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Canadian Bronze Company, Limited

Montreal, Canada

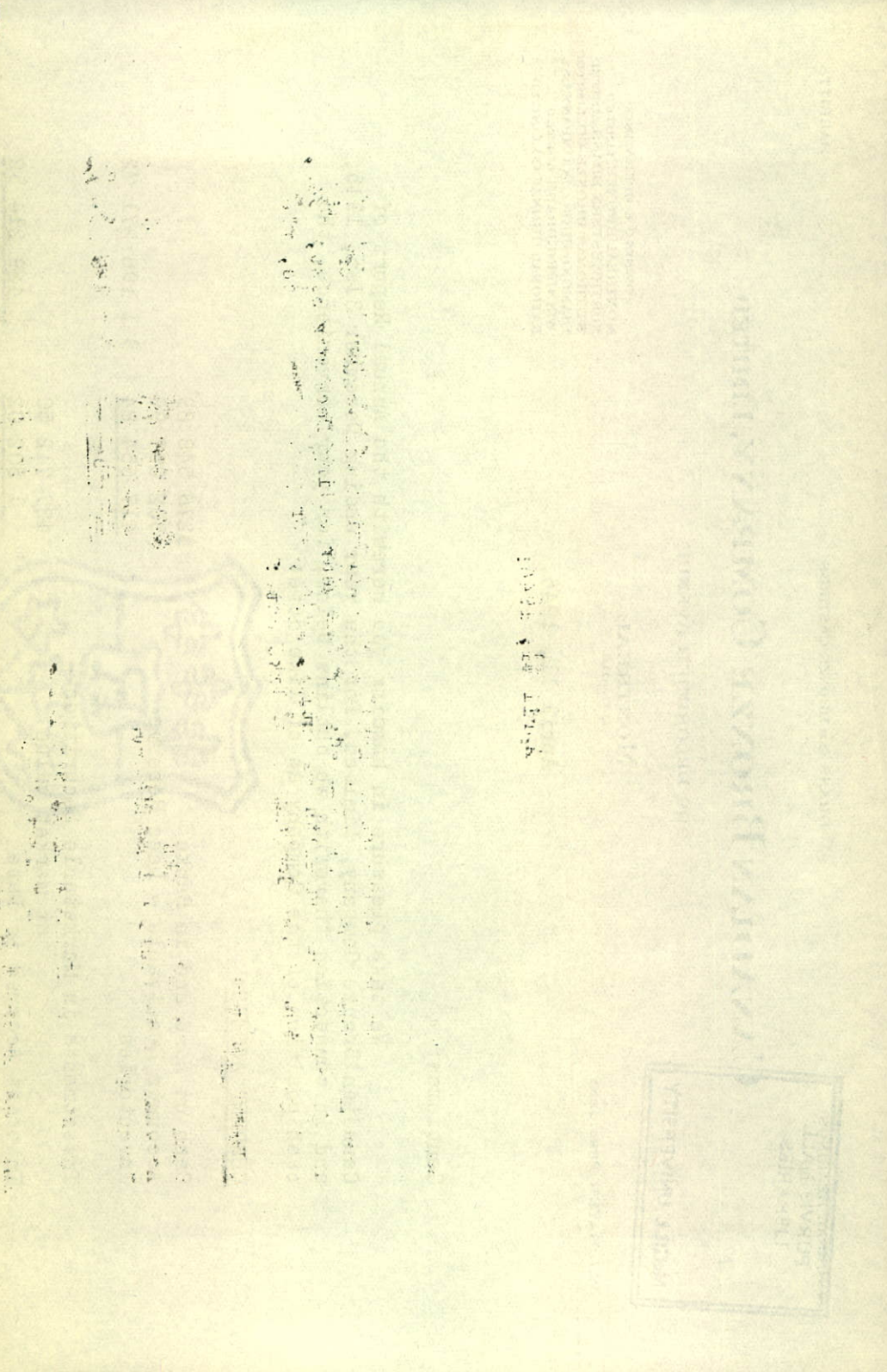


Annual Report
1945

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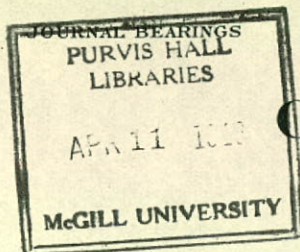
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BRASS AND BRONZE CASTINGS

BABBITTS



CANADIAN BRONZE COMPANY, LIMITED

999 DELORIMIER AVENUE

MONTREAL
CANADA

April 11, 1946.

