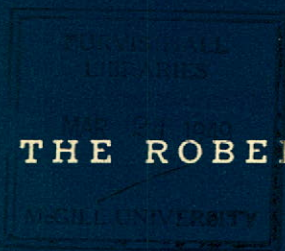


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# *Annual Report*

FOR THE YEAR ENDED DECEMBER 31st, 1948

THE ROBERT MITCHELL CO., LIMITED



WATERBURY

# THE ROBERT MITCHELL CO., LIMITED

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## BOARD OF DIRECTORS

S. C. HOLLAND	CLAUDE S. RICHARDSON, K.C.
R. O. JOHNSON	W. TAYLOR-BAILEY
R. N. WATT	

## EXECUTIVE OFFICERS

<i>President &amp; Managing Director</i> . . . . .	S. C. HOLLAND
<i>Executive Vice-President</i> . . . . .	R. N. WATT
<i>Vice-Pres. &amp; Secretary-Treasurer</i> . . . . .	H. S. MCGEE
P. E. LEFEBVRE, <i>Asst. Secretary</i>	W. J. WHELAN, <i>Asst. Treasurer</i>
R. W. ROWAT <i>Vice-Pres. &amp; General Manager</i>	G. ALAN JOHNSON <i>Vice-Pres. &amp; Technical Executive</i>

Bankers . . . . .	The Royal Bank of Canada
Solicitors . . . . .	Montgomery, McMichael, Common, Howard, Forsyth & Ker
Transfer Agents . . . . .	Montreal Trust Company, Montreal-Toronto
Registrars . . . . .	The Royal Trust Company, Montreal-Toronto
Auditors . . . . .	P. S. Ross & Sons

# THE ROBERT MITCHELL CO., LIMITED

## *Ninety-eighth Annual Report*

*Presented to the Shareholders at the Annual Meeting held on April 7th, 1949.*

### TO THE SHAREHOLDERS:

Your Directors submit herewith the Ninety-eighth Annual Report of your Company and its wholly owned subsidiary, The Garth Company, together with the Consolidated Balance Sheet, Statement of Profit and Loss and Surplus Accounts for the year ended December 31st, 1948.

As indicated in the Consolidated Profit and Loss Account, after providing for Depreciation of \$82,500.00 on Fixed Assets and \$61,735.20 for Taxes on Income, the net profit realized from the year's operations was \$94,741.61 equivalent to \$1.31 per share as compared with 1947 profits of \$80,052.55 and \$1.10 per share.

Two dividends of 50c. each were paid during the year under review and the strong liquid position of the Company gives assurance that dividends on at least a similar basis may be expected.

The amount of \$1,269,118.02 reported as Excess Profits Taxes Recoverable was paid in full by the Dominion Government and \$131,062.04 was collected in respect of the Refundable Portion of Excess Profits Taxes leaving a further sum receivable of \$291,257.13 as shown by the Balance Sheet of which \$221,956.75 becomes due within the first quarter of 1949.

It is gratifying again to be able to report that your Company with its subsidiary, The Garth Company, have on hand a substantial volume of uncompleted orders and contracts for work to be performed during the ensuing year.

No project involving a major capital expenditure was undertaken during the year and in consequence the amounts realized from various sources remained available as working capital which was increased by \$380,162.78 to \$2,021,281.81.

The contract with Ekco Products Company (Canada) Limited was terminated by mutual consent as of January 1st, 1949, and your Company has agreed to sell to Ekco at

# THE ROBERT MITCHELL CO., LIMITED

book values the various assets comprising Inventories, Machinery, Tools, etc., used in production of their goods. Your Company has also agreed to lease space in its premises to Ekco for them to conduct manufacturing operations for their own account.

Changes in the Directorate of your Company occurred during the year: Mr. Frank B. Common, K.C., after serving on the Board for many years retired and Mr. Claude S. Richardson, K.C., was elected in replacement. The Board was also decreased in number to five directors and as a result of such decrease the Executive Committee was discontinued.

Your Directors again record their sincere appreciation of the services and co-operation rendered the Company by the Officers and all Employees during the past year.

The Books of your Company have been audited by Messrs. P. S. Ross & Sons, Chartered Accountants, whose certificate is attached.

S. C. HOLLAND,  
*President and Managing Director.*

Montreal, March 1st, 1949.

# THE ROBERT MITCHELL CO., LIM



## CONSOLIDATED BALANCE SHEET

### *Assets*

**CURRENT:**

Cash on Hand and in Bank.....	\$	323,512.81
Call Loan.....		25,000.00
Accounts Receivable, less Reserve.....		849,207.47
Bills Receivable.....		19,500.00
Employees' Subscriptions—Canada Savings Bonds.....		57,814.50
Deposits.....		15,381.06
Inventories.....		1,206,767.44

(Based on physical inventories at 30th November 1948 adjusted for transactions to 31st December 1948 and valued at cost or market whichever was lower)

Total Current Assets.....		\$2,497,183.28
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Refundable Portion of Excess Profits Tax.....		291,257.13
Cash Surrender Value of Life Insurance Policies...		13,380.80
Investments.....		2.00

**Deferred Charges:**

Balance of cost of special purpose tools and equipment for manufacture of Ekco products.....	\$	152,296.23
Other.....		8,428.16
		160,724.39

**FIXED:**

Valuation based on Appraisal made by officials of the Company as at 31st December 1936 with subsequent additions at cost—

Land and Buildings.....	1,368,420.99	
Plant and Machinery.....	909,449.05	2,277,870.04
		2,277,870.04

Goodwill.....		1.00
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\$5,240,418.64

NOTES: (A) Under agreement dated 3rd January 1949 The Robert Mitchell Co., Limited sold assets with an aggregate net book value of approximately \$350,000 for consideration of approximately \$372,000, payable \$152,000 in cash and the balance by promissory notes for \$110,000 due 31st December 1949 and \$110,000 due 31st December 1950.

