



THIRTY-SEVENTH
ANNUAL REPORT

FOR FISCAL YEAR ENDED AUGUST 27

1949

BEATTY BROS. LIMITED, FERGUS, ONTARIO

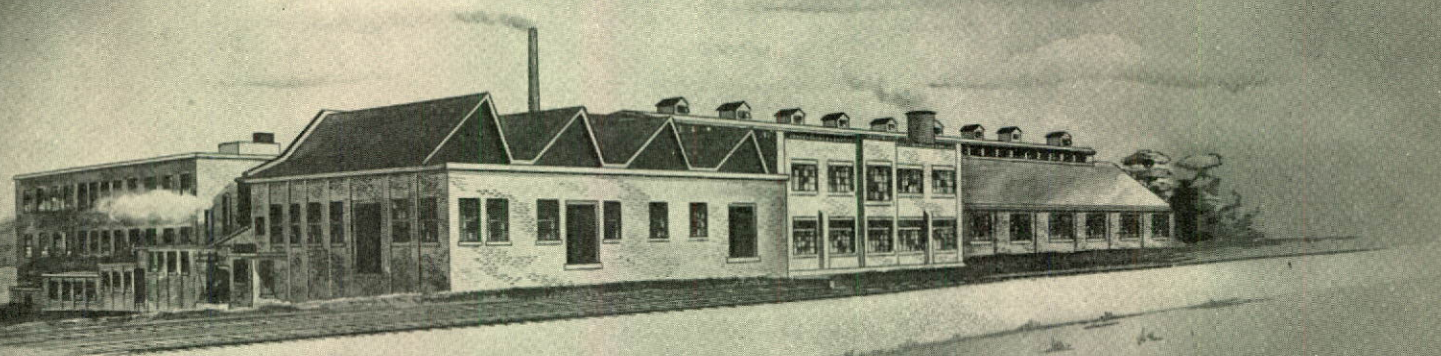
ESTABLISHED 1874



BEATTY GRAND RIVER FACTORY, FERGUS, ONTARIO



BEATTY HEAD OFFICE AND MAIN FACTORY, HILL ST., FERGUS, ONTARIO



BEATTY SPENCER DIVISION FACTORY, PENETANGUISHENE, ONTARIO



BEATTY BROS. LIMITED

Board of Directors

W. G. BEATTY
G. E. BEATTY
F. S. BEATTY
D. B. BEATTY

C. C. CALVIN, K.C.
F. J. COOMBS
T. A. FARNELL
R. D. KERR

W. J. MARTIN

Officers

President - - - - - W. G. BEATTY
Vice-President and General Manager - - - - - G. E. BEATTY
Secretary-Treasurer - - - - - R. D. KERR
Comptroller - - - - - D. RUSSELL

Transfer Agents

IMPERIAL BANK OF CANADA
Toronto, Ont. and Vancouver, B.C.

Registrar

TORONTO GENERAL TRUSTS CORPORATION
Toronto, Ont. and Vancouver, B.C.

Auditors

CLARKSON, GORDON & CO.
Toronto, Ontario



Annual Report of Board of Directors

FOR THE YEAR ENDED AUGUST 27, 1949

TO THE SHAREHOLDERS:

Your directors have pleasure in submitting herewith the consolidated balance sheet of your company as at August 27, 1949, and the consolidated statements of profit and loss and earned surplus for the year ended that date together with the report thereon of your auditors, Clarkson, Gordon & Co.

