

ANNUAL REPORT
1960



CROWN CORK AND SEAL COMPANY LIMITED

VANCOUVER - WINNIPEG - TORONTO - MONTREAL

CROWN CORK AND SEAL COMPANY LIMITED

320 Carlaw Avenue, Toronto, Ontario

BOARD OF DIRECTORS

H. GEORGE S. BAIN
Chairman of the Board

W. MICHAEL BLUMENTHAL

HERMAN R. GINSBURG

JOHN F. CONNELLY

HARRY P. McNAUGHTON

ROBERT W. DRUMMOND

J. DOUGLASS SCOTT

N. LORNE FERRIES

MAURICE M. WHEELER

OFFICERS

H. GEORGE S. BAIN
Chairman of the Board and President

J. DOUGLASS SCOTT
Vice-President

N. LORNE FERRIES
Secretary and Treasurer

G. EDWARD BUXTON
Asst. Secretary and Asst. Treasurer

BERNARD E. KAHNERT
Assistant Treasurer

NORMAN J. BELL
Assistant Secretary

REGISTRARS

Imperial Bank of Canada
Toronto and Montreal

TRANSFER AGENTS

The Toronto General Trusts Corporation
Toronto and Montreal

CROWN CORK AND SEAL COMPANY LIMITED

TO OUR SHAREHOLDERS:—

It is with pleasure we present the Annual Report of Crown Cork and Seal Company Limited for the year 1960. While it is this Company's 25th Anniversary Report it should not be overlooked that, together with predecessor companies, Crown Cork and Seal operations in Canada have served the bottling industries of the country for almost sixty years.

Net Income for 1960 was \$612,272 or \$6.12 per share, as compared with \$605,442 or \$6.05 per share for the preceding year. During 1960 the quarterly dividend rate was raised to 75c and declarations for the year amounted to \$3.00 per share. This marks the first change in rate since 1940 when a 50c quarterly dividend was established.

Book value rose by \$3.12 per share during the year and was \$62.30 per share at December 31, 1960.

Working Capital, exclusive of investments, was \$2,402,930 at December 31, 1960, an increase of \$320,091 over 1959.

Capital Expenditures made during 1960 for expansion, improvement and replacement of plant and equipment totalled \$140,826. The Company continues actively to explore methods of improving manufacturing techniques and of reducing costs of production. It is expected that substantial expenditures for these purposes will be made in 1961.

Notwithstanding summer weather unfavourable to the beverage industry, and a general slowing down in the nation's economy, the Company's sales of crown corks improved moderately to a new high volume. Sales of bottling machinery and supplies also reached a record level.

In 1959 the Company acquired Canadian sales rights for aerosol containers manufactured by Crown Cork and Seal Company Inc., of Philadelphia. The year 1960 saw a marked increase in the use of containers of this type and the Company participated to a major degree in the expanding market.

Sales forecasts of the industries served indicate a continuing increase in the demand for crown corks and the Company is confident it will share in this growth. It is anticipated there will be a levelling off in demand for bottling machinery, with sales in the neighbourhood of those in 1960. Sales of aerosol containers are expected to grow steadily due to an increasing variety and volume of products being packaged in this manner.

On behalf of the Board,



Chairman.

Toronto, March 6, 1961.

CROWN CORK AND SE

(Incorporated under

BALANC

DECEMB

ASSETS

CURRENT:

Cash on hand and in banks.....	\$ 127,764	\$ 497,784
Accounts Receivable—		
Trade, less provision for doubtful accounts.....	807,405	605,769
Affiliated Companies.....	139,678	4,304
Inventories (valued at lower of cost or market).....	1,850,034	1,861,769
	2,924,881	2,969,626

INVESTMENTS:

Government of Canada Securities at cost		
(Market value 1960—\$1,491,676; 1959—\$1,459,500)	1,490,447	1,456,650
Shares at less than cost		
(Market value 1960—\$2,194; 1959—\$1,850).....	47	47
	1,490,494	1,456,697

DEFERRED:

Insurance, Taxes and Expenses.....	63,842	36,587

FIXED:

