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CANADA
IRON FOUNDRIES
LIMITED



ANNUAL
REPORT
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CANADA IRON FOUNDRIES LIMITED

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Directors

J. A. KILPATRICK	- - - - -	Montreal, P.Q.
W. J. LANGSTON	- - - - -	Montreal, P.Q.
T. McC. HUTCHISON	- - - - -	Montreal, P.Q.
D. W. FRASER	- - - - -	New York, N.Y.
A. D. McCALL	- - - - -	Montreal, P.Q.
J. H. DOUGHERTY	- - - - -	Montreal, P.Q.
GARFIELD KILPATRICK	- - - - -	Cobleskill, N.Y.
A. F. McLACHLIN	- - - - -	Montreal, P.Q.
M. S. GROGAN	- - - - -	Montreal, P.Q.

Officers

J. A. KILPATRICK
Chairman of the Board

W. J. LANGSTON
*President
and General Manager*

J. H. DOUGHERTY
Vice-President

M. S. GROGAN
*Vice-President and
Secretary-Treasurer*

Transfer Agents

Montreal Trust Company	- - - - -	Montreal, P.Q.
Montreal Trust Company	- - - - -	Toronto, Ont.

Registrars

Canadian Trust Company	- - - - -	Montreal, P.Q.
Montreal Trust Company	- - - - -	Toronto, Ont.

General Offices

921 SUN LIFE BUILDING
MONTREAL, P.Q.

CANADA IRON FOUNDRIES, LIMITED

Montreal, Quebec, February 18, 1947.

To the Shareholders:

Your Directors submit herewith the Thirty-first Annual Report covering the operations of your Company for the year ended December 31st, 1946, together with Balance Sheet and Profit and Loss Account for this period.

Unsettled labour conditions and shortages of raw materials resulted in somewhat lower sales and profits for the year as compared with the previous year.

The net profit for the year after deducting all charges amounted to \$536,540.18, as compared with \$594,135.51 for the previous year.

The Surplus brought forward at the end of 1946 amounted to \$2,417,001.27, as compared with \$2,109,661.49 at the 31st of December, 1945.

Your Directors consider that the amount of \$75,000.00 appropriated as a reserve for the re-establishment of enlisted employees is not now required as all returned employees have been re-established in all Plants, and surplus has been recredited with this amount.

Business on hand and enquiries for the products of your Company continue to be satisfactory.

In response to the Company's offer of January 7th, 1946, Preference shareholders disposed of 346,500 shares to the Company, and received in satisfaction of the purchase price 259,875 Common shares.

A dividend of 30c per share on the Preference, and 40c per share on the Common shares, was paid on August 1st, 1946, for the half year ended June 30th, 1946. A further dividend has been declared of 30c per share on the Preference, and 40c per share on the Common, for the half year ended December 31st, 1946, and payable on the 15th of April, 1947.

Your Directors are pleased to report that the operations of your Subsidiary Companies were satisfactory, and dividends received from such sources amounted to \$375,000.00. The surpluses of your Subsidiary Companies have been increased during the year after the payment of dividends and taxes.

All Plants of your Company and Subsidiary Companies have been maintained in a sound physical condition.

Once again your Directors wish to record their appreciation of the loyal and efficient service rendered by the Executive Officers, Staff and Employees during the past year.

Submitted on behalf of the Board.

W. J. LANGSTON,
President.

CANADA IRON FO

BALANCE SHEET AS A

ASSETS

CAPITAL ASSETS:

Real Estate, Buildings, Machinery, etc., and Goodwill (acquired 1st October, 1915) at Cost, plus Additions, less Realizations to date.....	\$8,094,322.82	
Less: Reserve for Depreciation.....	4,429,330.13	\$3,664,992.69

SHARES IN SUBSIDIARY COMPANIES:

Shares—at cost or under.....	3,270,647.25
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CURRENT ASSETS:

Inventories—As determined and certified by responsible Officials of the Company and valued as follows:		
Raw Materials and Supplies, at the lower of Cost or Market, Work in Progress and Manufactured Product, at Manufacturing Cost.....	\$1,239,514.59	
Accounts Receivable, less Reserve for Doubtful Debts.....	681,772.65	
Dominion of Canada Bonds, at Cost..... (Market Value \$178,875.00)	175,000.00	
Marketable Securities, at Cost, less Reserve..... (Market Value \$57,679.00)	32,795.78	
Other Securities, at Cost.....	3,606.24	
Cash in Banks and on Hand.....	272,998.45	2,405,687.71

INCOME AND EXCESS PROFITS TAXES PAID IN ADVANCE	17,964.60
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REFUNDABLE PORTION OF EXCESS PROFITS TAXES.....	99,485.00
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DEFERRED CHARGES TO FUTURE OPERATIONS:

Insurance, Taxes, etc., Unexpired.....	6,037.26
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\$9,464,814.51

To the Shareholders:

CANADA IRON FOUNDRIES, LIMITED—
We have examined the books and accounts of Canada Iron Foundries, Limited, for the year ended the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company.