Sales for the year exceeded slightly the high volume of the previous year and were the highest in the company's history. The cost of materials and wages continued to increase during the year and as the company did not increase its prices, the margin of profit for the year decreased from that of the previous year. The net profit for the year ended August 27, 1949 after all charges and provision for taxes was \$954,079.57, a decrease of \$184,896.97 from the previous year. A comparison of the operating results for the years 1949 and 1948 is shown below.

| | 1949 | 1948 |
|--|----------------|----------------|
| Profit from operations after deducting provision for depreciation and all operating charges..... | \$1,576,688.82 | \$1,739,094.04 |
| Income from investments..... | 5,489.51 | 29,124.74 |
| | 1,582,178.33 | 1,768,218.78 |
| Profit on sale of investments and fixed assets..... | 6,901.24 | 99,515.40 |
| | 1,589,079.57 | 1,867,734.18 |
| Provision for income taxes..... | 635,000.00 | 728,757.64 |
| Net profit for the year..... | \$ 954,079.57 | \$1,138,976.54 |

At a special general meeting of the shareholders, held at Fergus on April 8, 1949 a by-law of the company was approved whereby each common share of the company was subdivided into three common shares. This change increased the authorized capital stock from 200,000 common shares of no par value to 600,000 common shares of no par value and the issued common shares of no par value from 139,000 to 417,000.

Dividends totalling \$396,150.00 were paid during the year. Three quarterly payments were made prior to the above mentioned subdivision, one at the rate of 60 cents a share and two at the rate of 75 cents a share. The fourth quarterly payment was made at the rate of 25 cents a share on the present shares, which was equivalent to 75 cents a share on the previous basis.

Working capital at August 27, 1949 amounted to \$5,325,012.04, an increase since August 28, 1948 of \$423,705.06.

The increase is accounted for as follows:

| | | |
|---|---------------|----------------------|
| Net profit for the year..... | | \$ 954,079.57 |
| Add provision for depreciation and amortization of engineering and development costs not requiring outlay of current funds..... | | 311,057.33 |
| | | <hr/> |
| | | 1,265,136.90 |
| Recovery on account of refundable portion of excess profits taxes..... | | 104,424.21 |
| Reduction in sundry assets, resulting from principal repayments on mortgages receivable, etc..... | | 1,460.36 |
| | | <hr/> |
| | | 1,371,021.47 |
| Applied as follows: | | |
| Dividends paid to shareholders..... | \$ 396,150.00 | |
| Additions to fixed assets (net)..... | 551,166.41 | 947,316.41 |
| | <hr/> | <hr/> |
| Resulting in an increase of working capital of..... | | \$ <u>423,705.06</u> |

Total additions to fixed assets during the year amounted to \$551,166.41 (net). These were principally part of an extension and modernization program, which has been under way since the end of the war. The larger projects at the Fergus factory were the completion of an extension of 55,000 square feet to provide increased shipping and warehouse facilities and the modernizing of the steam and electric power utilities, including the construction of a new boiler house. At the Spencer Division, Penetanguishene, a new building for offices, engineering and research has been completed and is occupied. At The James Stewart Manufacturing Company Limited, Woodstock, a new building having an area of 18,600 square feet was completed. This addition, which was in use for only part of the year, made it possible to increase the output of this plant over the previous year by 16 per cent. A sales warehouse is under construction at Edmonton and it is expected that it will be completed by early spring. Plans for a sales warehouse at Saint John are completed and it is the intention to commence construction in 1950.

This year the company is celebrating its seventy-fifth anniversary. In commemoration of the event the company has issued a book entitled "Beatty, 75 Years of Service". This book has been sent to all employees, shareholders, dealers and suppliers. It tells the story of the development of your company from its humble beginning seventy-five years ago to the present day. We are certain that you will find this story an interesting one and we invite your comments on the anniversary book.

The company sustained a great loss when Mr. W. L. Ham, Vice-President and General Manager, resigned this year due to ill health. Mr. Ham had been employed by the company for thirty-nine years. He had been a director since 1918, a vice-president since 1929 and vice-president and general manager since 1944. His contribution to the company's development was an outstanding one and it was with sincere regret that his resignation was accepted. He was succeeded by Mr. G. E. Beatty, a director of the company since 1940.

The Directors wish to express their sincere appreciation to the employees of the company for their loyalty and co-operation during the year.

On behalf of the Board,

Wm. G. Beatty
President

Fergus, Ontario
December 1, 1949.



