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# Canadian Bronze Company, Limited

Montreal, Canada



## Annual Report 1947

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# CANADIAN BRONZE COMPANY, LIMITED

999 DELORIMIER AVENUE

MONTREAL 24  
CANADA

March 22nd, 1948.

## WHOLLY OWNED SUBSIDIARIES

MONTREAL BRONZE, LIMITED  
NORTHWESTERN BRASS, LIMITED  
ST. THOMAS BRONZE CO., LIMITED  
DIAMOND BRONZE COMPANY INC.  
WINNIPEG BRASS LIMITED  
NATIONAL BRONZE CO., LIMITED

Gentlemen:

We take pleasure in handing you herewith the Annual Report of Canadian Bronze Company, Limited, for the year ending December 31st, 1947, and in connection therewith we outline below, for your convenience, the cash position of the Company as of like date:

CURRENT ASSETS:

Cash	\$ 368 560 98	
Accounts receivable - less reserve	575 857 29	
Inventories - less reserve	964 551 32	
Prepaid insurance	2 024 22	
Government bonds and corporation		\$ 1 910 993 81

Revenue accrued to date	<u>719 19</u>	<u>255 496 03</u>
TOTAL CURRENT ASSETS		\$ 2 166 489 84
<u>CURRENT LIABILITIES:</u>		
Accounts payable and accrued expenses	\$ 865 254 31	
Dividend payable Feb. 2, 1948;		
on preference shares	\$ 9 375 00	
on common shares	<u>40 000 00</u>	49 375 00
Income and excess profits		
taxes	\$372 412 12	
Less: paid on account	<u>154 570 42</u>	217 841 70
Sales taxes payable		<u>33 547 08</u>
TOTAL CURRENT LIABILITIES		<u>1 166 018 09</u>
WORKING CAPITAL		\$ 1 000 471 75

Ratio of Current Assets to Current Liabilities 1.86 to 1

(In addition to the above the Refundable Portion of Excess Profits Tax now stands at \$176,400.00)

Yours very truly,

W. C. Paquette,

Secretary.



CANADIAN BRONZE COMPANY, LIMITED

*and*

*Wholly Owned Subsidiary Companies*

MONTREAL BRONZE, LIMITED

NORTHWESTERN BRASS, LIMITED

ST. THOMAS BRONZE COMPANY, LIMITED

DIAMOND BRONZE COMPANY INC.

WINNIPEG BRASS LIMITED

NATIONAL BRONZE COMPANY, LIMITED

Established 1896

CANADIAN BRONZE COMPANY,  
LIMITED

*DIRECTORS*

STEWART G. BENNETT	C. HOWARD GORDON
AUBREY H. ELDER, K.C.	SAMUEL J. HUNGERFORD, C.M.G.
H. CARSON FLOOD	RICHARD O. JOHNSON
HON. WILFRID GAGNON, C.B.E.	JOSEPH A. KILPATRICK
HERMAN W. TRITT	

*EXECUTIVE OFFICERS*

H. W. TRITT, *President and Managing Director.*  
A. H. ELDER, K.C., *Vice-President.*  
R. J. KING, *Treasurer.*  
W. C. PAQUETTE, *Secretary.*

*Solicitors*

WAINWRIGHT, ELDER, LAIDLEY,  
LESLIE, CHIPMAN & BOURGEOIS

*Executive Offices*

999 DELORIMIER AVENUE - MONTREAL





## CANADIAN BRONZE COMPANY, LIMITED

To the Shareholders:

Your Directors submit herewith a Consolidated Income Account and Balance Sheet showing the results of the past year's operations and the financial position of your Company and its wholly-owned subsidiaries as at December 31st, 1947.

Gross operating profits of \$733,842.84, an increase of \$186,485.44 as compared with 1946, resulted, after provision for depreciation and taxes, in a net profit of \$351,673.85. This compares with a net profit of \$256,478.74 for the previous year, or an increase of \$95,195.11. After payment of the \$5.00 per share preferred dividend and of \$2.00 per share on the common stock there remained an amount of \$154,173.85 carried to earned surplus, with further adjustments in the latter as explained below.

The improvement in your Company's earnings is attributable to (a) an expansion in the sale of its finished products, (b) an unprecedented increase in the tonnage of its industrial business, and (c) economies derived from a policy of maintaining plants and their productive facilities at the highest possible level of efficiency. A brief indication of the diversity of your Company's products is illustrated in the enclosed folder.

New capital expenditures continued necessary to provide for the modernization and expansion of your Company's facilities to meet the increasing demand for its products. Working capital appears at \$1,000,471.75, an increase of \$76,577.85 since December 31st, 1946.

Prices of raw materials entering into the cost of the products have advanced considerably during the past year and the increase in the value of inventories is attributable to the purchasing of required materials as available. With this situation prevailing, your Directors considered it advisable to increase inventory reserve by \$25,000.00 from earned surplus. Your Directors also have thought it advisable to set up a contingency reserve of \$50,000.00 from earned surplus to provide for unforeseen plant changes of a capital nature.

An amount of \$70,000.00 has been transferred from the investment reserve to earned surplus, as being no longer required. Provision out of earned surplus in the amount of \$50,000.00 is for prospective additional income and excess profits taxes in respect of prior years.

The prospects for 1948 can be considered promising by reason of the enlarged program for new equipment by railways, both here and abroad. There is also an increased demand for your Company's products in the industrial field. Such prospects may be interfered with as a result of possible power shortages and delayed delivery of essential materials to co-related industries.

It is with profound sorrow and a sense of grievous personal loss that your Directors record the untimely death on September 2nd, 1947, of William Leonard Bayer, President of the Company for the past eighteen years. He leaves a great legacy in the recollection of his strength, his courage and his other personal qualities.