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, 1945, 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	\$276 548 89	
Accounts Receivable - Less Reserve	502 067 99	
Inventories	<u>417 654 84</u>	\$ 1 196 271 72
Investments in Marketable Securities - at market value	427 712 50	
Interest Accrued to Date	<u>1 502 02</u>	<u>429 214 52</u>

CURRENT LIABILITIES:

Accounts Payable and Accrued Expenses		460 334 51
Dividend Payable Feb. 1, 1946:		
Preferred	\$ 9 375 00	
Common	<u>70 000 00</u>	79 375 00
Income & Excess Profits		
taxes	347 901 84	
Less Amount Prepaid	<u>192 908 45</u>	154 993 39
Sales Taxes		<u>14 145 06</u>

TOTAL CURRENT LIABILITIES

708 847 96

WORKING CAPITAL

\$ 916 638 28

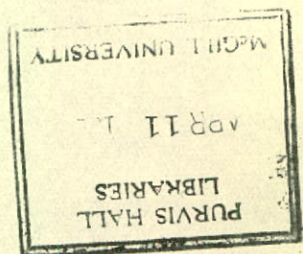
Ratio of Current Assets to Current Liabilities 2.29 to 1

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

Yours very truly,

W.C. Paquette

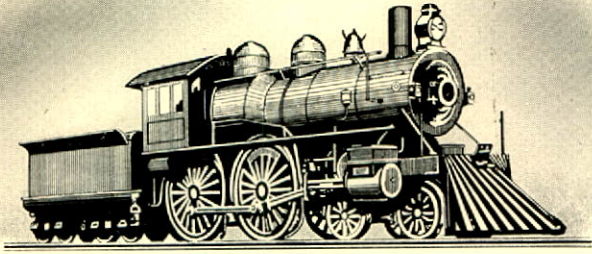
Secretary.



