

BEATTY BROS. LIMITED

FERGUS · ONTARIO

Beatty

Thirty-Fifth
ANNUAL REPORT

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FOR FISCAL YEAR ENDED 30th AUGUST

1947

BEATTY BROS. LIMITED

FERGUS, ONTARIO

Notice of Special General Meeting and Annual Meeting of Shareholders

To the Shareholders:

TAKE NOTICE that a Special General Meeting and the Annual Meeting of the Shareholders of Beatty Bros. Limited will be held at the Head Office of the Company at Fergus, Ontario, on Tuesday, February 17th, 1948, at the hour of 1.30 o'clock in the afternoon to:

1. Consider and, if thought advisable, sanction a by-law increasing the number of directors from ten to eleven, of whom three shall constitute a quorum.

The present Board feel it is desirable to increase the membership of the Board and by resolution they have instructed the Secretary to advise the Shareholders accordingly.

2. Receive and consider the Annual Report of the Company for the year ended 30th August, 1947.
3. Ratify amount of charitable donations made during the year ended 30th August, 1947.
4. Elect a Board of Directors.
5. Appoint auditors for the ensuing year.
6. Consider and, if thought advisable, confirm the action of the directors in amending the general by-laws of the Company since the last Annual Meeting of Shareholders in the following respects:
 - (a) By adding a provision relating to a quorum at meetings of Shareholders as follows:

"Two or more Shareholders personally present and holding or representing by proxy at least fifty-one per centum (51%) of the issued shares for the time being enjoying voting rights at such meeting shall constitute a quorum at any meeting of Shareholders or class of Shareholders."
 - (b) By providing that the signatures of officers on share certificates may be engraved, lithographed or printed.
7. Consider an appropriation of approximately \$225,000. to the Pension Fund for the employees in order that the pensions to be paid to employees in respect of service rendered to the Company before the inception of the Company's Retirement Annuity Plan may be increased by approximately fifty percent.

Shareholders who are unable personally to be present are respectfully requested, on behalf of the Management of the Company, to execute and return the Form of Proxy hereto annexed.

Fergus, Ontario, January 15th, 1948.

R. D. KERR, Secretary.

BEATTY BROS. LIMITED

PROXY

Know all Men by these Presents:

That I.....

the holder of..... Common shares of Beatty Bros. Limited, do hereby appoint Wm. G. Beatty, W. L. Ham and R. D. Kerr and each of them, as my proxy to vote for me and on my behalf in respect of all shares of the said Company then standing in my name on the books of the Company at the Special General Meeting and Annual Meeting of Shareholders to be held on Tuesday, the 17th day of February, 1948, at the hour of one-thirty o'clock in the afternoon and at any and all adjournments thereof.

Dated....., 1948

SHAREHOLDER SIGN HERE

BEATTY BROS. LIMITED

BOARD OF DIRECTORS

W. G. BEATTY	T. A. FARNELL
G. E. BEATTY	W. L. HAM
F. S. BEATTY	R. D. KERR
C. C. CALVIN, K.C.	W. J. MARTIN
F. J. COOMBS	J. J. RUTHERFORD

OFFICERS

W. G. BEATTY	- - -	<i>President</i>
W. L. HAM	- - -	<i>Vice-President and General Manager</i>
R. D. KERR	- - -	<i>Secretary-Treasurer</i>
D. RUSSELL	- - -	<i>Comptroller</i>

TRANSFER AGENT

IMPERIAL BANK OF CANADA
TORONTO, ONT.

REGISTRAR

TORONTO GENERAL TRUSTS CORPORATION
TORONTO, ONT.

AUDITORS

CLARKSON, GORDON & CO.
TORONTO, ONT.

ANNUAL REPORT OF BOARD OF DIRECTORS

FOR THE YEAR ENDED 30TH AUGUST 1947



TO THE SHAREHOLDERS:

Your directors have pleasure in submitting the attached consolidated balance sheet of your company as at 30th August 1947 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.

The operations of the year resulted in a net profit, after all charges and provision for taxes, of \$794,738.89, an increase of \$214,885.84 over last year. This is the direct result of a substantial increase in the volume of sales. Material prices and labour rates continued to increase substantially throughout the year. These have not been accompanied by corresponding increases in selling prices, and profit margins are still being squeezed by the increase in costs. A comparison of the operating results for the years 1946 and 1947 is shown below:

	1946	1947
Profit from operations after deducting provision for depreciation and all operating charges.....	\$823,175.57	\$1,309,448.88
Income from investments.....	74,896.31	59,413.13
	<hr/>	<hr/>
	\$898,071.88	\$1,368,862.01
Profit on sale of investments and fixed assets.....	85,781.17	90,234.36
	<hr/>	<hr/>
	\$983,853.05	\$1,459,096.37
Provision for income and excess profits taxes (net)....	404,000.00	664,357.48
	<hr/>	<hr/>
Net profit for the year.....	<u>\$579,853.05</u>	<u>\$ 794,738.89</u>

Reference was made in last year's report to the purchase of all the shares of The James Stewart Manufacturing Company Limited which were included among the investments shown in the balance sheet at that date. The fiscal period of that company has now been altered to coincide with ours and its assets and liabilities and operating results have accordingly been consolidated with those of the parent company in the accompanying statements.

