

INTERNATIONAL BRONZE  
POWDERS LIMITED

and Subsidiary Companies



THIRTEENTH  
Annual Report  
FOR THE YEAR  
1946

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## FINANCIAL STATEMENTS

DECEMBER 31, 1946

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# INTERNATIONAL BRONZE POWDERS LIMITED

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## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of INTERNATIONAL BRONZE POWDERS LIMITED will be held in Room 102, No. 355 St. James Street West, in the City of Montreal, P.Q., Canada, on the 15th day of April, 1947, at the hour of 11 o'clock in the forenoon, for the following purposes:

- (a) To receive and, if thought fit, approve and adopt the Annual Directors' Report, the Consolidated Balance Sheet as at December 31st, 1946, the general Consolidated Statement of Profit and Loss and Consolidated Surplus Accounts of the Company and its Subsidiaries in respect of the fiscal year of the Company ended on that date, and the Report of the Auditors; and
- (b) To elect Directors for the ensuing year; and
- (c) To appoint and fix the remuneration of the Auditors for the ensuing year; and
- (d) To transact any other business which may properly come before the meeting.

Shareholders are reminded that only the registered holders of Common Shares are entitled to vote at the meeting.

Common shareholders who are unable to be present in person at the meeting are requested to sign and forward the enclosed instrument of proxy to Mr. J. H. Ferrie, Assistant Secretary, at 1102 University Street, Montreal (3), Que., Canada, as soon as possible.

DATED at Charlottetown, Prince Edward Island, Canada, this 26th day of March, 1947.

BY ORDER OF THE BOARD,

E. V. HEISKELL,  
Secretary.



BOARD OF DIRECTORS

J. LEIGH BISHOP	SIEGFRIED SCHOPFLOCHER
GUSTAVE L. HEHL	H. R. SHEAFFER
HENRY H. MANDLE	MELVIN A. THOMSON
THOMAS J. MULLEN	R. EDGAR THORNE
T. B. WAINWRIGHT	

EXECUTIVE OFFICERS

R. EDGAR THORNE	-----	President
SIEGFRIED SCHOPFLOCHER	--	Vice-President
HENRY H. MANDLE	----	Vice-President
THOMAS J. MULLEN	----	Vice-President
T. B. WAINWRIGHT	----	Treasurer
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.

CHARLOTTETOWN, P.E.I., CANADA.  
March 26, 1947.

TO THE SHAREHOLDERS OF  
INTERNATIONAL BRONZE POWDERS LIMITED.

Your Board of Directors herewith submits the thirteenth Annual Report of the Company, together with the consolidated Financial Statements for the year ended December 31, 1946.

The Financial Statements as certified by your Auditors state that consolidated net earnings of International Bronze Powders Limited and subsidiaries in 1946 were \$599,346.71 after all charges including taxes and depreciation. It is gratifying that such a result was obtained during a period when the subsidiaries were still going through a program of reconversion and of adjustment of prices of finished products to meet world market conditions.

Although the program of plant alterations and additions, mentioned in the last report, has been completed, there still remains a certain amount of tuning up and co-ordination to be effected before the subsidiaries will receive the full benefit of their expenditures. A considerably increased output has already been obtained and domestic and foreign clientele are now in a position to be offered better delivery and quality of products. The execution and dispatching of shipments is still under some handicaps, but on the whole this situation has improved considerably but not as much as we had expected. There are still some Governmental regulations restricting the free flow of international trade.

During 1946, in addition to the regular dividends declared and paid on the Company's 6% Cumulative Participating Preferred Shares, the following dividends were declared payable on the Common Shares of no par value:

Feb. 12, 1946,	20c per share, payable April 15, 1946
Apr. 17, 1946,	25c per share, payable July 15, 1946
Aug. 13, 1946,	85c per share, payable October 15, 1946
Nov. 20, 1946,	20c per share, payable January 15, 1947.

Total	<u>\$1.50</u>
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The Directors of the respective subsidiary companies have expressed their appreciation of the whole-hearted co-operation given to them by their officers and employees.

BY ORDER OF THE BOARD,

R. E. THORNE,  
President.

## AUDITORS' REPORT

Montreal, Que., March 3, 1947.