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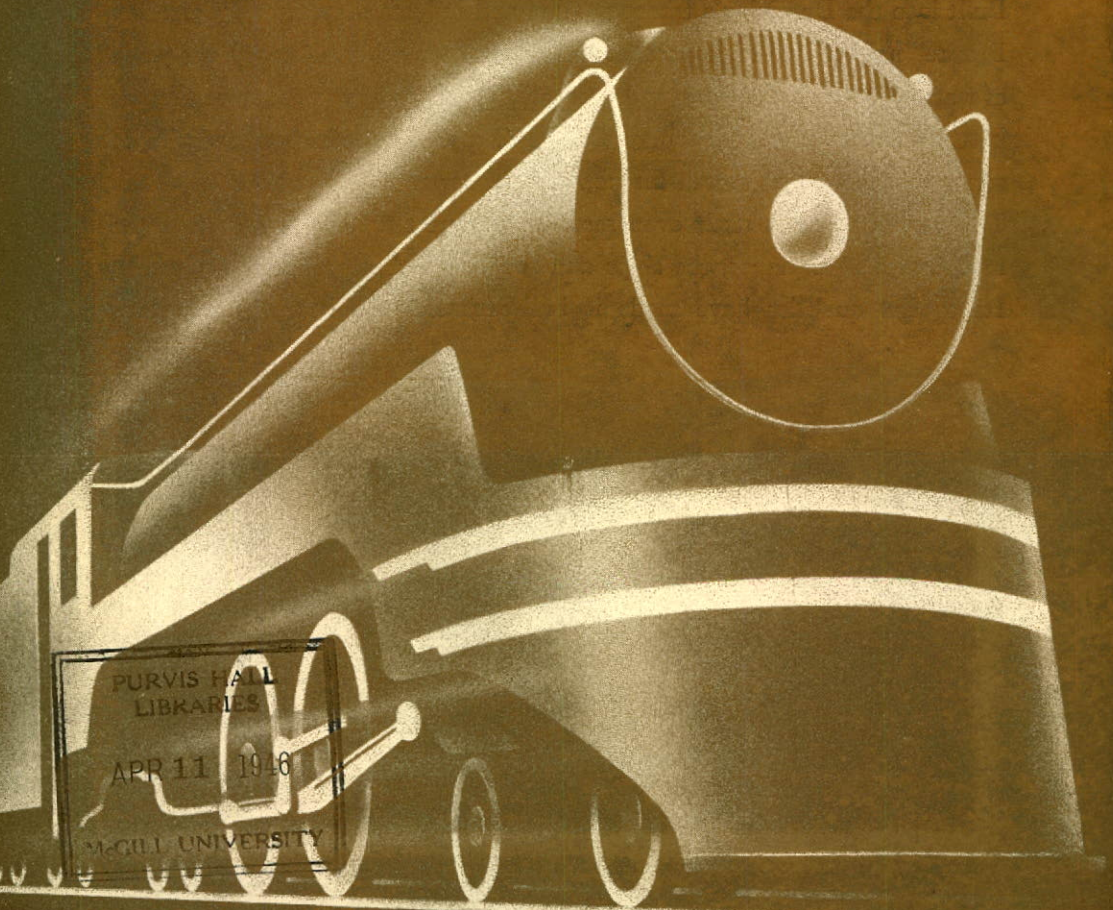
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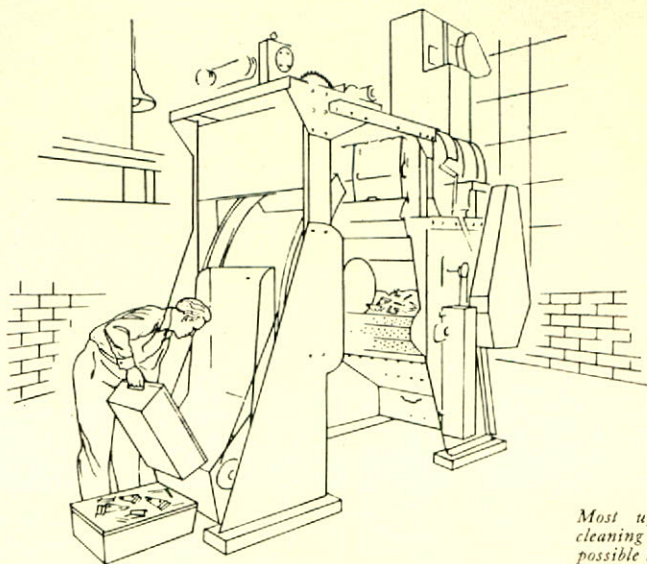


FIFTY YEARS OF PROGRESS

1896 - 1946



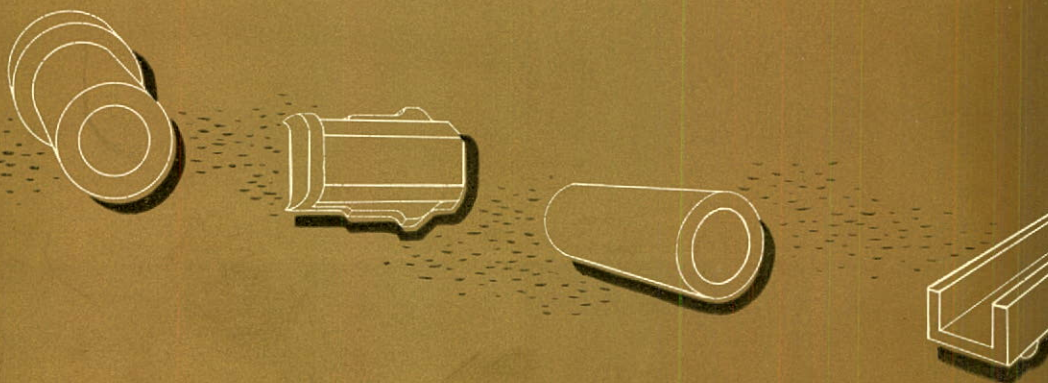
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Most up-to-date methods of cleaning castings to ensure best possible sand-free finish.

