

Corporation
File

REPORT and STATEMENT
**DOMINION BRIDGE
COMPANY LIMITED**

FOR YEAR ENDED
31st OCTOBER

1946



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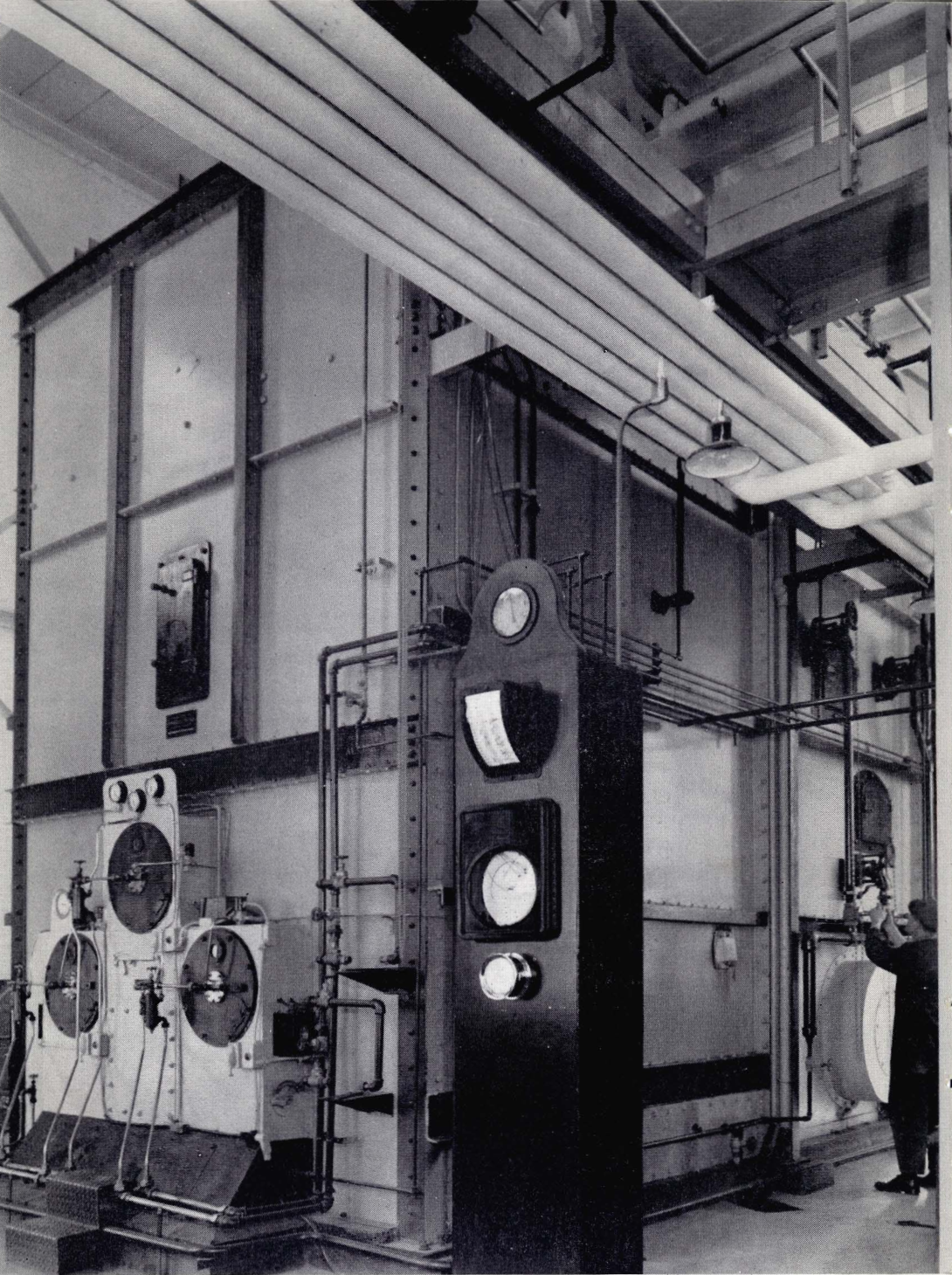
McGILL UNIVERSITY