(B) At 31st December 1948 there was no outstanding liability on the \$500,000 First Mortgage Bond of The Robert Mitchell Co., Limited which is being held in safekeeping.

Signed on behalf of the Board:

S. C. HOLLAND, *Director*

R. N. WATT, *Director*

# LIMITED AND THE GARTH COMPANY

STATEMENT AS AT 31st DECEMBER, 1948

## *Liabilities*

### CURRENT:

Accounts Payable and Accrued Liabilities . . . . .	\$ 411,559.36
Sales Taxes Payable . . . . .	12,125.11
Provision for Income Taxes . . . . .	52,217.00

Total Current Liabilities . . . . .	\$ 475,901.47
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Reserve for Depreciation . . . . .	1,627,112.98
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### CAPITAL STOCK:

Authorized—100,000 Shares of No Par Value

Issued — 72,400 Shares . . . . .	1,064,400.00
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### SURPLUS:

Capital Surplus . . . . .	111,983.97
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Earned Surplus . . . . .	1,669,763.09
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Deferred Surplus (Refundable Portion of Excess Profits Tax) . . . . .	291,257.13	2,073,004.19
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\$5,240,418.64
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## AUDITORS' REPORT TO SHAREHOLDERS

THE ROBERT MITCHELL CO., LIMITED,  
MONTREAL

23RD FEBRUARY 1949

We have made an examination of the books of account of The Robert Mitchell Co., Limited and of its wholly owned subsidiary, The Garth Company for the year ended 31st December 1948 and have obtained all the information and explanations we have required.

In our opinion, the attached Balance Sheet and relative Profit and Loss and Surplus Accounts are properly drawn up so as to exhibit a true and correct view of the state of affairs of the combined companies as at 31st December 1948 according to the best of our information and the explanations given to us and as shown by the books.

P. S. ROSS & SONS,  
Chartered Accountants.

THE ROBERT MITCHELL CO., LIMITED AND THE GARTH COMPANY

*Consolidated Profit and Loss and Surplus Accounts  
for the Year Ended 31st December, 1948*

**PROFIT AND LOSS ACCOUNT**

Profit on Operations . . . . .		\$ 303,986.81
Less: Executive Officers' Salaries . . . . .	\$ 57,360.00	
Fees of Directors and Executive Committee . . . . .	5,150.00	
Legal Fees . . . . .	2,500.00	65,010.00
		<hr/>
Profit for the year before charging Depreciation . . . . .		238,976.81
Less: Reserved for Depreciation . . . . .		82,500.00
		<hr/>
		\$ 156,476.81
Less: Provision for Income Taxes . . . . .		61,735.20
		<hr/>
Net Profit for the year transferred to Surplus Account . . . . .		<u>\$ 94,741.61</u>

**SURPLUS ACCOUNT**

<b>CAPITAL SURPLUS:</b>		
Balance at credit—1st January 1948 . . . . .	\$ 73,757.17	
Add: Profit on Sale of Fixed Assets . . . . .	38,226.80	
		<hr/>
Balance at credit—31st December 1948 . . . . .		\$ 111,983.97
<b>EARNED SURPLUS:</b>		
Balance at credit—1st January 1948 . . . . .	\$1,509,560.44	
Add: Net Profit for the year . . . . .	94,741.61	
Profit on Sale of Investment . . . . .	6,799.00	
Transferred from Deferred Surplus . . . . .	131,062.04	
		<hr/>
	\$1,742,163.09	
Less: Dividends . . . . .	72,400.00	
		<hr/>
Balance at credit—31st December 1948 . . . . .		1,669,763.09
<b>DEFERRED SURPLUS—Refundable Portion of Excess Profits Tax</b>		
Balance at credit—1st January 1948 . . . . .	422,319.17	
Less: Payment received transferred to Earned Surplus . . . . .	131,062.04	
		<hr/>
Balance at credit—31st December 1948 . . . . .		291,257.13
		<hr/>
		<u>\$2,073,004.19</u>



THE ROBERT MITCHELL CO., LIMITED AND THE GARTH COMPANY



ESTABLISHED 1851

**FABRICATORS AND FOUNDERS OF**

Brass    Copper    Monel    Manganese Bronze    Bronze    Aluminum    Magnesium (Elektron)  
          Grey Iron            NI-Hard            NI-Resist            NI-Tensyliron  
                                 Magnesium Zirconium Rare Earth Alloys

**STANDARD PRODUCTS**

Railway Car Fittings	Mitchell Adlake Bus Sash
Mitchell-Clerk Aluminum Windows	Mitchell Duner Products
Metal Stampings	Screw Machine Products
Mitchell Inco Monel Sinks	Sheet Metal Work
Pressure Die Castings	Mitchell Cutler Mail Chutes
Bronze Memorial Tablets	Machine Shop Products
Mitchell Watrous Products	Mitchell Thermosash Windows
Tools and Dies, Jigs, Fixtures, Gauges	Pulp and Paper Testing Apparatus
Co-Z-Air Electric Space Heaters	

**PROCESSES**

Controlled Atmosphere Brazing    Heat Treating    Anodizing    Electric Aluminum Spot Welding

**PLANTS**

750 Belair Avenue, Montreal

64 Monkland Boulevard, St. Laurent



ESTABLISHED 1828

750 Belair Avenue, Montreal

**GARTH—CONTRACT DIVISION**

Contracts executed for complete installation of plumbing, heating, power piping, ventilating and air conditioning equipment.

**GARTH—WHOLESALE DIVISION**

Steam Specialties    Piping    Lubricating Devices    Fittings    Valves    Fire Protection Equipment