Following approval by the shareholders, a plan for rearrangement and consolidation of the capital stock of your company became effective on 8th June 1947. Under the plan the then existing Class A and Class B common shares of no par value were converted into an equal number of common shares of no par value, following the payment of a special dividend of \$5 per share on the former Class A common. In addition to this the previously authorized first preferred and second preferred shares (none of which were outstanding at the date of the arrangement) were cancelled. Regular quarterly dividends of 50 cents per share were paid throughout the year.

An addition of over 40,000 square feet to the manufacturing department of the head office plant, in Fergus, started early in 1947, is almost ready for occupation. Additions to building and equipment at the Spencer Division, in Penetanguishene, undertaken in 1946, are now in use. Considerable floor space and equipment were added to our Chelsea Green grey iron foundry, in London, during 1947.

Working capital at 30th August 1947, amounted to \$4,459,873.60 after making substantial expenditures for the extension of plant and equipment during the year and payment of the regular and special dividends referred to above.

Many improvements were made during the year to our regular products. The business was further diversified by additions to our lines. During the last three years sales of automatic washers have made spectacular increases in U. S. A., and many have been imported and sold in Canada. Laundry equipment is the major line among Beatty products, so your directors decided, after careful investigation, to purchase exclusive manufacturing and selling rights, throughout the British Empire, for the automatic washer developed by the Appliance Corporation of America. Exhaustive tests in various laboratories and in users' homes have satisfied our management of its marked superiority over any other automatic washer on the market.

It is with regret that we report the death in July of Mr. H. J. Bassett who was elected to the Board at the last annual meeting. Mr. F. S. Beatty, elder son of the late M. J. Beatty, was elected to the Board to fill the vacancy.

The employees of the company have rendered splendid service during the past year and the directors sincerely appreciate their loyalty and co-operation.

On behalf of the Board,
WM. G. BEATTY, *President.*

BEATTY BRO

(INCORPORATED UNDER THE

CONSOLIDATED

AS AT 30TH

A S S E T S

CURRENT:

Cash on hand and in banks.....	\$ 138,824.95
Investment in Dominion Government bonds at cost (market value \$1,629,876).....	1,552,250.00
Accounts receivable (less reserve for doubtful accounts \$228,091.80).....	1,049,230.66
Accrued interest on investments.....	13,780.27
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.....	3,102,117.83
Prepaid insurance, taxes, etc.....	51,166.58
Life insurance—cash surrender value.....	298,932.10
	<hr/>
	\$6,206,302.39

SUNDRY:

Refundable portion of excess profits taxes (estimated).....	\$ 227,798.22
Mortgages, agreements of sale and sundry securi- ties (less reserves).....	63,102.84
Investment in wholly-owned subsidiary company —not consolidated— (The Fergus Housing Company Limited—shares and advances at cost less reserves of \$10,000)..	15,022.33
Unamortized engineering and development costs....	210,000.00
	<hr/>
	515,923.39

FIXED:

Buildings and equipment—at cost.....	\$2,547,339.21
Less reserve for depreciation.....	1,587,977.20
	<hr/>
	\$ 959,362.01
Land—at cost.....	69,889.28
	<hr/>
	1,029,251.29

GOODWILL, PATENTS AND PATTERNS..... 1.00

\$7,751,478.07

OS. LIMITED

(DOMINION COMPANIES ACT)

BALANCE SHEET AUGUST 1947

LIABILITIES

CURRENT:

Bank advances—secured.....	\$ 516,763.73
Accounts payable and accrued charges.....	617,764.43
Provision for taxes (including income and excess profits taxes)	611,900.63
	<hr/>
	\$1,746,428.79

CAPITAL STOCK:

AUTHORIZED:

200,000 Common shares of no par value.

ISSUED AND OUTSTANDING:

139,000 Common shares of no par value (converted during the year from 39,000 Class A common and 100,000 Class B common shares)..\$1,475,000.00

EARNED SURPLUS.....	<hr/>	4,530,049.28
		6,005,049.28

Approved on behalf of the Board.

W. L. HAM }
R. D. KERR } *Directors*

\$7,751,478.07

BEATTY BROS. LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30th AUGUST 1947

Profit from operations after deducting provision for depreciation and all operating charges (*)	\$1,309,448.88
Income from investments	59,413.13
	\$1,368,862.01
Profit on sale of investments and fixed assets	90,234.36
	\$1,459,096.37
Provision for income and excess profits taxes	664,357.48
	\$ 794,738.89

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

Provision for depreciation	\$ 133,973.02
Remuneration of executive officers, salaried directors, counsel and solicitors	84,439.92
Other directors' fees	750.00