Built into the Dominion's transportation and industrial systems, "Canadian Bronze" has fulfilled its important role for half a century. Through the years of war and peace, depression and prosperity, there have run constant threads in the history of the Canadian Bronze Company, Limited—the desire to serve and the active search for new and better methods.

Today, bronze finds itself even more important than ever—built into the machines, the airplanes, the ships and countless other products of Canada. Its special qualities have made it indispensable—the bearings on which





CANADIAN BRONZE

Company, Limited

Wholly Owned Subsidiaries:—

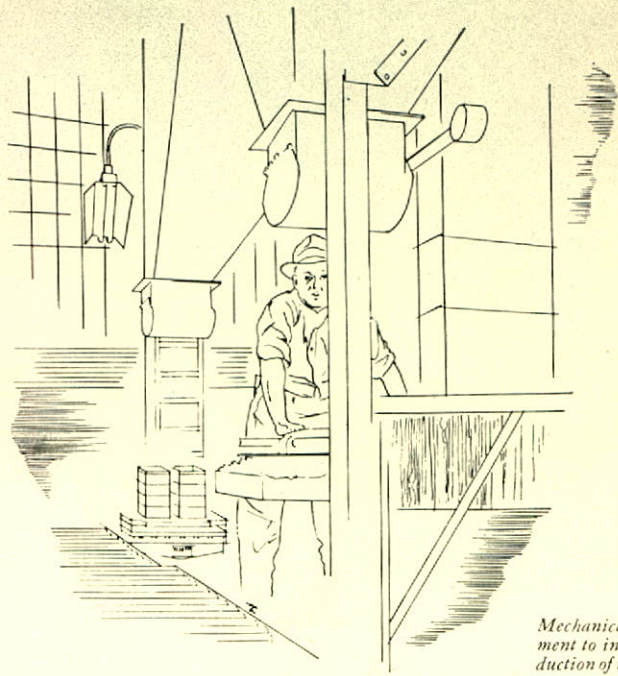
Montreal Bronze, Limited, Montreal, Que.

Winnipeg Brass Limited, Winnipeg, Man.

Northwestern Brass, Limited, Winnipeg, Man., and Calgary, Alta

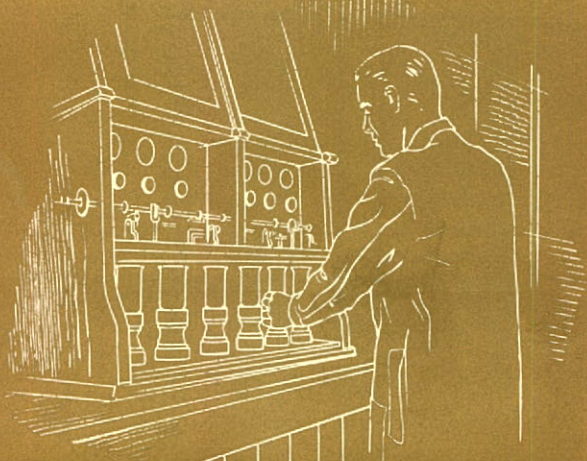
St. Thomas Bronze Company, Limited, St. Thomas, Ont.

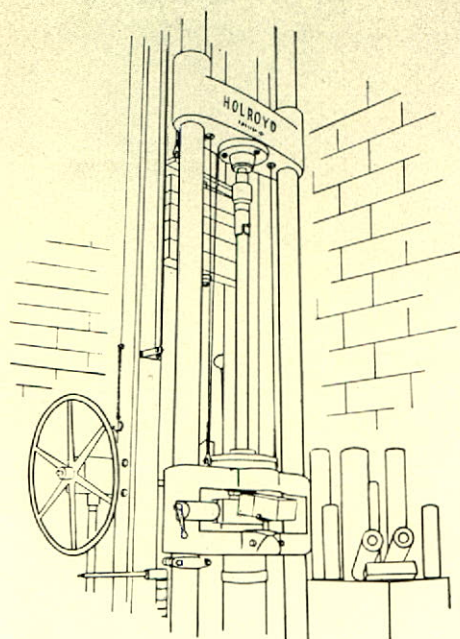
Diamond Bronze Company Inc., Lyndonville, Vt.