Beatty Bro

(INCORPORATED UNDER THE

CONSOLIDATED BALANCE SHEET

Assets

Current :

| | | |
|---|--|----------------|
| Cash on hand and in banks..... | | \$ 88,898.28 |
| Accounts receivable (less reserve for doubtful accounts \$280,175.68)..... | | 1,329,752.64 |
| Inventories as determined and certified by the management, valued as follows— | | |
| Raw materials—at cost (which is less than market) | | |
| Work-in-process and finished goods—at cost of material and labour... | | 4,845,956.81 |
| Prepaid insurance, taxes, etc..... | | 61,836.77 |
| Life insurance—cash surrender value..... | | 315,506.87 |
| | | <hr/> |
| | | \$6,641,951.37 |

Sundry :

| | | |
|---|--------------|------------|
| Refundable portion of excess profits taxes (estimated)..... | \$ 85,727.58 | |
| Mortgages, agreements of sale and sundry securities (less reserves)..... | 55,838.46 | |
| Investment in wholly-owned subsidiary company—not consolidated— (The Fergus Housing Company Limited—shares and advances at cost less reserves of \$5,000)..... | 14,123.62 | |
| Unamortized engineering and development costs..... | 42,500.00 | 198,189.66 |
| | <hr/> | |

Fixed :

| | | |
|--------------------------------------|----------------|--------------|
| Buildings and equipment—at cost..... | \$3,516,266.82 | |
| Less reserve for depreciation..... | 1,930,505.40 | |
| | <hr/> | |
| | \$1,585,761.42 | |
| Land—at cost..... | 86,771.78 | 1,672,533.20 |
| | <hr/> | |

| | | |
|-------------------------------------|--|-----------------------|
| Goodwill, patents and patterns..... | | 1.00 |
| | | <hr/> |
| | | <u>\$8,512,675.23</u> |



os. Limited

(DOMINION COMPANIES ACT)

NET AS AT AUGUST 27, 1949

Liabilities

Current :

| | | |
|---|----|-----------------------|
| Bank advances—secured..... | \$ | 81,633.86 |
| Accounts payable and accrued charges..... | | 824,714.93 |
| Taxes payable..... | | 410,590.54 |
| | | <u>\$1,316,939.33</u> |

Capital stock :

Authorized—

600,000 Common shares of no par value

Issued and outstanding—

417,000 Common shares of no par value (subdivided
during the year on the basis of 3 shares for 1)..... \$1,475,000.00

Earned surplus..... 5,720,735.90 7,195,735.90

Approved on behalf of the Board

G. E. Beatty }
R. D. Kerr } Directors

\$8,512,675.23



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED AUGUST 27, 1949**

| | |
|---|----------------|
| Profit from operations after deducting provision for depreciation and all operating charges (x) | \$1,576,688.82 |
| Income from investments..... | 5,489.51 |
| | \$1,582,178.33 |
| Profit on sale of investments and fixed assets..... | 6,901.24 |
| | \$1,589,079.57 |
| Provision for income taxes..... | 635,000.00 |
| Net profit for the year..... | \$ 954,079.57 |

(x) The following items are included in the operating charges deducted before determining the profit from operations :

| | |
|---|---------------|
| Provision for depreciation..... | \$ 227,307.33 |
| Remuneration of executive officers, salaried directors, counsel and solicitors..... | 90,766.79 |
| Other directors' fees..... | 1,000.00 |

CONSOLIDATED STATEMENT OF EARNED SURPLUS

| | |
|---|----------------|
| Earned surplus at August 28, 1948..... | \$5,162,806.33 |
| Add net profit for the year..... | 954,079.57 |
| | \$6,116,885.90 |
| Deduct dividends paid— | |
| 4 quarterly dividends equivalent to 95 cents per share on the present shares..... | 396,150.00 |
| Earned surplus at August 27, 1949..... | \$5,720,735.90 |

Auditor's Report to the Shareholders

E. R. C. CLARKSON & SONS
TRUSTEES RECEIVERS LIQUIDATORS
ESTABLISHED 1864

ARTHUR YOUNG, CLARKSON, GORDON & CO.
ACCOUNTANTS AND AUDITORS
OFFICES IN PRINCIPAL CITIES OF U.S.A.