Pursuant to Section 114 of the Dominion Companies' Act, we report that the profits of the Company were not in excess of the profits earned by those Subsidiaries for the year. Profits earned during the year by the

Montreal, 18th February, 1947.

UNDRIES, LIMITED

T 31ST DECEMBER, 1946

LIABILITIES

CAPITAL STOCK:

Authorized:

450,000—6% Non-Cumulative Preference Shares of \$10.00 each	\$ 4,500,000.00
1,000,000—Common Shares of \$10.00 each	10,000,000.00
	<u>\$14,500,000.00</u>

Issued:

30,139—6% Non-Cumulative Preference Shares of \$10.00 each	\$ 301,390.00
419,765—Common Shares of \$10.00 each	4,197,650.00
	<u>\$4,499,040.00</u>

(Note: Upon certain terms and conditions and with the consent of the holders, the Preference Shares are redeemable by purchase in whole or in part at prices not exceeding the capital paid up thereon and the Company may issue shares or other securities in payment of the purchase price thereof.)

AMOUNTS OWING TO SUBSIDIARY COMPANIES

4,178.62

CURRENT LIABILITIES:

Accounts Payable, Pay Rolls, etc.	\$ 430,891.89
Dividend of 3% on Preference Shares Payable 15th April, 1947	9,041.70
Dividend of 4% on Common Shares Payable 15th April, 1947	167,906.00
Unclaimed Dividends	22,162.77
	<u>630,002.36</u>

UNCLAIMED WAGES AND OTHER UNADJUSTED CLAIMS RESERVES:

932.26

General	936,000.00
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CAPITAL SURPLUS

977,660.00

EARNED SURPLUS:

Balance as per Statement herewith	2,417,001.27
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\$9,464,814.51

Approved on behalf of the Board:

(Signed) J. A. KILPATRICK }
" W. J. LANGSTON } Directors.

1st December, 1946, and have obtained all the information and explanations we have required. In our opinion, the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books, are correct. The accounts for the year ended 31st December, 1946, include dividends received from two Subsidiary Companies which remaining Subsidiary Companies have not been included in the above accounts.

(Sgd.) STEVENSON, WALKER, KNOWLES & CO.,
Chartered Accountants.

CANADA IRON FO
 PROFIT AND I
 FOR THE YEAR END

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To Depreciation on Plant and Machinery	\$131,184.92
“ Provision for Income and Excess Profits Taxes	109,200.00
“ Remuneration of Executive Officers and Salaried Directors	84,958.32
“ Provision for Bad and Doubtful Debts	5,000.00
“ Legal Fees	2,207.30
“ Net Profit for the Year carried to Statement of Earned Surplus ..	536,540.18
	<u>\$869,090.72</u>

Statement Pursuant to Section 113 (1) Dominion Companies' Act:
 The Total Remuneration received by Directors of the Company
 (excluding Salaried Directors) including amounts paid by Sub-
 sidiary Companies amounted to \$19,471.05.

STATEMENT OF
 FOR THE YEAR END

To Dividend on Preference Shares	\$ 19,363.80
“ Dividend on Common Shares	334,531.60
“ Balance as per Balance Sheet	2,417,001.27
	<u>\$2,770,896.67</u>

UNDRIES, LIMITED

LOSS ACCOUNT

AND 31ST DECEMBER, 1946

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By Profit on Operations after deducting Selling and Administrative Expenses.....	\$488,768.05
“ Dividends—Subsidiary Companies.....	375,000.00
“ Revenue from Securities.....	5,322.67
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	\$869,090.72
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EARNED SURPLUS

AND 31ST DECEMBER, 1946

By Balance as at 31st December, 1945.....	\$2,109,661.49
“ Net Profit for the Year as per Profit and Loss Account.....	536,540.18
“ Reserve for Re-establishment of enlisted employees.....	75,000.00
“ Profit on Sale of Securities.....	49,695.00
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	\$2,770,896.67
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Audited and Verified,

(Sgd.) STEVENSON, WALKER, KNOWLES & CO.,
Chartered Accountants.

MONTREAL, 18TH FEBRUARY, 1947.

