

Corporation
File

Canadian Bronze Company, Limited

Montreal, Canada



Annual Report
1946

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CANADIAN BRONZE COMPANY, LIMITED

999 DELORIMIER AVENUE

MONTREAL 24
CANADA

April 3rd, 1947.

W.L. BAYER, PRESIDENT

OWNING & OPERATING
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, 1946, and in connection therewith we outline below, for your convenience, the cash position of the Company as of like date:

CURRENT ASSETS:

Cash on Hand and in Banks	\$ 216 179 02	
Account Receivable - Less Reserve	626 519 24	
Inventories	<u>520 602 71</u>	\$ 1 363 300 97
Investments in Marketable Securities - at Market Value	267 908 75	
Interest Accrued to Date	<u>656 25</u>	<u>268 565 00</u>

TOTAL CURRENT ASSETS

\$ 1 631 865 97

CURRENT LIABILITIES:

Accounts Payable and Accrued Expenses		453 612 67	
Dividend Payable Feb. 1, 1947:			
Preferred	\$ 9 375 00		
Common	<u>40 000 00</u>	49 375 00	
Income & Excess Profits			
Taxes	244 976 46		
Less Amount Prepaid	<u>132 000 00</u>	112 976 46	
Sales Taxes		<u>25 001 36</u>	
TOTAL CURRENT LIABILITIES			<u>640 965 49</u>
WORKING CAPITAL			\$ 990 900 48