Buildings at cost.....	1,847,902	1,798,518
Machinery and Equipment at cost.....	2,427,881	2,357,957
	4,275,783	4,156,475
Less accumulated Provision for Depreciation.....	2,060,459	1,879,575
	2,215,324	2,276,900
Land at cost.....	224,988	224,988
	2,440,312	2,501,888
	\$6,919,529	\$6,964,798

AL COMPANY LIMITED

(Incorporated under the Law of Ontario)

SHEET

AS AT 31, 1960

LIABILITIES

CURRENT:

		1959 Comparative Figures
Salaries and Wages payable.....	\$ 74,077	\$ 83,070
Accounts Payable—		
Trade	61,064	253,901
Affiliated Companies.....	—	187,776
Income Taxes payable.....	311,810	312,040
Dividend payable.....	75,000	50,000
	<u>521,951</u>	<u>886,787</u>

DEFERRED:

Provision for Deferred Income Tax Liability (Note 1) ..	<u>167,740</u>	<u>160,445</u>
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CAPITAL AND SURPLUS

CAPITAL:

Authorized, Issued and Outstanding, 100,000 shares of No Par Value.....	695,000	695,000
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SURPLUS:

Contributed	75,000	75,000
Earned	5,459,838	5,147,566
	<u>6,229,838</u>	<u>5,917,566</u>

Signed on behalf of the Board,

J. D. SCOTT, *Director*.

N. L. FERRIES, *Director*.

\$6,919,529

\$6,964,798

CROWN CORK AND SEAL COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS

For the year ended December 31, 1960

		1959 Comparative Figures
Profit from operations before deducting the undernoted items	\$1,423,377	\$1,378,876
DEDUCT—		
Provided for Depreciation.....	193,926	170,406
Provided for Employees' Pension Plan.....	100,000	99,980
Amount written off Patents and Trademarks.....	1	—
Amount written off Goodwill.....	1	—
	293,928	270,386
Net Profit from operations.....	1,129,449	1,108,490
ADD—		
Income from Investments.....	39,297	35,688
Profit on Sale of Investments.....	36,721	25,560
Adjustment relating to prior years (Note 2).....	—	37,204
Profit before Provision for Income Taxes.....	1,205,467	1,206,942
Provided for Income Taxes.....	593,195	601,500
Net Profit for the year.....	\$ 612,272	\$ 605,442

STATEMENT OF EARNED SURPLUS

For the year ended December 31, 1960

Balance, January 1,.....	\$5,147,566	\$4,742,124
ADD—		
Net Profit for the year.....	612,272	605,442
	5,759,838	5,347,566
DEDUCT—		
Dividends declared.....	300,000	200,000
Balance, December 31,.....	\$5,459,838	\$5,147,566

STATEMENT OF CONTRIBUTED SURPLUS

For the year ended December 31, 1960

Balance, January 1 and December 31,.....	\$ 75,000	\$ 75,000
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CROWN CORK AND SEAL COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

1. In determining the current liability for Income Taxes it has been the practice to claim allowable deductions in excess of those charged in the accounts. The estimated tax on such deductions is carried as a deferred liability applicable to future years when the amounts claimed will be less than those charged in the accounts.
2. The adjustment relating to prior years referred to in the Statement of Profit and Loss for 1959 arose through an overprovision of realty taxes pending final assessments.
3. Current rates of exchange are used as the basis of conversion of amounts from currencies other than the currency in which the financial statement is expressed.

AUDITORS' REPORT

To the Shareholders,
CROWN CORK AND SEAL COMPANY LIMITED,
Toronto.

We have examined the Balance Sheet of Crown Cork and Seal Company Limited as at December 31, 1960 and the Statements of Profit and Loss and Surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying Balance Sheet and Statements of Profit and Loss and Surplus, supplemented by the notes appended thereto, present fairly the financial position of the Company as at December 31, 1960 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

EDWARDS, BROWNE & Co., Chartered Accountants.

Toronto, Ontario, February 27, 1961.



CROWNS

CLOSURES



AEROSOL CONTAINERS



BOTTLING MACHINERY