Clarkson, Gordon & Co.

Chartered Accountants

15 WELLINGTON STREET WEST

Toronto, 1
CANADA

G. T. CLARKSON
H. D. LOCKHART GORDON
W. L. GORDON J. G. GLASSCO
C. A. PATTERSON G. A. ADAMSON
G. G. RICHARDSON J. R. M. WILSON
H. C. DELL G. P. CLARKSON
W. G. ROSS A. H. WAIT
A. J. LITTLE R. W. E. DILWORTH
H. C. DIXON D. L. GORDON
H. S. HANSON A. H. FISHER
M. G. GRAVES K. W. LEMON
R. M. PARKINSON H. M. CARON

TORONTO MONTREAL
HAMILTON LONDON
WINNIPEG CALGARY
VANCOUVER

TELEPHONE WAVERLEY 2751

To the Shareholders of Beatty Bros. Limited:

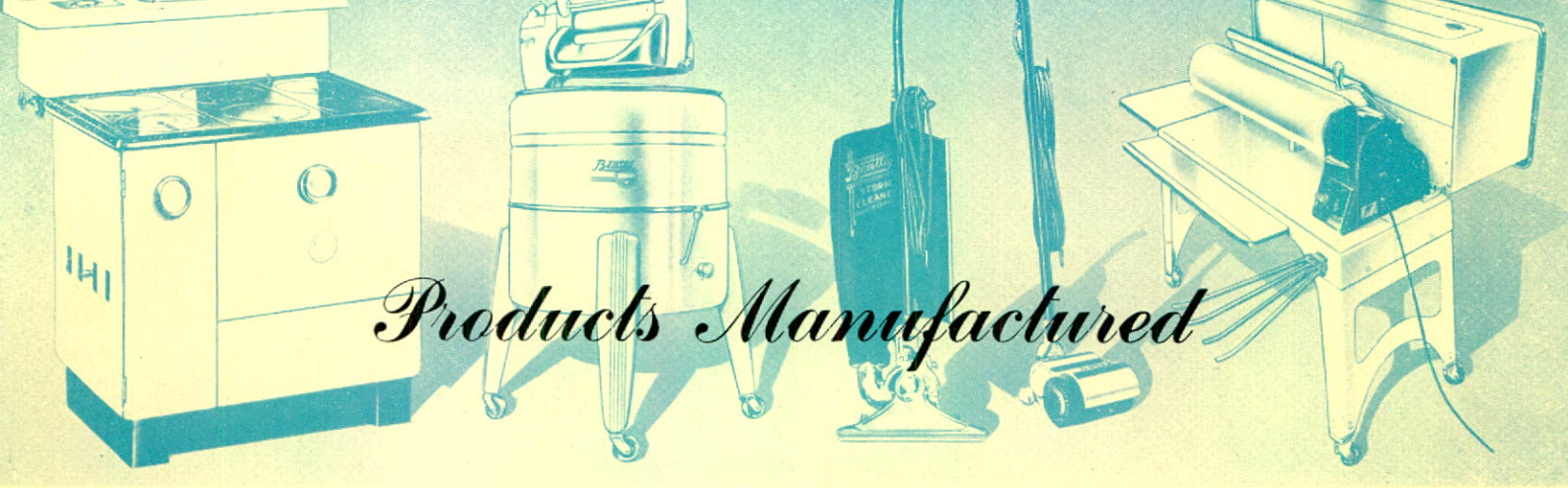
We have examined the consolidated balance sheet of Beatty Bros. Limited as at August 27, 1949 and the consolidated statements of profit and loss and earned surplus for the year ended on that date. In connection therewith we made a general review of the accounting methods and, without making a detailed audit of the transactions, examined or tested the accounting records of the company. We received all the information and explanations we required from its officers and employees.

We report that in our opinion the accompanying consolidated balance sheet and the related statements of profit and loss and earned surplus have been drawn up so as to exhibit a true and correct view of the state of the consolidated companies' affairs at August 27, 1949 and the results of their operations for the year, according to the best of our information and the explanations given us and as shown by the books.