Ratio of Current Assets to Current Liabilities 2.55 to 1

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

Yours very truly,

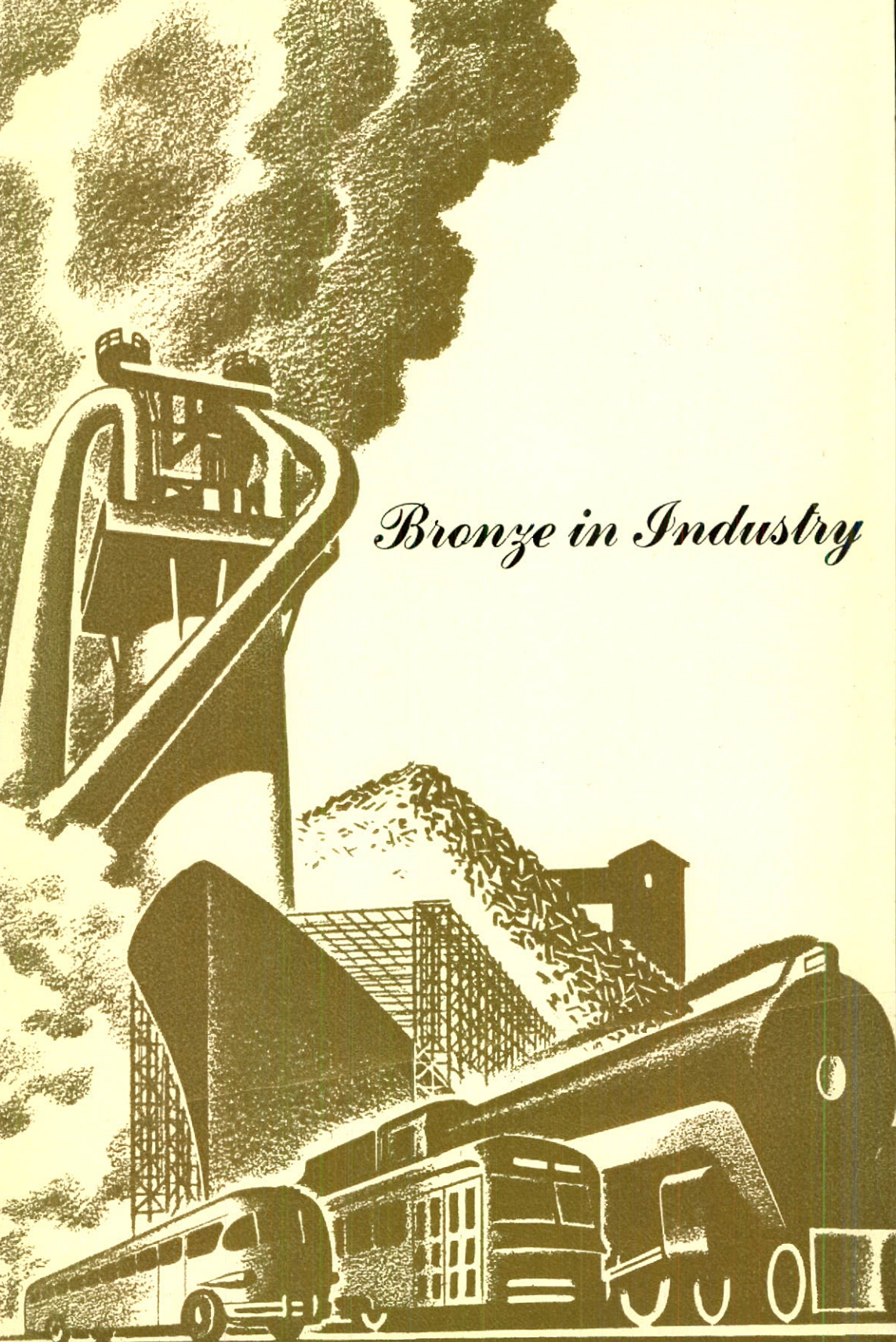
W.C. Paquette,

Secretary

THE CANADIAN BRONZE COMPANY, LIMITED, represents the Dominion's largest group of non-ferrous founders. It serves a great variety of industries with everything in the non-ferrous field—no matter how complex or simple. Behind this service lies over 50 years of operation and an outstandingly successful record.

The reputation won by "Canadian Bronze" is built upon modern and progressive methods—always in step with the latest technical developments. The modern equipment and laboratories, the trained and skilled men of this company can meet the most exacting requirements.

The following are a few of the industries now served by "Canadian Bronze" and a partial list of the products supplied (static and centrifugally cast).



Bronze in Industry

Automotive



All brass and copper parts required for these buses, chrome-plated fittings, and various other parts for both the interior and exterior.

Frameways



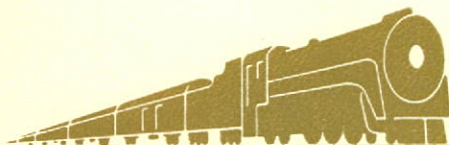
Armature bearings, motor bearings, trolley wheels, valve levers, window fasteners, rheostat terminals, oil feed covers, drain cocks, valve spindles, tees, elbows.

Pulp and Paper Mills



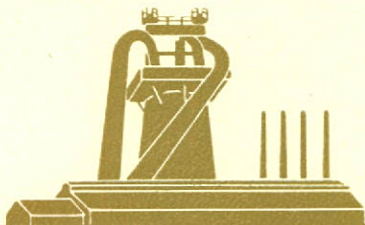
Centrifugally cast bronze liners for Hydrofiners, pump casings, impellers, spiders.

Railways



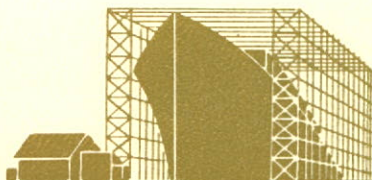
Specialists in Bronze Journal Bearings and various locomotive motion parts which are supplied to Canadian Railroads from coast to coast.

Steel Mills



Hot neck mill brasses for sheet mills; centrifugally cast liners for pickling machines, bearing plates.

Shipbuilding



Pumps, impellers, tees, valve seats, glands, valves, stern tube bushings, brazing metal flanges, liners.

The Research and Development Department of "Canadian Bronze" is ready and able to aid in the development of castings to meet the requirements of special jobs.

The Service Department, through a comprehensive follow-up system, follows products through field tests to ensure complete satisfaction.

The wide range of alloys employed by "Canadian Bronze" places the company in an especially favourable position to supply without prejudice the right alloy to meet the specific requirements of each job.

"May We Serve Your Industry?"