ANNUAL
REPORT

*For the Fiscal Year
Ended 31st October*

1946



*325 H.P. Oil-fired Bent Tube Boiler
Manufactured by Dominion Bridge Company Limited
for
The Gypsum Lime & Alabastine Canada Ltd.,
Montreal East Plant.*

DOMINION BRIDGE COMPANY LIMITED

DIRECTORS

*W. F. ANGUS.....	President and Managing Director
*W. TAYLOR-BAILEY.....	Vice-President and General Manager
L. J. BELNAP.....	Montreal
JOHN BURNS.....	Calgary
C. H. CARLISLE.....	Toronto
*NORMAN J. DAWES.....	Montreal
T. R. DEACON.....	Winnipeg
ROSS H. McMASTER.....	Montreal
	*G. H. MONTGOMERY, K.C..... Montreal
HOWARD MURRAY.....	Montreal
W. G. MURRIN.....	Vancouver
*PAUL F. SISE.....	Montreal
R. E. STAVERT.....	Montreal
*H. G. WELSFORD.....	Montreal
JAMES WILSON.....	Montreal

*Member of Executive Committee.

HEAD OFFICE - LACHINE, P.Q.
F. W. EVENS—Secretary-Treasurer

EXECUTIVE OFFICERS

W. F. ANGUS.....	President and Managing Director
W. TAYLOR-BAILEY.....	Vice-President and General Manager
S. W. CAMPBELL.....	Vice-President and Manager Western Division
F. P. SHEARWOOD.....	Consulting Engineer
J. L. HEALD.....	Comptroller
F. W. EVENS.....	Secretary-Treasurer

MANUFACTURING DIVISIONS AND OFFICES

Eastern Division.....	A. H. COWIE.....	Manager, Lachine, P.Q.
Ontario Division.....	G. P. WILBUR.....	Manager, Toronto, Ont.
Western Division.....	S. W. CAMPBELL.....	Vice-President, Winnipeg, Man.
Pacific Division.....	A. S. GENTLES.....	Manager, Vancouver, B.C.

WHOLLY-OWNED SUBSIDIARY COMPANIES

Robb Engineering Works, Ltd.	J. F. F. Mackenzie, Gen. Man.	Amherst, N.S.
Sault Structural Steel Co. Ltd.	E. A. Kelly, Manager	Sault Ste. Marie, Ont.
Manitoba Bridge & Iron Works, Ltd.	H. A. MacKay, Manager	Winnipeg, Man.
Manitoba Rolling Mill Co., Ltd.	H. A. MacKay, Gen. Manager	Winnipeg, Man.
Riverside Iron Works, Ltd.	J. P. Carroll, Manager	Calgary, Alta.
The Standard Iron Works, Ltd.	R. M. Dingwall, Manager	Edmonton, Alta.

AGENCY

Regina, Sask. H. Crabtree.....1769 Hamilton Street

DOMINION BRIDGE COMPANY LIMITED

28th January, 1947.

To the Shareholders of

DOMINION BRIDGE COMPANY, LIMITED

Your Directors submit the Annual Report of the Company, together with Balance Sheet, as at 31st October, 1946, and Profit and Loss Account for the year ended that date.

The result of the year's operations shows a net profit of \$940,128.26 after making provision for Depreciation to the extent of \$495,023.89 and providing for Income and Excess Profits Tax payable, for which there has been reserved the sum of \$1,457,446.96, the refundable portion of which amounts to approximately \$16,373.00.

Working Capital as of 31st October, 1946, stands at \$11,145,000.00 in round figures, as compared with \$11,097,000.00 at the end of the previous year, an increase of \$48,000.00.

Net additions to Fixed Assets during the year amounted to \$1,141,000.00.