In accordance with Section 114 of the Dominion Companies Act, we report that the net profit of the wholly-owned subsidiary company which is not consolidated (The Fergus Housing Company Limited) for its last fiscal year has not been included in the accompanying consolidated statement of profit and loss.

Toronto, Canada,
November 30, 1949.

Clarkson, Gordon & Co.
Chartered Accountants.



Products Manufactured

ELECTRICAL APPLIANCES — LAUNDRY EQUIPMENT

Floor Waxers and Polishers Clothes Racks Ironing Machines Ceiling Driers Tub Benches and Tub Drainers
 Ironing Tables Washing Machines (*Electric, Engine, and Hand*) Laundry Tubs Vacuum Cleaners

PUMPING EQUIPMENT

Cistern and Well Pumps and Fittings Pump Jacks Electric and Engine Drive Pumps Sump Pumps
 Shallow and Deep Well Pumps Hand and Power Pumps Windmills Water Pressure Systems

BARN AND STABLE EQUIPMENT

Barn Door Track Sanitary Steel Pens Bull Staffs Sanitary Steel Cow Stalls Water Bowls
 Floor Trucks and Feed Carriers Steel Supporting Columns Hay Carriers, Forks, Slings, etc.
 Steel Storage Tanks Horse Stable Fittings Steel Hog Troughs Manure Carriers Ventilators

STOVES AND FURNACES

Stoves—*Coal and Wood* Jacket Heaters Warm Air Furnaces—*Coal, Wood, Gas and Oil*

CONVEYORS

Factory and Warehouse Floor Trucks Monorail Systems

WOODENWARE

Laundry Equipment Ladders Painters' Equipment

OTHER LINES

Brooder Stoves Grain Grinders Grinder Plates

BEATTY BROS. LIMITED

HEAD OFFICE

FERGUS

ONTARIO

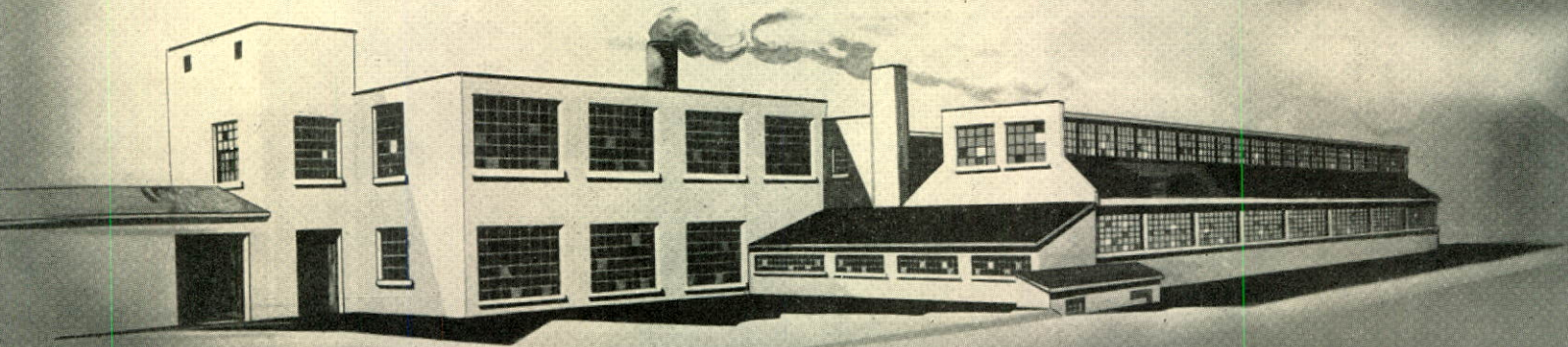
BRANCH WAREHOUSES

SAINT JOHN, N.B. - MONTREAL, P.Q.
 WINNIPEG, MAN. - EDMONTON, ALTA.