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 the Canadian and United States Subsidiary Companies as of December 31, 1946 and of the related Statements of Consolidated Profit and Loss and Surplus Accounts for the year ended that date. In connection therewith we examined or tested accounting records and other supporting evidence and made a review of the accounting methods and of the income and operating accounts for the year of International Bronze Powders Limited and the Canadian Subsidiary by methods and to the extent we deemed appropriate but we did not examine the details of all transactions. We have obtained all the information and explanations we required, with the exception that, we have not seen financial statements for the non consolidated wholly-owned and partly-owned foreign subsidiary companies for the year 1946 but latest advices indicate that these subsidiary companies operated at a profit for the year 1946. The Consolidated Financial Statements as of December 31, 1946 of Subsidiary Companies located in the United States certified to by other independent auditors have been incorporated in the accompanying Balance Sheet.

In accordance with Section 114 of the Dominion Companies Act we report that the aggregate profits of subsidiary Companies, not consolidated, for the year ended December 31, 1946 are reflected in the accompanying financial statements only to the extent of dividends declared or received.

In our opinion, based upon our examination and 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 Accounts, together with the accompanying explanatory notes one to five which form an integral part thereof, fairly present the Consolidated financial position of International Bronze Powders Limited and the Canadian and United States Subsidiary Companies at December 31, 1946 and the result of their operations for the year ended that date, according to the information and the explanations given to us.

P. S. ROSS & SONS

Chartered Accountants.  
Auditors

## INTERNATIONAL BROM

## CONSOLIDATED BALANCE

## ASSETS

## CURRENT ASSETS:

Cash (including \$83,001.37 restricted under regulations of the British Foreign Exchange Control Board)	\$765,882.74
Accounts and Notes Receivable less Reserve.....	365,114.38
Inventories of Material, Manufactured Products and Supplies, valued at lower of cost or market, based on actual count, weight and measurement, and certified to by responsible officials of the Companies....	1,147,705.22
Marketable Securities—	
Canadian and United States Government Bonds (Quoted Market Value \$295,842.00).....	287,972.00
Accrued Interest.....	584.73
	<u>\$2,567,259.07</u>
Investment in and Amounts due by Subsidiary Companies—not consolidated (see Note 1)	

	INVESTMENT	CURRENT ACCOUNTS	
Wholly-owned.....	\$ 29,751.83	\$ 33,383.78	
Partly-owned.....	74,204.25	3,677.38	
	<u>\$ 103,956.08</u>	<u>\$ 37,061.16</u>	141,017.24

## OTHER ASSETS AND DEFERRED CHARGES:

Other investments.....	25,000.00
Refundable portion of Excess Profits Taxes.....	84,561.49
Prepaid Insurance and Deferred Charges.....	41,903.68
	<u>151,465.17</u>

## FIXED ASSETS—AT COST:

Land.....	35,600.72
Buildings.....	775,933.28
Machinery and Equipment.....	1,386,009.97
	<u>2,197,543.97</u>

PATENT RIGHTS AND PROCESSES..... 1.00

GOODWILL—excess of carrying value of securities of subsidiary companies over underlying book values at date of acquisition..... 876,302.90

\$5,933,589.35

Notes 1 to 5 inclusive, attached hereto, are to be read in con

Approved on behalf of the Board of Directors:

T. J. MULLEN, Director.

T. B. WAINWRIGHT, Director.



# IZE POWDERS LIMITED

SHEET—DECEMBER 31, 1946

## LIABILITIES

### CURRENT LIABILITIES:

Accounts Payable.....	\$ 228,502.20	
Income and Excess Profits Taxes.....	391,855.96	
Dividends Payable.....	57,500.00	
		\$ 677,858.16

### RESERVES FOR DEPRECIATION:

Buildings.....	342,253.95	
Machinery and Equipment.....	1,095,660.16	
		1,437,914.11

Minority Shareholders' equity in a Subsidiary Company..		30,298.84
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### CAPITAL STOCK:

#### Authorized and Issued—

6% Cumulative Participating Preferred Stock		
100,000 shares—par value \$25.00 each.....	2,500,000.00	
Common Stock		
100,000 shares of no par value.....	108,037.35	
		2,608,037.35

### SURPLUS ACCOUNTS:

Earned Surplus (see note 2).....	1,047,127.80	
Capital Surplus.....	47,791.60	
Reserved Surplus—Refundable portion of Excess Profits		
Taxes.....	84,561.49	
		1,179,480.89

\$5,933,589.35

junction with and form an integral part of the above statement.