CONSOLIDATED STATEMENT OF EARNED SURPLUS

Earned surplus at 1st September 1946	\$4,177,561.41
Add:	
Net profit for the year	794,738.89
Adjustments relating to income of prior years including adjustment from revision of basis of inventory valuation	\$ 179,316.44
Less provision for taxes thereon (net)	118,501.02
	60,815.42
	\$5,033,115.72
Deduct:	
Premium paid on acquisition in May 1946 of shares of The James Stewart Manufacturing Company Limited in excess of book value of net assets (now consolidated)	\$ 36,874.59
Less adjustment for estimated earnings of that company from date of acquisition to 1st September 1946	6,808.15
	30,066.44
	\$5,003,049.28
Deduct dividends paid:	
Class A common—	
3 quarterly dividends totalling \$1.50 per share	\$ 58,500.00
Special dividend of \$5 per share paid under arrangement for reorganization of share capital	195,000.00
Class B common—	
3 quarterly dividends totalling \$1.50 per share	150,000.00
New common shares—	
1 quarterly dividend of 50c. per share	69,500.00
	473,000.00
Earned surplus at 30th August 1947	\$4,530,049.28

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of
Beatty Bros. Limited,

We have made an examination of the consolidated balance sheet of Beatty Bros. Limited as at 30th August 1947 and of the consolidated statements of profit and loss and earned surplus for the year ended on that date. In connection therewith we examined or tested accounting records of the company and obtained all the information and explanations we required from its officers and employees; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

In accordance with Section 114 of the Dominion Companies Act, we state that the report of the auditors of the British subsidiary company (Beatty Bros. (Tenbury) Limited) is qualified in respect of inventories valued at \$182,087.72 which are stated to be in accordance with the stock records but were not verified by physical count at the date of the balance sheet.

Subject thereto 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 30th August 1947, and the results of their operations for the year according to the best of our information, the explanations given us and as shown by the books.

CLARKSON, GORDON & Co.
Chartered Accountants,

Toronto, Canada,
10th January 1948.

PRODUCTS MANUFACTURED

BARN AND STABLE EQUIPMENT

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

CONVEYORS

Factory and Warehouse Floor Trucks	Monorail Systems
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ELECTRICAL APPLIANCES—LAUNDRY EQUIPMENT

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

PUMPING EQUIPMENT

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

STOVES AND FURNACES

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

WOODENWARE

Laundry Equipment (ironing tables, clothes racks, tub benches)	
Ladders (step, extension, painters', fire, fruit, household)	Painters' Equipment (painters' lad- ders, paste tables, trestles and ex- tension trestles)

OTHER LINES

Brooder Stoves	Grain Grinders	Grinder Plates
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CABLE ADDRESS
"BEATTYBROS" FERGUS, CANADA

Established 1874

CODES: A.B.C. 5TH AND 6TH EDIT. WESTERN UNION
UNIVERSAL & 5 LETTER

BEATTY BROS. LIMITED

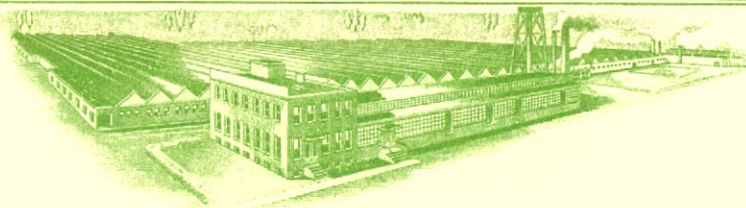
HEAD OFFICE - FERGUS, ONTARIO, CANADA

Beatty

TRADE MARK REGISTERED

BRANCHES AND AGENCIES
THROUGHOUT THE BRITISH EMPIRE

MANUFACTURERS OF BARN EQUIPMENT, PUMPS, WASHING MACHINES, MONORAIL



Fergus, Ont., January 30, 1948.

Librarian of Purvis Hall,
McGill University,
1020 Pine Ave. W.,
Montreal, Que.

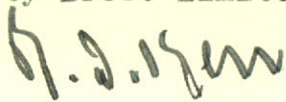
Gentlemen:

The thirty-fifth Annual Report on our Company for year ended August 30th, 1947 has just been received and is being forwarded to our shareholders. In response to your previous requests we are herewith enclosing a copy for your perusal, We trust you will find same of interest.

Yours truly,

Beatty Bros. Limited,

Per


Secretary-Treasurer.

RDK/B
Encl.

BEATTY BROS. LIMITED

HEAD OFFICE
FERGUS, ONTARIO

BRANCH WAREHOUSES

SAINT JOHN, N.B.	MONTREAL, QUE.
WINNIPEG, MAN.	EDMONTON, ALTA.

British Columbia Representative

McLENNAN, McFEELY & PRIOR LTD.
Vancouver, B.C.

PLANTS

HILL STREET PLANT	- - -	Fergus, Ontario
GRAND RIVER PLANT	- - -	Fergus, Ontario
CHELSEA GREEN FOUNDRY	-	London, Ontario
SPENCER DIVISION	- - -	Penetanguishene, Ontario

SUBSIDIARIES

THE JAMES STEWART MANUFACTURING COMPANY LIMITED
Woodstock, Ontario

BEATTY BROS. (TENBURY) LIMITED
Tenbury Wells, England

