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1951 Annual Report

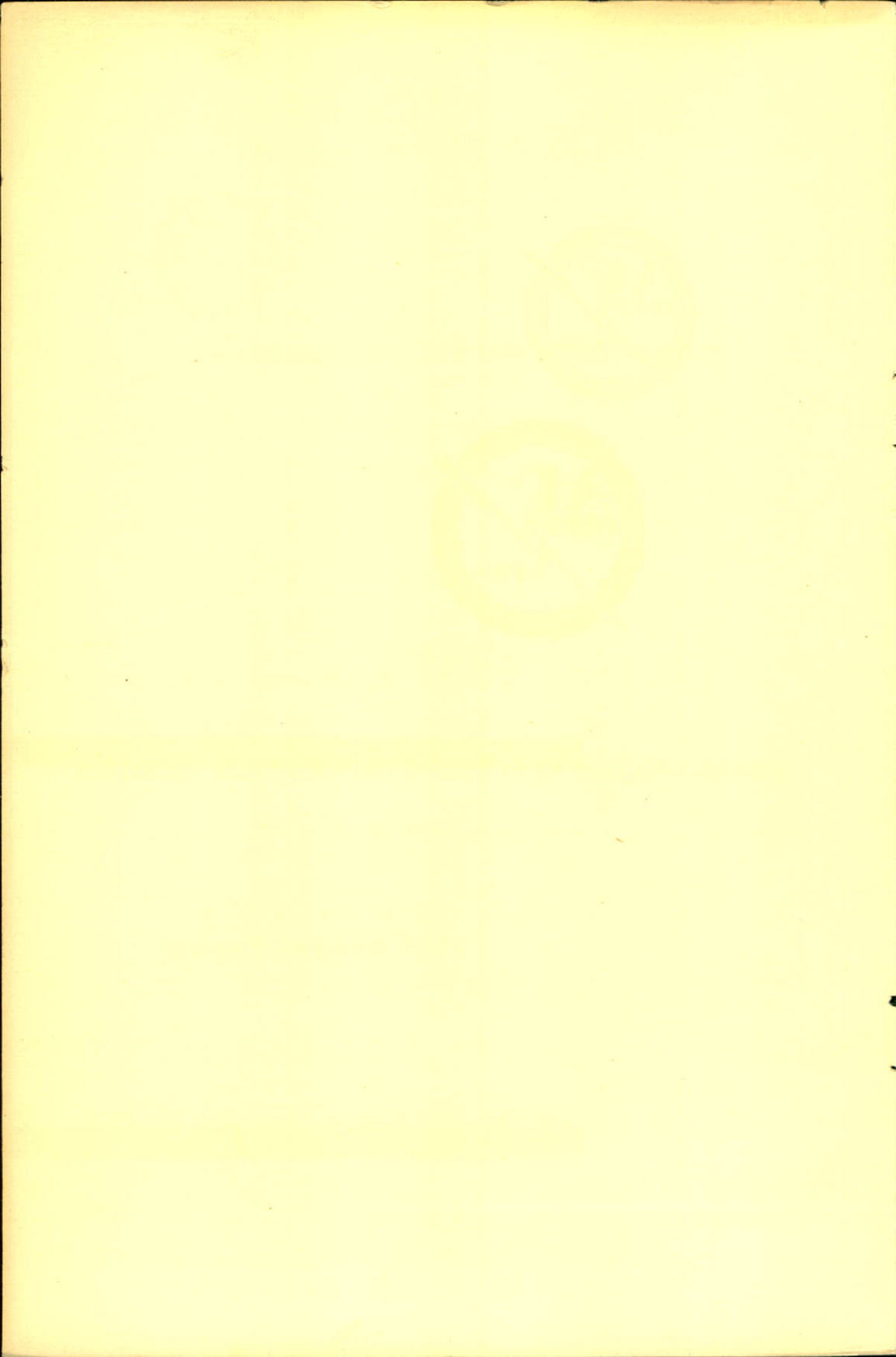
**AMALGAMATED
ELECTRIC
CORPORATION,
LIMITED**

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AMALGAMATED ELECTRIC CORPORATION, LIMITED

1951 Annual Report

for the year ending December 31, 1951



AMALGAMATED ELECTRIC CORPORATION,
LIMITED

and

Subsidiary Companies

BENJAMIN ELECTRIC MANUFACTURING COMPANY
of CANADA LIMITED

BULL DOG ELECTRIC PRODUCTS of CANADA LIMITED

CANADIAN CUTLER-HAMMER LIMITED

CANADIAN JEFFERSON ELECTRIC COMPANY, LIMITED

PLANTS AND WAREHOUSES AT:

TORONTO
MONTREAL
WINNIPEG
CALGARY
VANCOUVER

EXECUTIVE OFFICES:

ROOM 1600
1050 BEAVER HALL HILL
MONTREAL, QUEBEC



AMALGAMATED ELECTRIC CORPORATION, LIMITED - 1050 Beaver Hall Hill - Montreal

March 17, 1952

To the Shareholders:

Herewith is submitted, on behalf of your Directors, the Twenty-third Annual Report on the operations of your Company and its subsidiaries, together with the Consolidated Statements of Account for the year ended December 31, 1951.