During the year the Reserve for Depreciation was charged with the accumulated depreciation on assets sold or retired. This accounts for the decrease in the reserve.

The additions to your several plants mentioned at the last Annual Meeting are progressing slowly owing to the difficulty in obtaining necessary materials and labour.

During the year negotiations for the exchange of your Sorauren Avenue Plant in Toronto for the Burnaby Ordnance Plant at Burnaby, B.C., were completed on a mutually satisfactory basis. You now have at Burnaby a plant well suited for your requirements, complete with a well assorted line of machine tools, and immediately adjoining your Structural Plant.

You will note that a further substantial instalment has been paid on the cost of Past Service income credits under the Pension Plan.

The overall renegotiation of profits on war contracts was concluded during the year and we have received a final discharge.

Orders and enquiries for the products of your Company continue to be gratifying, but all your plants have been badly handicapped on account of the difficulty in obtaining raw materials from the mills largely due to strikes and other work stoppages.

Stocks of raw material and manufacturing supplies are well assorted and saleable and inventories have been taken at conservative prices.

It is with sorrow that your Directors record the deaths of their colleagues, Mr. George Herrick Duggan, LL.D., D.Sc., on 8th October, 1946, and Mr. Morris W. Wilson, C.M.G., LL.D., D.C.L., on 13th May, 1946.

DOMINION BRIDGE COMPANY LIMITED

Mr. Duggan joined the Dominion Bridge Company in 1886 as a draughtsman and quickly rose successively to Chief Engineer, Vice-President and Managing Director, and eventually to President. Mr. Duggan had been a Director since 1910 and President from 1919 to 1936, when he retired from active work and was appointed Chairman of the Board, which office he held until the time of his death. A great engineer of outstanding ability, his wise counsel and knowledge of the Company's affairs are greatly missed by his sorrowing confreres.

Mr. Wilson, President of the Royal Bank of Canada and Chancellor of McGill University, had been a Director of your Company since 1942; his presence on your Board was of inestimable value and his well considered advice was at all times at the disposal of the Board.

We mourn the loss of these two outstanding Canadians.

Your Directors have declared quarterly dividends of 30c per share, a total of \$1.20 for the year.

Meetings of your Board of Directors have been held regularly, the books of your Company have been audited and the certificate of your Auditors appears on the Financial Statement herewith submitted.

Your Directors wish to record their appreciation of the loyalty and efficiency of the staff and employees throughout the Company's entire organization.

By Order of the Board of Directors,

W. F. ANGUS,
President.

DOMINION BRIDGE

AND ENTIRELY OWNED

CONSOLIDATED BALANCE SHEET

ASSETS

Fixed Assets:

Real Estate, Plant, Machinery and Equipment.....	\$20,700,449.79	
Less: Depreciation Reserve.....	13,014,588.23	
	\$7,685,861.56*	
*Cost less amounts written off.		
Investments in Partly Owned Subsidiaries at Book Value.....		2,133,577.76
Investments in Other Companies at Book Value—less Reserve.....		91,204.29
		\$ 9,910,643.61

Current Assets:

Cash on Hand and in Bank.....		1,021,679.66
Government and Other Bonds and Securities (Approximate Market Value \$2,618,338.90).....		2,303,342.36
Deposits on Tenders.....		250,817.17
Expenditure on Uncompleted Contracts at Standard Cost less Reserve.....	\$11,535,372.67	
Less: Amounts received on account....	6,010,872.57	
		5,524,500.10
Accounts and Bills Receivable less Reserve for Doubtful Accounts.....		1,420,285.46
Stock of Steel, Supplies and Small Tools at cost, which is less than Market Value less Reserve.....		4,106,929.27
		14,627,554.02
<u>2,649 Fully Paid No Par Value Shares</u>		
held by Trust Companies for sale to employees of Dominion Bridge Company, Limited.....		40,084.10

Suspended Assets:

Unexpired Insurance Premiums, Taxes and Deferred Charges.....		171,647.58
Refundable portion of Excess Profits Tax		1,851,116.05
		2,022,763.63
		\$26,601,045.36

W. F. ANGUS, *Director*

W. TAYLOR-BAILEY, *Director*

COMPANY LIMITED

SUBSIDIARY COMPANIES

SET AS AT 31st OCTOBER, 1946

LIABILITIES

Capital Stock:

Authorized—		
600,000 Shares of No Par Value.		
Issued:		
513,951 Shares of No Par Value.....		\$15,921,366.00

Reserve Accounts:

For Plant Extensions and Betterments.....	\$1,000,000.00	
For Accidents in Erection.....	181,358.36	
		1,181,358.36

Refundable Portion of Excess Profits Tax.....

1,851,116.05

Earned Surplus Account:

Balance as per Profit and Loss Account.....		3,170,180.68
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Current Liabilities:

Bank Loan for Tender Deposits.....	92,196.00	
Dividend payable 23rd November, 1946.....	154,185.30	
Reserve for Taxes.....	893,460.41	
Sundry Accounts Payable.....	2,342,664.35	
		3,482,506.06

Deferred Liability:

Balance of price of Fixed Assets purchased from Dominion Government.....		994,518.21
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\$26,601,045.36

Montreal, 20th January, 1947.

Submitted in accordance with our report of even date on the Consolidated Balance Sheet of Dominion Bridge Company, Limited and entirely owned Subsidiary Companies.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON, *Chartered Accountants,*
Auditors.

DOMINION BRIDGE COMPANY LIMITED

AND

ENTIRELY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st OCTOBER, 1946

Profits from Contracts, Interest and Exchange and Miscellaneous Income.....		\$ 3,119,385.85
Revenue from Investments.....		326,006.57
Profit on sale of Equipment and Bonds (net).....		70,319.28
		<hr/>
		\$ 3,515,711.70
 Deduct:		
Directors' Fees.....	\$ 25,320.00	
Executive Salaries.....	85,000.00	
Legal Fees.....	1,984.80	
Reserve for Taxes (including refundable portion of Excess Profits Tax).....	1,457,446.96	
Depreciation on Plant, Machinery, etc.....	495,023.89	
Pension Fund—Contribution in respect of employees' past service.....	510,807.79	
	<hr/>	2,575,583.44
		<hr/>
		940,128.26
 Add:		
Balance at Credit 1st November, 1945.....	2,862,622.86	
 Less:		
Adjustment of prior years' profit in respect of Contract Price adjustments and Income Tax.....	15,829.24	
	<hr/>	2,846,793.62
		<hr/>
		3,786,921.88
 Deduct:		
Dividend for year.....		616,741.20
		<hr/>
Balance as at 31st October, 1946, as per Balance Sheet		\$ 3,170,180.68
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RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER STREET, MONTREAL

20th January, 1947.

To the Shareholders,

DOMINION BRIDGE COMPANY, LIMITED

We have examined the books and accounts of Dominion Bridge Company, Limited and its entirely owned Subsidiary Companies for the year ended 31st October, 1946, and report thereon as follows:

The Inventories of Stock on Hand, as certified by responsible officials of the various companies, have been valued on a conservative basis.

The Investments in which your Company is interested have been verified by actual inspection of the Securities or by certificate from the Depositaries in the cases where the Securities are deposited for safe custody or as security.

In accordance with Section 114 of the Dominion Companies' Act, we report that no portion of the profits or losses of partly owned subsidiaries (with the exception of dividends actually declared by two of these) is included in these accounts. The aggregate profits, less losses, pertaining to this Company are in excess of the dividends received.

We report that we have obtained all the information and explanations we have required and, in our opinion, the accompanying Balance Sheet as at 31st October, 1946, is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

RIDDELL, STEAD, GRAHAM & HUTCHISON,

CHARTERED ACCOUNTANTS,

Auditors.