Mechanical moulding equipment to increase and speed production of more uniform castings

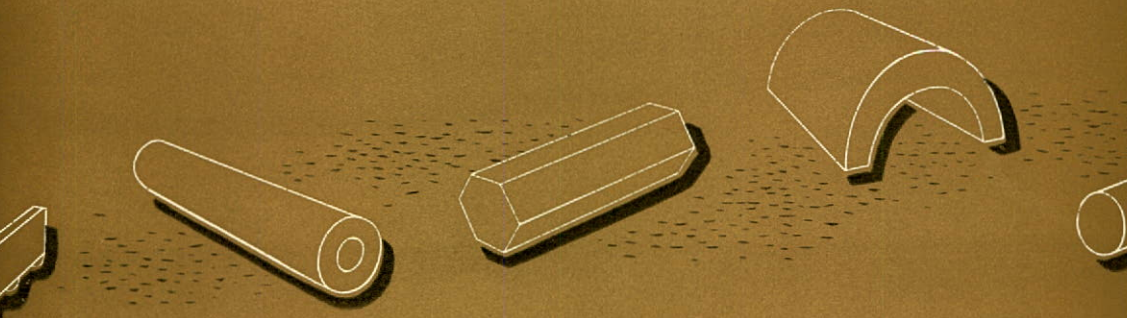
chemical and physical properties. In our modern research laboratories, metallurgists, chemists, skilled technicians pursue their never-ending search for better methods. The entire resources of our Technical, Research and Service Departments stand ready to serve you, our clients. We invite you to consult with us on any problems—technical or production—that you may face. Today, as for these last fifty years, we stand ready to serve.





One of the modern machines used in production of centrifugal and "Spun Cast" castings.

there runs the transportation system necessary for the life of our country. Impervious to rust and corrosion, bronze the seafarer, is built into the vitals of ships. Where shock and strain must be met, there bronze plays its crucial role. Founded in 1896, the Canadian Bronze Company's activities have been steadily expanded to serve all of our country. Today, "Canadian Bronze" is able to place a highly efficient system at the disposal of its customers from coast to coast. The uniformly high standard of our product is maintained through scientific temperature control of melting and pouring operations together with control of



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	SAMUEL J. HUNGERFORD
AUBREY H. ELDER, K.C.	RICHARD O. JOHNSON
H. CARSON FLOOD	JOSEPH A. KILPATRICK
ROSS H. McMASTER	

EXECUTIVE OFFICERS

W. L. BAYER, <i>President and Managing Director.</i>
A. H. ELDER, K.C., <i>Vice-President.</i>
R. J. KING, <i>Treasurer.</i>
W. C. PAQUETTE, <i>Secretary.</i>

Solicitors

WAINWRIGHT, ELDER & LAIDLEY

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, 1945.

Gross Operating profits at \$598,716.03, a reduction of \$80,645.05 as compared with 1944, permitted, after taxes and depreciation, the carrying forward of a net profit of \$200,767.55. This compares with a net profit of \$204,968.15 for the previous year, or a reduction of \$4,200.60. After provision for the regular \$5.00 a share preferred dividend and payment of the regular \$1.50 per share plus an extra of \$0.50 on the common stock, there remained a net surplus of \$3,267.55 from the year's operations.

The estimated refundable portion of the Excess Profits Tax after the year's addition of \$37,000 now stands on the books at \$176,400. Income Tax and Excess Profits Tax payments have again accounted for the outgo of a large portion of your Company's gross operating profit.

Your Company was established in August, 1896. As it is now in its fiftieth year we are calling your attention in an enclosed brochure to the steady progress which has been achieved over a period which included two world wars and two major business depressions.

A Quarter Century Club was inaugurated by your Company to honour those employees who have been with and have formed a part of your Company over a period of twenty-five years or more. We are pleased to say that there are, at the present time, over thirty such employees and the number will be increased considerably in the course of the next few years. The following table shows the years of service of the present membership of the Canadian Bronze Company, Limited's Quarter Century Club.