CANADIAN BRONZE

Company, Limited

Wholly Owned Subsidiaries:

- MONTREAL BRONZE, LIMITED, Montreal, Que.
- WINNIPEG BRASS LIMITED, Winnipeg, Man.
- NORTHWESTERN BRASS, LIMITED, Winnipeg, Man., and Calgary, Alta.
- ST. THOMAS BRONZE COMPANY, LIMITED, St. Thomas, Ont.
- DIAMOND BRONZE COMPANY INC., Lyndonville, Vt.

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

WILLIAM L. BAYER	HON. WILFRID GAGNON, C.B.E.
STEWART G. BENNETT	C. HOWARD GORDON
AUBREY H. ELDER, K.C.	SAMUEL J. HUNGERFORD, C.M.G.
H. CARSON FLOOD	RICHARD O. JOHNSON

JOSEPH A. KILPATRICK

EXECUTIVE OFFICERS

W. L. BAYER, *President and Managing Director.*

A. H. ELDER, K.C., *Vice-President.*

R. J. KING, *Treasurer.*

W. C. PAQUETTE, *Secretary.*

Solicitors

WAINWRIGHT, ELDER & LAIDLAY

Executive Offices

999 DELORIMIER AVENUE · MONTREAL



CANADIAN BRONZE COMPANY, LIMITED

To the Shareholders:

Your Directors take pleasure in presenting a Consolidated Income Account and Balance Sheet showing the results of the past year's business and the financial position of your Company and its wholly-owned subsidiaries as at December 31st, 1946.

Gross Operating Profits at \$547,357.40, a reduction of \$51,358.63 as compared with 1945, permit, after taxes and depreciation, the carrying forward of a net profit of \$256,478.74. This compares with a net profit of \$200,767.55 for the previous year, or an increase of \$55,711.19. After provision for the regular \$5.00 per share preference dividend and a payment of \$1.62½ per share on the common stock, there remained a net surplus of \$88,978.74 from the year's operations.

Since 1937 your Company's common stock has been on an annual dividend basis of \$1.50 a share, accompanied in eight of the nine years 1937 to 1945, inclusive, by an extra payment of 50¢ a share. With the declaration of 50¢ a share for the fourth quarter of 1946, in place of the customary 37½¢ plus an extra, the inauguration of a regular annual basis of \$2.00 a share is indicated.

The present annual report is the twentieth to be issued since the business of your Company and its subsidiaries, established more than fifty years ago, was acquired from United States interests in March, 1927. Over the twenty years our effort has been to maintain our leadership in bronze bearing metals and, while broadening our activities in commercial lines, to improve constantly the quality and efficiency of our service to our principal customers, the Canadian railroads.

Capital liabilities ahead of your common stock, which were \$1,250,000 7% preference stock in 1927, were reduced by 1936 to the \$750,000 5% preference stock now outstanding. No funded debt has existed at any time. The policy in respect to common stock dividends has been to pay out to shareholders a reasonable proportion of the earnings while at the same time retaining within the business amounts sufficient to provide for additions and improvements to plant facilities which would sustain or add to earning power.

This policy of conserving a fair proportion of earnings for the benefit of the business has, we believe, contributed to stability in employment for our workers and to continuity in dividends for our shareholders. It is reflected in Earned Surplus Account, which now stands at \$721,940.69, in addition to which there is a Special Surplus of \$176,400 representing the estimated refundable portion of the Excess Profits Tax. After providing for the new capital expenditures that have been required from time to time and for the \$500,000 reduction in outstanding preference stock, net working capital (including marketable securities) has been strengthened, the \$990,900.48 shown as of December 31st last comparing with the \$715,717 existing at the time your Company was incorporated.

The books of your Company have been audited regularly and the certificate of the Auditors appears herewith without exceptions, all matters in connection with your Company's war business and allowances for special depreciation having been satisfactorily settled with the Government.

Your Directors again desire to express their appreciation of the efficient work and loyal co-operation of the employees.