Results of operations

The following tabulation shows a comparison of Sales (now shown for the first time), Net Profits and Income Taxes for the years 1951 and 1950.

	<u>1951</u>	<u>1950</u>
Sales.....	\$9,245,647	\$6,602,247
Profit from Operations.....	784,993	309,305
<i>Deduct:</i>		
Provision for Income Taxes.....	<u>437,876</u>	<u>133,422</u>
Net Profit from Operations.....	347,117	175,883
<i>Deduct:</i>		
Amount transferred to Plant Replacement Reserve.....	<u>150,000</u>	<u>—</u>
Transferred to Earned Surplus.....	<u>\$ 197,117</u>	<u>\$ 175,883</u>

A dividend of Thirty cents (\$0.30) per share was paid on June 30, 1951. A further dividend of Thirty cents (\$0.30) per share plus a special year-end dividend of Thirty cents (\$0.30) was paid on December 18, 1951, representing total dividends paid during 1951 of \$75,970.

Plant

Total expenditures on plant and equipment amounted to \$165,836 which, after deducting plant scrapped or otherwise disposed of, resulted in a net increase of \$86,156.

All of our rights and interests in the building at Vancouver, which had been erected on land leased from the National Harbours Board, together with machinery and equipment therein no longer required, were advantageously sold in August, 1951.

Facilities for a Sales Office and Warehouse in Vancouver were obtained on a lease basis as from July 1, 1951.

Depreciation amounting to \$197,307 was provided on Plant and Equipment during the year.

Plant replacement reserve

Your Directors have considered it advisable to transfer in the year 1951 an amount of \$181,508 to a Plant Replacement Reserve as a protection against the higher cost of replacing plant facilities, of which \$31,508 resulted from the sale of Capital Assets.

Inventories

Inventories at December 31, 1951 valued at the lower of cost or market prices aggregated \$2,092,237 as compared with \$1,953,844 at the close of the preceding year.

Financial

The final principal repayment of \$100,000 on the $2\frac{3}{4}\%$ First Mortgage (Closed) Serial Bonds, was made November 1, 1951.

Bank advances as at December 31, 1951 aggregated \$373,090 being a decrease of \$385,716 during the year.

Net Working Capital as at December 31, 1951 amounted to \$1,385,211, an increase of \$236,405 over the year 1950. A comparison of Net Working Capital for the years 1951 and 1950 is shown hereunder.

	<u>1951</u>	<u>1950</u>
Current Assets.....	\$2,556,188	\$2,539,543
Current Liabilities.....	<u>1,170,977</u>	<u>1,390,737</u>
	<u>\$1,385,211</u>	<u>\$1,148,806</u>

Directors

It is with profound regret that we record the death on August 1, 1951 of Mr. Paul Fleetford Sise, Chairman of the Board of Directors.

Mr. Sise was elected to your Board of Directors March 15, 1929 and served as President from February, 1936 until elected Chairman of the Board in April, 1949. The valuable services and advice rendered by Mr. Sise during his long association with your Company have materially contributed to its growth and development.

Employees

Your Directors take this opportunity to express their appreciation of the loyal and efficient services rendered by all members of the organization.

Prospects

While material controls and credit restrictions have affected the demand for certain products, the diversification of your Company's business should enable it to maintain operations at a reasonably satisfactory level.

On behalf of the Board,
M. P. MURPHY,
President.

AMALGAMATED ELECTRIC CORPORATION,

Consolidated Balance Sheet

Assets

CAPITAL ASSETS

Land, Buildings and Equipment at cost \$2,048,501

CURRENT ASSETS

Inventories of Raw Material, Goods in Process, Finished Stock, etc. \$2,092,237*

Accounts Receivable (less Reserve for Doubtful Accounts) 453,780

Government of Canada Bonds (Market Value \$4,774) 5,000

Cash 5,171 2,556,188

DEFERRED RECEIVABLE 41,000

PREPAID EXPENSES 13,741

GOODWILL AND PATENTS 1

\$4,659,431

*Based on Physical Inventories as at October 31, 1951 (valued at cost or market, whichever was lower), adjusted for operations to December 31, 1951, and after deducting reserve.