The results of the year could not have been accomplished without the loyal and efficient service of every member of the Company, and your Directors desire to express their appreciation of this fine spirit of co-operation.

By Order of the Board,

H. W. TRITT,  
*President.*

# CANADIAN BRONZE

AND WHOLLY OWNED

Consolidated Balance Sheet

## ASSETS

### CURRENT ASSETS:

Cash..... 368,560.98

Accounts Receivable — less Reserve..... 575,857.29

### Inventories:

Certified to by Officers of the Companies as having been determined by actual count or weight and priced at the lower of cost or approximate market value, less reserve.

Raw Materials, Goods in Process and  
Finished Stock..... 964,551.32

Prepaid Insurance..... 2,024.22 1,910,993.81

### INVESTMENTS:

Government Bonds and Corporation Shares  
at Cost — less Reserve..... 254,776.84  
(Quoted Market Value — \$280,742.50)

Revenue accrued to date..... 719.19 255,496.03

### REFUNDABLE PORTION OF EXCESS PROFITS TAX

(Estimate)..... 176,400.00

### FIXED ASSETS:

Land, Buildings, Machinery and Tools, Plant,  
Patterns, Automobiles, Office Furniture and  
Fixtures — Valued on the basis of appraisals  
made on 30th April 1934 and 13th October  
1934 by Canadian Appraisal Company  
Limited with additions since the dates of  
these appraisals at cost..... 2,000,510.14

Less — Reserves for Depreciation..... 1,136,424.66 864,085.48

### CONTRACTS, RIGHTS, PATENTS AND GOODWILL.

1.00

\$3,206,976.32

# COMPANY, LIMITED

## SUBSIDIARY COMPANIES

as at 31st December 1947

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts Payable and Accrued Expenses.....	865,254.31	
Dividends Payable 1st February 1948 —		
on Preference Shares.....	9,375.00	
on Common Shares.....	40,000.00	49,375.00
Income and Excess Profits Taxes	372,412.12	
Less: Paid on account.....	154,570.42	217,841.70
Sales Taxes Payable.....	33,547.08	1,166,018.09

#### RESERVES:

Insurance.....	16,049.45	
Contingencies.....	50,000.00	66,049.45

#### 5% CUMULATIVE REDEEMABLE PREFERENCE STOCK:

Authorized

15,000 shares of \$100.00 Par Value \$1,500,000.00

Issued and Fully Paid

7,500 shares..... 750,000.00

#### COMMON STOCK AND SURPLUS:

*Common Stock* — without Nominal or Par Value

Authorized — 100,000 shares

Issued and Fully Paid — 80,000 shares..... 197,395.24

*Earned Surplus* — as per attached statement.... 851,113.54

*Special Surplus* —

Estimated Refundable Portion of

Excess Profits Tax —

Balance as at 31st December 1946..... 176,400.00 1,224,908.78

\$3,206,976.32

Approved on behalf of the Board:

H. W. TRITT }  
A. H. ELDER } *Directors.*

#### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Canadian Bronze Company, Limited and its wholly owned subsidiary companies for the year ended 31st December 1947, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Consolidated Balance Sheet and the accompanying Consolidated Statements of Profit and Loss and Earned Surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Canadian Bronze Company, Limited and its wholly owned subsidiary companies, as at 31st December 1947, and the results of their 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.

(Signed) McDONALD, CURRIE & CO.,

Chartered Accountants.

MONTREAL, 17th February 1948.

# CANADIAN BRONZE COMPANY, LIMITED

and

Wholly Owned Subsidiary Companies

## Consolidated Statement of Profit and Loss for the Year ended 31st December 1947

### OPERATING PROFITS:

From Subsidiary Companies—before deducting the following expenses .....		733,842.84	
<i>Deduct:</i>			
Provision for Depreciation of Fixed Assets .....	42,714.65		
Provision for Income and Excess Profits Taxes .....	290,000.00		
Legal Fees .....	1,465.16		
Directors' Fees .....	5,182.80		
Salaries and Fees of Executive Officers .....	48,388.45	387,751.06	346,091.78

### NET REVENUE:

From Investments, Commission and Rentals .....			5,582.07
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### NET PROFITS FOR THE YEAR .....

			351,673.85
<i>Deduct</i> — Dividends Paid and Payable —			
Preference .....	37,500.00		
Common .....	160,000.00	197,500.00	

### BALANCE OF NET PROFITS FOR THE YEAR:

Transferred to Consolidated Statement of Earned Surplus .....			<u>\$ 154,173.85</u>
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## Consolidated Statement of Earned Surplus for the Year Ended 31st December 1947

BALANCE AS AT 31ST DECEMBER 1946 .....			721,940.69
<i>Add</i> — Balance of Net Profits for the Year ...	154,173.85		
Net Proceeds from Life Insurance Policies .....	29,999.00		
Reserve for Investments not now required .....	70,000.00	254,172.85	
			976,113.54
<i>Deduct</i> — Provision for additional Income and Excess Profits Taxes in respect of prior years .....	50,000.00		
Amount transferred to Inventory Reserve .....	25,000.00		
Amount transferred to Contingency Reserve .....	50,000.00	125,000.00	
BALANCE AS AT 31ST DECEMBER 1947 .....			<u>\$ 851,113.54</u>

CANADIAN BRONZE COMPANY,  
LIMITED

*Works located at*

MONTREAL, QUEBEC  
ST. THOMAS, ONTARIO  
WINNIPEG, MANITOBA  
CALGARY, ALBERTA  
LYNDONVILLE, VERMONT

*Transfer Agents:*

THE ROYAL TRUST COMPANY  
MONTREAL *and* TORONTO

*Registrars:*

THE TORONTO GENERAL TRUST CORPORATION  
MONTREAL *and* TORONTO





