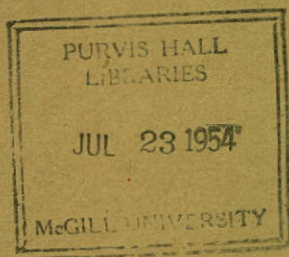


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CANADA
IRON FOUNDRIES
LIMITED



ANNUAL
REPORT
1 9 4 7



CANADA IRON FOUNDRIES LIMITED



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.
E. E. RITCEY - - - - -	Toronto, Ont.

Officers

J. A. KILPATRICK
Chairman of the Board

W. J. LANGSTON <i>President and General Manager</i>	J. H. DOUGHERTY <i>Vice-President</i>	M. S. GROGAN <i>Vice-President and Secretary-Treasurer</i>
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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 24th, 1948.

To the Shareholders:

Your Directors submit herewith the Thirty-second Annual Report covering the operations of your Company for the year ended December 31st, 1947, together with Balance Sheet and Profit and Loss Account for this period.

The net profit, after deducting all charges but including dividends from Subsidiary Companies, amounted to \$711,372.80, as compared with \$536,540.18 for the previous year.

The surplus brought forward at the end of 1947 amounted to \$2,788,517.74 as compared with \$2,417,001.27 at the 31st of December, 1946.

Sales volume was fully maintained throughout the year, all Plants being fully occupied, with operating conditions more stable than in the previous year, although still far from normal.

Business on hand and enquiries for the products of your Company continue to be satisfactory, with full production for the year indicated.

Our labour relationship continues to be on a highly satisfactory basis.

A dividend of 30c per share on the Preference, and 40c per share on the Common shares was paid on August 30th, 1947, for the half year ended June 30th, 1947. A further dividend has been declared of 30c per share on the Preference, and 40c per share on the Common shares, for the half year ended December 31st, 1947, and payable on April 15th, 1948.

All Plants of your Company and Subsidiary Companies have been maintained in 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.....	\$8,285,786.64	
Less: Reserve for Depreciation.....	4,597,625.80	
		\$ 3,688,160.84

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.....	\$1,962,470.85	
Accounts Receivable, less Reserve for Doubtful Debts.....	1,165,263.97	
Dominion of Canada Bonds, at Cost..... (Market Value \$178,475.00)	175,000.00	
Marketable Securities, at Cost less Reserve..... (Market Value \$55,939.60)	32,183.52	
Cash in Banks and on Hand.....	59,410.77	
		3,394,329.11

REFUNDABLE PORTION OF EXCESS PROFITS TAXES...	99,485.00
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DEFERRED CHARGES TO FUTURE OPERATIONS:

Insurance, Taxes, etc., Unexpired.....	30,531.44
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\$10,483,153.64

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 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, 17th February, 1948.

UNDRIES, LIMITED

T 31st DECEMBER, 1947

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:

29,699—6% Non-Cumulative Preference Shares of \$10.00 each.....	\$ 296,990.00
420,095—Common Shares of \$10.00 each.....	4,200,950.00
	<u>\$ 4,497,940.00</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.....	105,521.31
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CURRENT LIABILITIES:

Accounts Payable, Pay Rolls, etc.....	\$ 807,543.03
Income and Excess Profits Taxes.....	167,171.55
Dividend of 3% on Preference Shares Payable 15th April, 1948.....	8,909.70
Dividend of 4% on Common Shares Payable 15th April, 1948.....	168,038.00
Unclaimed Dividends.....	23,705.53
	<u>1,175,367.81</u>

UNCLAIMED WAGES AND OTHER UNADJUSTED CLAIMS	1,046.78
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GENERAL RESERVE.....	936,000.00
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CAPITAL SURPLUS.....	978,760.00
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EARNED SURPLUS:

Balance as per Statement herewith.....	2,788,517.74
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\$10,483,153.64

Approved on behalf of the Board:

(Signed) W. J. LANGSTON }
T. M. HUTCHISON } Directors.

1st December, 1947, and have obtained all the information and explanations we have required. In our opinion, the accounts of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of account, for the year ended 31st December, 1947, include dividends received from two Subsidiary Companies which are shown in the above accounts. Dividends from the 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 ENDE

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To Dominion and Provincial Income and Excess Profit Taxes.....	\$268,702.61
“ Depreciation on Plant and Machinery.....	169,254.54
“ Remuneration of Executive Officers and Salaried Directors.....	80,083.32
“ Legal Fees.....	1,609.84
“ Net Profit for the Year carried to Statement of Earned Surplus..	711,372.80
	<u>\$1,231,023.11</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 amounts to \$36,835.50.

STATEMENT OF
 FOR THE YEAR ENDE

To Dividend on Preference Shares.....	\$ 17,861.40
“ Dividend on Common Shares.....	336,034.00
“ Balance as per Balance Sheet.....	2,788,517.74
	<u>\$3,142,413.14</u>

UNDRIES, LIMITED

LOSS ACCOUNT

ED 31ST DECEMBER, 1947

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By Profit on Operations after deducting Selling and Administrative Expenses	\$848,808.26
" Dividends—Subsidiary Companies	375,000.00
" Revenue from Securities	7,214.85
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	<u>\$1,231,023.11</u>

EARNED SURPLUS

ED 31ST DECEMBER, 1947

By Balance as at 31st December, 1946	\$2,417,001.27
" Net Profit for the Year as per Profit and Loss Account	711,372.80
" Adjustment of Fixed Assets and Depreciation Prior Years	8,585.82
" Profit on Sale of Securities	5,453.25
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	<u>\$3,142,413.14</u>

Audited and Verified,

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

MONTREAL, 17TH FEBRUARY, 1948.