50 years service	—	1 Employee
36-40	"	3 Employees
31-35	"	12 "
25-30	"	17 "

Your Company also has, for the benefit of its employees, a Pension and Insurance Plan.

The books of your Company have been audited regularly and the certificate of the Auditors appears herewith.

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 S

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash (including \$16,127.39 U.S. Funds)..... 276,548.89

Accounts Receivable—less Reserve..... 502,067.99

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..... 505,640.68

Less: Raw Material held for

Customers' Account..... 87,985.84 417,654.84 1,196,271.72

INVESTMENTS:

Marketable Securities—

Government Bonds and Corpora-
tion Shares at Cost—less Re-
serve..... 358,589.67

(Quoted Market Value \$427,463.75)

Non-Marketable Securities—

Guaranteed First Mortgage Certificates
at Cost—less Reserve..... 20,000.00

378,589.67

Revenue accrued to date..... 1,502.02 380,091.69

LIFE INSURANCE POLICIES..... 1.00

Cash Surrender Value as at 31st December
1945—\$15,667.12

PREPAID INSURANCE..... 6,303.98

REFUNDABLE PORTION OF EXCESS PROFITS TAX
(Estimate)..... 176,400.00

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 the Canadian Appraisal Company, Limited
with additions since the dates of these
appraisals at cost..... 1,836,267.74

Less—Reserve for Depreciation..... 1,061,459.16 774,808.58

CONTRACTS, RIGHTS, PATENTS AND GOODWILL.... 1.00

\$2,533,877.97

COMPANY, LIMITED

BSIDIARY COMPANIES

s at 31st December 1945

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Expenses	460,334.51	
Dividends Payable 1st February 1946—		
on Preference Shares	9,375.00	
on Common Shares	70,000.00	79,375.00
Income and Excess Profits Taxes	347,901.84	
Less—Paid on Account	192,908.45	154,993.39
Sales Taxes Payable	14,145.06	708,847.96

INSURANCE RESERVE		15,985.49
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	632,961.95	
Special Surplus—		
Estimated Refundable Portion of		
Excess Profits Tax—		
Balance as at 31st December 1944	139,400.00	
Amount in respect of 1945	37,000.00	176,400.00
		<u>1,006,757.19</u>
		<u>\$2,533,877.97</u>

Approved on behalf of the Board:

W. L. BAYER
J. A. KILPATRICK } Directors

AUDITOR'S 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 1945 and we have obtained all the information and explanations which we have required.

The Companies' war business is at present under examination by the Department of Munitions and Supply of the Dominion of Canada and, if renegotiated, it may be necessary to adjust the amounts shown on the above Balance Sheet for income and excess profits taxes payable, and for the refundable portion of excess profits tax. These amounts are further subject to the allowance by the War Contracts Depreciation Board of claims for special depreciation on assets acquired in 1945.

Subject to the foregoing remarks, 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, 25th February 1946.

CANADIAN BRONZE COMPANY, LIMITED

and

Wholly Owned Subsidiary Companies

Consolidated Statement of Profit and Loss for the Year ended 31st December 1945

OPERATING PROFITS:

From Subsidiary Companies—before deducting the following Expenses.....		598,716.03	
<i>Deduct:</i>			
Provision for Depreciation of Fixed Assets.....	38,205.12		
Provision for Income and Excess Profits Taxes (including the esti- mated Refundable Portion of Excess Profits Tax of \$37,000.00)	325,180.00		
Legal Fees.....	912.65		
Directors' Fees.....	5,081.00		
Salaries and Fees of Executive Officers.....	39,449.00	408,827.77	189,888.26

NET REVENUE:

From Investments, Commissions and Rentals....		10,879.29
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NET PROFITS FOR THE YEAR..... 200,767.55

<i>Deduct—Dividends Paid and Payable—</i>		
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.....		\$ 3,267.55
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Consolidated Statement of Earned Surplus for the Year ended 31st December 1945

BALANCE AT CREDIT AS AT 31ST DECEMBER 1944....	629,694.40
Add—Balance of Net Profits for the Year.....	3,267.55
BALANCE AT CREDIT AS AT 31ST DECEMBER 1945....	<u>\$632,961.95</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