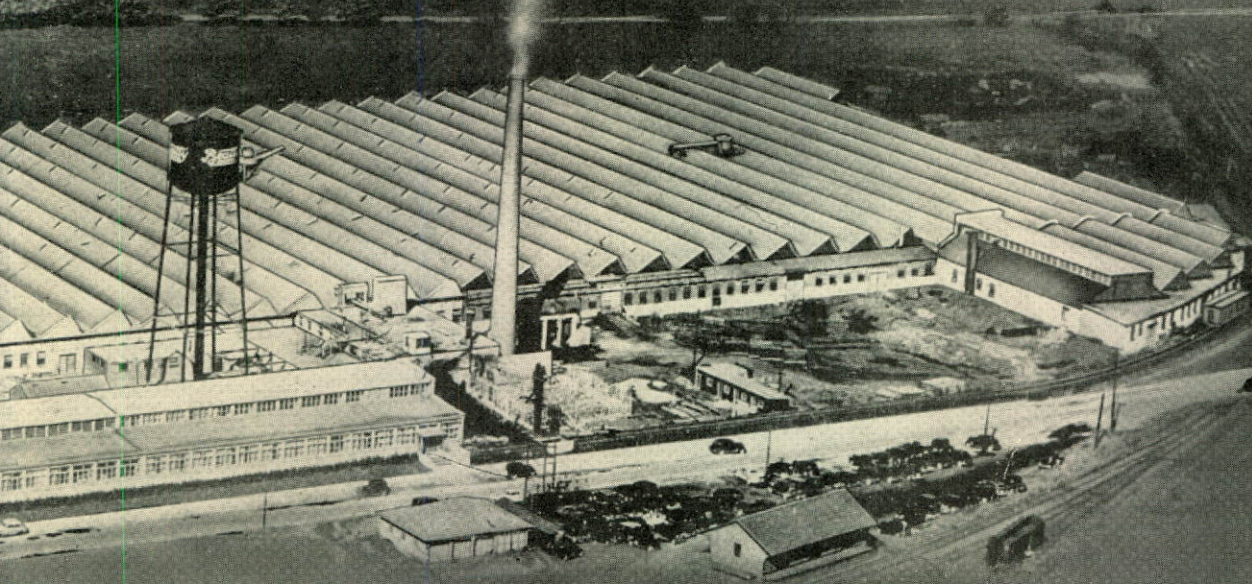


BRITISH COLUMBIA REPRESENTATIVE
 McLENNAN, McFEELY and PRIOR LIMITED,
 VANCOUVER, B.C.

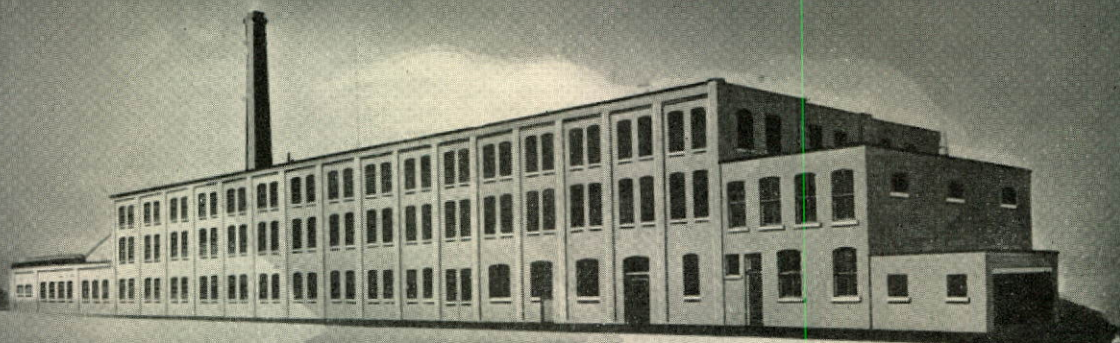




BEATTY CHELSEA GREEN FOUNDRY, LONDON, ONTARIO



BEATTY HEAD OFFICE AND MAIN FACTORY, HILL ST., FERGUS, ONTARIO



JAMES STEWART MANUFACTURING CO., LTD., WOODSTOCK, ONTARIO

