. A. THOMSON, Director.  
T. J. MULLEN, Director.



# THE POWDERS LIMITED

## STATEMENT OF BALANCE SHEETS

LIABILITIES	December 31, 1949	December 31, 1948
	<u>                    </u>	<u>                    </u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable.....	\$ 85,223.11	\$ 118,874.04
Taxes on income—Canadian and United States.....	84,750.40	141,541.87
Dividend payable January 15, 1950.....	37,500.00	37,500.00
	<u>207,473.51</u>	<u>297,915.91</u>
 <b>RESERVES FOR DEPRECIATION:</b>		
Buildings.....	393,693.73	374,436.01
Machinery and Equipment.....	1,136,750.16	1,167,154.21
	<u>1,530,443.89</u>	<u>1,541,590.22</u>
 Minority interest in a subsidiary company.....	 32,408.15	 36,705.96
 <b>CAPITAL STOCK:</b>		
Authorized and Issued—		
6% Cumulative Participating Preferred Stock—		
100,000 shares—par value \$25.00 each.....	2,500,000.00	2,500,000.00
Common Stock—		
100,000 shares—no par value.....	108,037.35	108,037.35
	<u>2,608,037.35</u>	<u>2,608,037.35</u>
 <b>SURPLUS ACCOUNTS:</b>		
Earned Surplus (note 1).....	1,009,640.78	1,058,542.01
Capital Surplus.....	48,228.19	44,982.10
Reserved Surplus—Refundable portion of excess profits taxes	55,422.45	70,649.32
	<u>1,113,291.42</u>	<u>1,174,173.43</u>
<small>NOTE 1: Includes \$687,794.13 earned surplus of a Canadian subsidiary of which \$534,234.36 is not available for distribution under regulations of the Canadian Foreign Exchange Control Board.</small>	<u>\$5,491,654.32</u>	<u>\$5,658,422.87</u>

Expressed on a dollar for dollar basis.

Submitted with our Report to the  
Shareholders dated February 11, 1950.

P. S. ROSS & SONS  
Chartered Accountants.

MONTREAL, QUE.

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INTERNATIONAL BRONZE POWDERS LIMITED  
AND SUBSIDIARY COMPANIES

COMPARATIVE STATEMENT OF CONSOLIDATED  
SURPLUS ACCOUNTS

EARNED SURPLUS	<u>1949</u>	<u>1948</u>
Balance at credit January 1.....	\$1,058,542.01	\$1,017,007.15
ADD:		
Profit for year.....	89,454.27	180,271.81
Refund of portion of Excess Profits Tax for years 1943 and 1942.....	15,226.87	9,574.37
Adjustment of prior years taxes and other adjustments.....	3,582.37	1,688.68
	<u>1,159,640.78</u>	<u>1,208,542.01</u>
DEDUCT:		
Dividends paid on Preferred Stock.....	150,000.00	150,000.00
Balance at credit December 31.....	<u>\$1,009,640.78</u>	<u>\$1,058,542.01</u>

CAPITAL SURPLUS

Balance at credit January 1.....	\$ 44,982.10	\$ 44,982.10
Add: Credit from disposal of Fixed Assets.....	3,246.09	—
Balance at credit December 31.....	<u>\$ 48,228.19</u>	<u>\$ 44,982.10</u>

RESERVED SURPLUS

REFUNDABLE PORTION OF EXCESS PROFITS TAX

Balance at credit January 1.....	\$ 70,649.32	\$ 84,561.49
LESS:		
Refund for years 1943 and 1942 credited to Earned Surplus...	15,226.87	9,574.37
Adjustments applicable to years 1942-1945.....	—	4,337.80
	<u>15,226.87</u>	<u>13,912.17</u>
Balance at credit December 31.....	<u>\$ 55,422.45</u>	<u>\$ 70,649.32</u>

United States currency items included in the above statement are expressed  
on a dollar for dollar basis.



INTERNATIONAL BRONZE POWDERS LIMITED  
AND SUBSIDIARY COMPANIES

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**COMPARATIVE STATEMENT OF CONSOLIDATED  
PROFIT AND LOSS**

FOR THE YEARS ENDED DECEMBER 31,

	<u>1949</u>	<u>1948</u>
Sales, less cost of goods sold and other operating charges including depreciation.....	\$571,998.18	\$768,726.72
Selling, General and Administration Expenses.....	413,371.97	443,611.23
Net Profit from Operations.....	158,626.21	325,115.49
<b>OTHER INCOME:</b>		
Interest and Dividend Income.....	7,643.01	15,056.59
Other income items.....	7,873.91	2,021.81
	15,516.92	17,078.40
	174,143.13	342,193.89
<b>OTHER DEDUCTIONS:</b>		
Discount and other charges.....	16,536.21	23,861.55
Minority interest in profit of a subsidiary company.....	5,687.19	10,378.38
	22,223.40	34,239.93
Net Profit before provision for taxes on income.....	151,919.73	307,953.96
Provision for taxes on income.....	62,465.46	127,682.15
Net Profit for year transferred to Earned Surplus.....	\$ 89,454.27	\$ 180,271.81
<b>The Net Profit shown above is after charging:</b>		
Depreciation.....	\$ 65,250.12	\$ 63,875.53
Remuneration paid to all executive officers of the company and subsidiaries who were Directors of the Parent Company also legal charges.....	67,510.97	88,513.18
Directors' Fees.....	1,820.00	1,140.00

United States currency items included in the above statement are expressed on a dollar for dollar basis.

INTERNATIONAL BRONZE POWDERS LIMITED  
AND SUBSIDIARY COMPANIES

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AUDITORS' REPORT

February 11, 1950.

TO THE SHAREHOLDERS OF  
INTERNATIONAL BRONZE POWDERS LIMITED,  
CHARLOTTETOWN, P.E.I.

We have made an examination of the consolidated balance sheet of International Bronze Powders Limited and its subsidiary companies (with the exception of two subsidiaries located in England) as at December 31, 1949, and of the related statements of consolidated profit and loss and surplus for the year ended that date. In connection therewith we have reviewed the accounting methods of the company and the Canadian subsidiary and, without making a detailed audit of the transactions, have examined or tested accounting records of such companies and other supporting evidence, by methods and to the extent we deemed appropriate. Other independent auditors have certified the consolidated financial statements of the United States subsidiaries whose accounts were not examined by us, and the financial statements of such subsidiaries have been incorporated in the attached financial statements on the basis of the statements so certified. We have obtained all the information and explanations we have required, with the exception that, financial statements for 1949 certified by the independent auditors of the two subsidiaries located in England have not as yet been received.

In accordance with Section 114 of the Dominion Companies Act, we report that, profits earned by the two subsidiary companies (not consolidated) located in England for the year 1949 have not been included in the attached financial statements. No dividends were received during the year from these two subsidiary companies.

In our opinion, based upon our examination and upon the certificates of the other independent auditors referred to above, the attached consolidated balance sheet and related statements of consolidated profit and loss and surplus fairly present the consolidated financial position of International Bronze Powders Limited and its Canadian and United States subsidiary companies at December 31, 1949, and the results of their operations for the year ended that date, according to the information and explanations given to us.

P. S. ROSS & SONS

Chartered Accountants.

Auditors.





