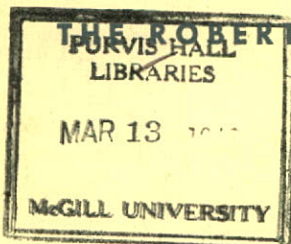


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FOR RELEASE
WEDNESDAY MAR 13 1946

Annual Report

FOR THE YEAR ENDED DECEMBER 31, 1945



MITCHELL CO., LIMITED





THE ROBERT MITCHELL CO., LIMITED

BOARD OF DIRECTORS

William L. Bayer
Frank B. Common, K.C.
W. Taylor-Bailey
Walter A. Merrill, K.C.
R. O. Johnson
R. N. Watt
S. C. Holland

EXECUTIVE COMMITTEE

William L. Bayer
S. C. Holland, *Chairman*
R. N. Watt

EXECUTIVE OFFICERS

President & Managing Director S. C. Holland
Executive Vice-President R. N. Watt
Vice-Pres. & Secretary-Treasurer H. S. McGee
Vice-Pres. & General Manager R. W. Rowat
Vice-Pres. & Technical Executive G. Alan Johnson

P. E. Lefebvre
Asst. Secretary
W. J. Whelan
Asst. Treasurer

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*

Ninety-fifth Annual Report

Presented to the Shareholders at the Annual Meeting held on Thursday, March 28th, 1946

TO THE SHAREHOLDERS :

Your Directors have pleasure in presenting herewith the Ninety-fifth Annual Report of your Company for the year ended December 31st, 1945.

During the war years, your Company made adjustments on prices established under its war contracts for the production of munitions either by way of price reductions or by direct cash refunds.

In 1945 all of your Company's war business was reviewed with the Government for the purpose of renegotiating the profits thereon on an overall basis and this resulted in a return to the Government of \$4,492,813.00 covering the period from 1941 to the end of the war.

Of this amount \$3,578,483.92 is to be rebated by the Income Tax Department, the balance of the settlement being made up as follows:

Reduction in Company's Refundable Portion of Excess

Profits Tax..... \$572,821.29

Reduction in Company's Earned Surplus..... 341,507.79

As at December 31st 1944, your Company made provision for price adjustments of \$305,049.27 on certain of its war contracts and as this reserve was no longer required the amount became available to the Company with the net final result, after Excess Profits Tax levy, that the Refundable Portion was increased from this source by \$61,009.86.

Although the production of materials under war contracts ceased in the early part of the year, Government owned equipment could not be removed, with the result that the full use of the plants for Company operations was not possible. It is expected that this condition will be remedied at an early date.

As previously intimated the demand for peacetime consumer goods is considerable and it is believed that when your Company's plants are wholly released there will be ample opportunities for the profitable use of these facilities.

THE ROBERT MITCHELL CO., LIMITED

Inventories have been valued at cost or market, whichever was lower, and Reserves provided for bad and doubtful debts.

The full amount allowed your Company for depreciation on its Fixed Assets has been provided.

The payment of Dividends during the year was continued at the rate of \$2.00 per share, and future dividend policy will, as in the past, be contingent upon the result of operations and other pertinent factors.

The net profit from the year's operations retained by your Company was equivalent to \$1.16 per share with a refundable portion of the Excess Profit Tax of \$0.78 per share. The refundable portion was further increased as above mentioned by \$61,009.86 or \$0.84 per share.

Your Directors record their sincere appreciation of the services and cooperation which have been given to the Company by the Officers and employees during the course of the year.

Your Company has been able to reengage all of its former employees returning from Military Service who have presented themselves for reinstatement. The policy is and will be to see that returning personnel suffer no loss in position because of absence in the service of their Country.

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

Respectfully submitted on behalf of the Board.

S. C. HOLLAND,

President and Managing Director

Montreal, February, 26th, 1946

THE ROBERT MITCHELL CO., LIMITED



Consolidated Balance Sheet

ASSETS

CURRENT:

Cash on Hand and in Banks.....	\$	192,396.00
Dominion of Canada Victory Bonds (approximate Market Value (\$607,000.00)).....		600,000.00
Accounts Receivable—Trade, less Reserve....		321,493.83
Employees' Victory Loan Subscriptions.....		124,741.00
Deposits.....		17,404.91
Inventories.....		217,629.65

(Based on physical inventories as at 30th November 1945 adjusted for transactions to 31st December 1945 and valued at cost or market whichever was lower)

Total Current Assets.....		\$1,473,665.39
Refundable Portion of Excess Profits Tax.....		723,262.23
Cash Surrender Value of Life Insurance Policies..		7,142.40
Investments.....		4.00
Deferred Charges.....		2,069.57

FIXED:

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

Land and Buildings.....	1,311,266.61	
Plant and Machinery.....	660,756.56	1,972,023.17

Goodwill.....		1.00
		\$4,178,167.76

Approved on behalf of the Board:

S. C. HOLLAND, *Director.*

R. N. WATT, *Director.*

TED AND THE GARTH COMPANY

as at 31st December, 1945

LIABILITIES

CURRENT:

Accounts Payable and Accrued Liabilities....	\$ 405,249.89	
Sales Tax Payable.....	5,857.91	
Provision for Income and Excess Profits Taxes.....	\$652,586.23	
Less: Payments on Account... ..	355,000.00	297,586.23

Total Current Liabilities..... \$ 708,694.03

Reserve for Depreciation..... 1,463,646.17

CAPITAL STOCK:

Authorized—100,000 Shares No Par value.	
Issued — 72,400 Shares.....	1,064,400.00

SURPLUS:

Capital Surplus.....	50,211.94	
Earned Surplus.....	167,953.39	
Deferred Surplus (Refundable portion of Ex- cess Profits Tax).....	723,262.23	2,005,827.56

\$4,178,167.76

AUDITORS' REPORT TO THE SHAREHOLDERS

The Robert Mitchell Co., Limited,
Montreal.

Montreal, 20th February, 1946.

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, 1945 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, 1945, 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, 1945*

PROFIT AND LOSS ACCOUNT

Profit on Operations		\$ 496,493.30	
Add: Interest Earned		16,867.39	
			<u>513,360.69</u>
Less: Executive Officers' Salaries	\$43,940.00		
Fees of Directors and Executive Committee . .	6,975.00		
Legal Fees	1,091.57	52,006.57	
			<u>461,354.12</u>
Profit for the year before charging Depreciation . .			30,000.00
Less: Reserved for Depreciation			<u>431,354.12</u>
Less: Provision for Income and Excess Profits Taxes (of which amount \$56,425.03 is refundable under the Excess Profits Tax Act)			346,457.78
			<u>\$ 84,896.34</u>
Net Profit for the year transferred to Surplus Account			

SURPLUS ACCOUNT

CAPITAL SURPLUS

Balance at credit—1st January, 1945	\$ 47,880.55	
Add: Profit on Sale of Fixed Assets	2,331.39	
		<u>\$ 50,211.94</u>
Balance at credit—31st Decem- ber, 1945		

EARNED SURPLUS

Balance at credit—1st January, 1945	566,076.15	
Prior Year Adjustments— Reversal of provision for price adjustments	\$ 305,049.27	
Less: Income and Excess Pro- fits Taxes relating there- to, including refundable portion of Excess Profits Tax \$61,009.86 trans- ferred to Deferred Sur- plus	305,049.27	
		<u>566,076.15</u>
Carried forward		50,211.94

THE ROBERT MITCHELL CO., LIMITED AND THE GARTH COMPANY

Brought forward.....		\$ 566,076.15	50,211,94
Refund arising from renegotiation of war contracts for the years 1941-1944 inclusive.....	4,492,813.00		
Less: Income and Excess Profits Taxes relating thereto, including refundable portion of Excess Profits Tax \$572,821.29 charged to Deferred Surplus.....	4,151,305.21	341,507.79	
		<u>224,568.36</u>	
Add: Net Profit for the Year.	84,896.34		
Profit on Sale of Investments.....	3,288.69	88,185.03	
		<u>312,753.39</u>	
Less: Dividends.....		144,800.00	
		<u>167,953.39</u>	
Balance at credit—31st December, 1945.....			\$ 218,165.33

DEFERRED SURPLUS — Refundable Portion of Excess Profits Tax:

Balance at credit—1st January, 1945.....	\$1,178,648.63		
Prior Year Adjustments—			
In connection with reversal of provision for price adjustments.....	61,009.86		
		<u>1,239,658.49</u>	
In connection with refund arising from renegotiation of war contracts.....	572,821.29		
		<u>666,837.20</u>	
Add: Portion of Excess Profits Tax refundable for the year.....	56,425.03		
		<u>723,262.23</u>	
Balance at credit—31st December, 1945....			<u>\$941,427.56</u>

THE GARTH COMPANY



ESTABLISHED 1828

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

750 BELAIR AVENUE, MONTREAL

THE ROBERT MITCHELL CO., LIMITED



ESTABLISHED 1851

FABRICATORS & FOUNDERS OF

Brass Copper Monel Manganese Bronze Bronze Aluminum
Magnesium (Elektron) Nickel Ni-Hard and Ni-Resist Alloy Irons

STANDARD PRODUCTS

Railway Car Fittings Mitchell Thermosash Windows
Mitchell Watrous Products Mitchell Inco Monel Sinks
Mitchell Cutler Mail Chutes Mitchell Duner Products
Mitchell Gaden Revolving Doors Pulp and Paper Testing Apparatus
Tools and Dies, Jigs, Fixtures, Gauges Pressure Die Castings
Aluminum Kitchen Ware Metal Stampings Screw Machine Products
Adlake Mitchell Bus Sash

PROCESSES

Controlled Atmosphere Brazing Heat Treating Anodizing
Precision Casting

PLANTS

750 BELAIR AVENUE, MONTREAL
64 MONKLAND BOULEVARD, ST. LAURENT