Approved on Behalf of the Board:

M. P. MURPHY }
A. H. ELDER } *Directors.*

LIMITED

and subsidiary companies

as at December 31, 1951

Liabilities

CAPITAL STOCK

Common Stock—without nominal or par value:		
Authorized—100,000 Shares.		
Issued and Paid up—84,415 Shares....		\$844,150

CURRENT LIABILITIES

Bank Overdraft.....	\$ 373,090	
Accounts Payable and Accrued Charges..	492,995	
Provision for Taxes.....	<u>304,892</u>	1,170,977

RESERVES

Reserve for Depreciation.....	1,579,237	
Plant Replacement Reserve.....	<u>181,508</u>	1,760,745

CAPITAL SURPLUS..... 138,684

EARNED SURPLUS..... 744,875

\$4,659,431

AUDITORS' REPORT TO THE SHAREHOLDERS

Toronto, February 15, 1952

We have examined the Consolidated Balance Sheet of the Amalgamated Electric Corporation, Limited and its Subsidiary Companies as at December 31, 1951, and the Consolidated Statement of Profit and Earned Surplus for the year ended on that date, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above Consolidated Balance Sheet and accompanying Consolidated Statement of Profit and Earned Surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Companies as at December 31, 1951 and the results of the operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

D. M. FARISH, C.A.,
Treasurer.

MCDONALD, CURRIE & CO.
Chartered Accountants.

AMALGAMATED ELECTRIC CORPORATION,
LIMITED and subsidiary companies

*Consolidated Statement of Profit and Earned Surplus
for the year ended December 31, 1951*

Operating Profit for the Year—After deducting charges enumerated below:—	\$784,993
Provision for Depreciation.....	\$197,307
Remuneration of Executive Officers.....	34,849
Fees of Directors.....	1,800
Legal Fees.....	5,149
Bond Interest.....	2,298
	<u>\$241,403</u>
Provision for Income Taxes.....	<u>437,876</u>
Net Profit for the Year.....	347,117
Transferred to Plant Replacement Reserve...	<u>150,000</u>
Transferred to Earned Surplus.....	197,117
Earned Surplus brought forward from previous year.....	<u>623,728</u>
	820,845
<i>Deduct:</i> Dividends paid.....	<u>75,970</u>
Earned Surplus—as per Consolidated Balance Sheet.....	<u>\$744,875</u>
 <i>Plant Replacement Reserve as at December 31, 1951</i>	
Appropriated from Profits.....	\$150,000
Gains from Sale of Plant Assets.....	<u>31,508</u>
Balance—as per Consolidated Balance Sheet..	<u>\$181,508</u>

AMALGAMATED ELECTRIC CORPORATION, LIMITED

Directors

*A. V. ARMSTRONG	R. D. HARKNESS
AUBREY H. ELDER	HOMER M. JAQUAYS
*D. M. FARISH	RICHARD O. JOHNSON
C. W. FINDLOW	*M. P. MURPHY

*Members of the Executive Committee

Officers

M. P. MURPHY	<i>President</i>
A. V. ARMSTRONG	<i>Vice-President & Managing Director</i>
D. M. FARISH	<i>Secretary-Treasurer</i>
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STANLEY LANGLEY	<i>Technical Manager</i>
C. W. FINDLOW	<i>Works Manager</i>
C. D. McCAIG	<i>General Sales Manager</i>
M. K. DOUGLAS	<i>Chief Accountant</i>

Solicitors

WAINWRIGHT, ELDER & LAIDLEY — MONTREAL
BLAKE, ANGLIN, OSLER & CASSELS — TORONTO

Transfer Agents

MONTREAL TRUST COMPANY — MONTREAL



ENDORSED ELECTRICAL EQUIPMENT

Distribution equipment

Breakers—Nofuz
Bus Duct.
Cabinets — Gutter, Junction, Pull,
Splitter, Telephone, Transformers.
Fuse Clamps and Grips.
Panelboards—Distribution,
Lighting, Residential.
Switches—Industrial, Service.
Switchboards—Lighting, Power.
Trol-E-Duct.
Wireways.

Lighting equipment

Display, Floodlighting, Spot.
Floating Arm Lamps.
Fluorescent, Incandescent.
Porcelain Enamel Reflectors.
Vapor-Proof, Dust-Tight,
Explosion-Proof.

Motor control

Float, Foot and Limit Switches.
Magnetic Brakes.
Mill Duty Control.
Pushbutton Stations.
Resistors.
Starters.
Unitrol Control Centres.

Wiring supplies

Boxes—Outlet and Switch.
Cable Clamps and Connectors.
Fittings—Fixture, Ground.
Fuses—Cartridge.
Signals—Industrial.
Transformers—Luminous Tube, Oil
Burner Ignition.
Wiring Devices.

