

# Canadian Bronze Company, Limited

Montreal, Canada



Annual Report  
1942

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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

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

WILLIAM L. BAYER

EXECUTIVE OFFICERS

W. L. BAYER, *President and Managing Director.*  
A. H. ELDER, K.C., *Vice-President.*  
R. J. KING, *Treasurer.*  
W. C. PAQUETTE, *Secretary.*  
F. C. COLE, *Assistant Secretary.*

*Solicitors*

WAINWRIGHT & ELDER

*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 result of the past year's business and the financial position of your Company and its wholly-owned subsidiaries as at December 31st, 1942.

The volume of business handled last year was the largest in the history of your Company and operating profits at \$825,373.53, as shown in the statement submitted herewith, were more than 30% higher than in 1941. Income and Excess Profits taxes, however, rose 52% and the appropriation for depreciation was increased 239%. These larger charges against operating earnings resulted in net distributable profits of \$249,493.52 being down \$31,656.39, a decrease, however, which is virtually offset by the refundable portion of the Excess Profits tax, amounting to \$30,400.

As you are aware, the plants of your Company, in addition to their principal business of supplying the railroads with equipment parts, are producing much highly specialized material needed in the making of munitions, aeroplanes, tanks and ships. The satisfaction which shareholders may well take in this contribution to the war effort should be increased by the knowledge that your operations are also resulting in a substantial contribution to the Government's war chest. At \$400,650 last year's Income and Excess Profits taxes were equivalent to over \$5 a share on your common stock as compared with the \$160,000, or \$2 a share, distributed in dividends.

After all deductions, including the regular \$5 dividend on the preferred stock and \$1.50 plus an extra of 50 cents on the common, earned surplus was increased by \$51,993.52 to \$633,888.10. The refundable portion of the Excess Profits tax referred to in the foregoing, or \$30,400 is carried in the balance sheet as "Special Surplus."

Despite new capital expenditures the financial position of your Company was well maintained. With marketable securities taken at market values net working capital stood at \$890,492.66 as compared with \$796,549.81 at the end of 1941.

The war in the Pacific is necessitating considerable changes in the ingredients of the products you manufacture, as shortages are being experienced in a number of the raw materials, particularly tin. Over a period of years, however, your Company had been experimenting on a tinless bronze which in practice is now working out very satisfactorily and is proving an important contribution to the war effort. In this connection a folder is enclosed with our Annual Report embodying a paper to the American Foundrymen's Association by Mr. Harold J. Roast, head of your Technical Department. It is a tribute to the foresight of your organization that your Company was so well prepared to meet the emergency created by this shortage of tin.

During the year Mr. S. J. Hungerford was elected to the Board of your Company. His long experience with the Canadian railways and his wide knowledge of Canadian business in general should prove invaluable to your Company.

Monthly meetings of your Board of Directors were held throughout the year. 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 in these trying times.

By Order of the Board,

W. L. BAYER,

President.

# CANADIAN BRONZE

AND WHOLLY OWNED

Consolidated Balance Sheet

## ASSETS

### CURRENT ASSETS:

Cash . . . . .	185,404.89		
Accounts Receivable—Less Reserve . . . . .	677,262.66		
Inventories			
<small>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.</small>			
Raw material, Goods in process and finished stock . . . . .	449,012.28		
Less—Raw material held for customers' account . . . . .	92,194.17	356,818.11	1,219,485.66

### INVESTMENTS:

<i>Marketable Securities—</i>			
Government Bonds and Corporation Shares at cost—less Reserve . . . . .		203,595.28	
<i>(Quoted Market Value \$226,284.25)</i>			
<i>Non-Marketable securities—</i>			
Guaranteed First Mortgage Certificates at cost—less Reserve . . . . .		20,000.00	
		<u>223,595.28</u>	
Revenue Accrued to date . . . . .		603.50	224,198.78
LIFE INSURANCE POLICIES . . . . .			1.00
<small>Cash surrender value as at 31st December 1942—\$11,927.62</small>			
REFUNDABLE PORTION OF EXCESS PROFITS TAX . . . . .			30,400.00

### FIXED ASSETS:

Land, Buildings, Machinery and Tools, Plant, Patterns, Office Furniture and Fixtures.			
<small>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 . . . . .</small>			
		1,616,893.65	
Less—Reserves for Depreciation . . . . .	855,371.12		761,522.53

CONTRACTS, RIGHTS, PATENTS AND GOODWILL . . . . .			1.00
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\$2,235,608.97

# COMPANY, LIMITED

## SUBSIDIARY COMPANIES

as at 31st December 1942

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts Payable . . . . .	255,334.12	
Dividends Payable 1st February 1943—		
On Preference shares . . . . .	9,375.00	
On Common shares . . . . .	70,000.00	79,375.00
Income and Excess Profits taxes . . . . .	410,278.69	
Less—Paid on Account . . . . .	207,000.00	203,278.69
Sales Tax payable . . . . .	17,892.94	555,880.75
INSURANCE RESERVE . . . . .		15,757.55
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. . . . .	633,888.10	
Special Surplus—Refundable portion of Excess		
Profits Tax . . . . .	30,400.00	861,683.34
		<u>\$2,235,608.97</u>

Approved on behalf of the Board,

R. H. McMASTER }  
W. L. BAYER } Directors

#### 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 1942, and we have obtained all the information and explanations which we have required.

The Provision for Income and Excess Profits Taxes is subject to the allowance by the War Contracts Depreciation Board of a claim for special depreciation on assets acquired in 1942.

Subject to the foregoing remark, 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, 2nd February 1943

# CANADIAN BRONZE COMPANY, LIMITED

and

Wholly Owned Subsidiary Companies

## Consolidated Statement of Profit and Loss for the year ended 31st December 1942

### OPERATING PROFITS:

From Subsidiary Companies.....	825,373.53		
Less—Provision for Depreciation of fixed assets.....	142,830.29		
Provision for Income and Excess Profits Taxes.....	400,650.00		
Legal Fees.....	942.24		
Directors Fees.....	4,973.20		
Salaries and Fees of Executive Officers.....	40,507.05	589,902.78	235,470.75
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NET REVENUE—			
From Investments, Commission and Rentals....			14,022.77
			<hr/>
NET PROFITS FOR THE YEAR.....			249,493.52
Deduct—Dividends Paid and Payable:			
Preference.....	37,500.00		
Common.....	160,000.00		197,500.00
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BALANCE OF NET PROFITS FOR THE YEAR.....			
Transferred to Consolidated Statement of Earned Surplus.....			<u>\$51,993.52</u>

## Consolidated Statement of Earned Surplus for the year ended 31st December 1942

BALANCE AT CREDIT AS AT 31ST DECEMBER 1941 ...	581,894.58
Add—Balance of Net Profits for the year.....	51,993.52
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BALANCE AT CREDIT AS AT 31ST DECEMBER 1942	<u>\$633,888.10</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