Submitted with our report to the  
Shareholders, dated March 3, 1947.

P. S. ROSS & SONS,  
Chartered Accountants

MONTREAL, QUE.

**INTERNATIONAL BRONZE POWDERS LIMITED  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED SURPLUS ACCOUNTS**

DECEMBER 31, 1946

**EARNED SURPLUS**

Balance at credit December 31, 1945.....	\$ 737,181.34
<b>ADD:</b>	
Federal Income Taxes—Prior years.....	10,599.75
	747,781.09
<b>ADD:</b>	
Net Income for year 1946.....	\$ 599,346.71
<b>DEDUCT:</b>	
Dividends—	
Preferred Shares.....	\$ 150,000.00
Common Shares.....	150,000.00
	300,000.00
	299,346.71
Balance at credit December 31, 1946.....	\$1,047,127.80

**CAPITAL SURPLUS**

Balance at credit December 31, 1945.....	\$ 13,800.00
<b>ADD:</b>	
Net credit arising from disposal in year 1946 of certain investments in Foreign Subsidiary Companies.....	33,991.60
Balance at credit December 31, 1946.....	\$ 47,791.60

**RESERVED SURPLUS**

Balance at credit December 31, 1945.....	\$ 84,561.49
No change during year 1946.	
	84,561.49

Notes 1 to 5 inclusive, attached hereto, are to be read in conjunction with and form an integral part of the above accounts.

Submitted with our report to the  
Shareholders dated March 3, 1947.

P. S. ROSS & SONS,  
Chartered Accountants.

MONTREAL, QUE.

INTERNATIONAL BRONZE POWDERS LIMITED  
AND SUBSIDIARY COMPANIES

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**CONSOLIDATED STATEMENT OF PROFIT  
AND LOSS**

FOR THE YEAR ENDED DECEMBER 31, 1946

Gross Profit from Operations.....		\$1,632,144.84
Selling, Executive and Administration Expenses.....		542,799.22
		1,089,345.62
Operating Profit.....		1,089,345.62
Add:		
Non-Operating Income—		
Net Profit on Exchange.....	\$ 18,651.84	
Income from Investments.....	9,869.37	
Miscellaneous Income.....	2,350.03	
	30,871.24	
LESS: Discount and other charges.....	25,941.35	4,929.89
Net Income before provision for Income and Excess Profits Taxes.....		1,094,275.51
Provision for Income and Excess Profits Taxes.....		486,003.88
		608,271.63
Deduct: Profit applicable to Minority Interest		8,924.92
Net Income transferred to Surplus.....		\$ 599,346.71
The net income shown above is after charging:		
(a) Depreciation.....	\$ 60,965.54	
(b) Remuneration paid to all executive officers of the Company and subsidiaries who were Directors of the Parent Company also legal charges	113,174.45	
(c) Directors' Fees.....	760.00	

Notes 1 to 5 inclusive, attached hereto, are to be read in conjunction with and form an integral part of the above statement.

Submitted with our report to the  
Shareholders dated March 3, 1947.

P. S. ROSS & SONS,  
Chartered Accountants.

MONTREAL, QUE.

**EXPLANATORY NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR YEAR ENDED DECEMBER 31, 1946**

1. The consolidation includes all subsidiary companies except two foreign companies one of which is partly owned. During the year 1946 other foreign subsidiary companies were disposed of resulting in an aggregate net credit of \$33,991.60. Certain of the investments in these foreign subsidiary companies disposed of had been written off in prior years.

2. In September 1939, the Canadian Government established control over Foreign Exchange transactions whereby the earnings of the Canadian Subsidiary Company from December 31, 1938 only, were available to the said Company upon permission of the Foreign Exchange Control Board, to make payments in Foreign Exchange. From time to time permission has been obtained from the Foreign Exchange Control Board to make such payments. At December 31, 1946 \$150,509.82 of the Canadian Subsidiary Company's earned Surplus of \$673,283.38 was available to make additional Foreign Exchange payments upon approval thereto being obtained from the Foreign Exchange Control Board.

3. The accompanying financial statements are expressed in Canadian currency. It is the practice of the Companies to include in current operations any profit or loss arising from currency transactions only at the time funds are actually transferred.

4. The Companies report that, all renegotiation proceedings with the Canadian and United States Governments have been completed.

5. Contingent Liabilities are outstanding in respect of Bankers collection guarantees \$47,005.06.