By Order of the Board,

W. L. BAYER,
President.

CANADIAN BRONZE

AND WHOLLY OWNED

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash	216,179.02	
Accounts Receivable — less Reserve	626,519.24	
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 market.		
Raw Materials, Goods in Process and Finished Stock	631,225.80	
Less: Raw Materials held for Customers' Account	110,623.09	
	<u>520,602.71</u>	1,363,300.97

INVESTMENTS:

<i>Marketable Securities—</i>		
Government Bonds and Corporation Shares at Cost—less Reserve	200,902.17	
(Quoted Market Value \$267,908.75)		
<i>Non-Marketable Securities—</i>		
Guaranteed First Mortgage Certificates at Cost—less Reserve	20,000.00	
	<u>220,902.17</u>	
Revenue accrued to date	656.25	221,558.42

OTHER ASSETS:

Life Insurance Policies	1.00	
Cash Surrender Value as at 31st December 1946—\$16,945.12		
Prepaid Insurance	6,909.18	
Refundable Portion of Excess Profits Tax (Estimate)	176,400.00	183,310.18

FIXED ASSETS:

Land, Buildings, Machinery and Tools, Plant, Patterns, 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 the additions since the dates of these appraisals at cost	1,880,550.12	
Less—Reserve for Depreciation	1,093,710.01	786,840.11

CONTRACTS, RIGHTS, PATENTS AND GOODWILL 1.00

\$2,555,010.68

COMPANY, LIMITED

SUBSIDIARY COMPANIES

as at 31st December 1946

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Expenses	453,612.67	
Dividends Payable 1st February 1947—		
on Preference Shares	9,375.00	
on Common Shares	40,000.00	49,375.00
Income and Excess Profits Taxes	244,976.46	
Less: Paid on account	132,000.00	112,976.46
Sales Taxes Payable	25,001.36	640,965.49

INSURANCE RESERVE 16,021.93

INVENTORY RESERVE 52,287.33

5% CUMULATIVE REDEEMABLE PREFERENCE STOCK:

Authorized		
15,000 shares of \$100.00 Par Value	<u>\$1,500,000.00</u>	
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	721,940.69	
Special Surplus—		
Estimated Refundable Portion of		
Excess Profits Tax—		
Balance as at 31st December 1945	176,400.00	1,095,735.93
		<u>\$2,555,010.68</u>

Approved on behalf of the Board:

W. L. BAYER	}	Directors
A. H. ELDER		

AUDITORS' REPORT

TO THE SHAREHOLDERS,

CANADIAN BRONZE COMPANY, LIMITED, MONTREAL.

We have examined the books and accounts of Canadian Bronze Company, Limited, and its wholly owned subsidiary companies for the year ended 31st December 1946, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, 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, 19th February 1947.

CANADIAN BRONZE COMPANY, LIMITED

and

Wholly Owned Subsidiary Companies

Consolidated Statement of Profit and Loss for the Year ended 31st December 1946

OPERATING PROFITS:

From Subsidiary Companies—before deducting the following Expenses	547,357.40		
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Deduct:

Provision for Depreciation of Fixed Assets	32,250.85		
Provision for Income and Excess Profits Taxes	220,000.00		
Legal Fees	1,956.30		
Directors' Fees	4,951.60		
Salaries and Fees of Executive Officers	41,344.65	300,503.40	246,854.00

NET REVENUE:

From Investments, Commissions and Rentals ..			9,624.74
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NET PROFITS FOR THE YEAR			256,478.74
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Deduct—Dividends Paid and Payable—

Preference	37,500.00		
Common	130,000.00	167,500.00	

BALANCE OF NET PROFITS FOR THE YEAR:

Transferred to Consolidated Statement of Earned Surplus			\$ 88,978.74
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Consolidated Statement of Earned Surplus for the Year Ended 31st December 1946

BALANCE AT CREDIT AS AT 31ST DECEMBER 1945 ..		632,961.95
Add:—Balance of Net Profits for the Year . . .		88,978.74
BALANCE AT CREDIT AS AT 31ST DECEMBER 1946 ..		<u>\$ 721,940.69</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

