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REPORT and STATEMENT

**DOMINION BRIDGE  
COMPANY LIMITED**

FOR YEAR ENDED  
31st OCTOBER

1948



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ANNUAL  
REPORT

*For the Fiscal Year  
Ended 31st October*

**1948**



# DOMINION BRIDGE COMPANY LIMITED

## DIRECTORS

\*W. F. ANGUS..... President and Managing Director  
\*W. TAYLOR-BAILEY..... Vice-President and General Manager

L. J. BELNAP.....	Montreal	HOWARD MURRAY.....	Montreal
JOHN BURNS.....	Calgary	W. G. MURRIN.....	Vancouver
C. H. CARLISLE.....	Toronto	*PAUL F. SISE.....	Montreal
*NORMAN J. DAWES.....	Montreal	R. E. STAVERT.....	Montreal
T. R. DEACON.....	Winnipeg	*H. G. WELSFORD.....	Montreal
ROSS H. McMASTER.....	Montreal	JAMES WILSON.....	Montreal
		*G. H. MONTGOMERY, K.C.....	Montreal

\*Member of Executive Committee.

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

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## 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  
M. N. REID, C.A..... Comptroller  
F. W. EVENS..... Secretary-Treasurer

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## 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.

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## 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.

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# DOMINION BRIDGE COMPANY LIMITED

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21st December, 1948.

To the Shareholders of

## DOMINION BRIDGE COMPANY, LIMITED

Your Directors submit the Annual Report of the Company together with the Balance Sheet as at 31st October, 1948, and the Profit and Loss Account for the year ended that date.

The result of the year's operations shows a net profit of \$1,471,056.95 after making provision for depreciation to the extent of \$820,885.35 and providing for income tax payable for which there has been reserved the sum of \$1,409,243.57.

Working capital as of 31st October, 1948, stands at \$14,866,000.00 in round figures as compared with \$11,061,000.00 at the end of the previous year, an increase of \$3,805,000.00. This increase is accounted for mainly by the fact that during the year your Company was awarded a revised Standard Profit base as a result of which taxes amounting to \$3,704,569.24 were recovered in respect of the fiscal years 1942-1945 inclusive. This amount has been added to the Company's surplus.

As a consequence of the increase in the Standard Profits the refundable portion of Excess Profits Taxes was reduced by \$933,692.12, so that the net recovery of taxes amounted to \$2,770,877.12. The refundable portion was further reduced by the receipt during the year of the 1942 portion amounting to \$190,119.98.

Net additions to fixed assets during the year amounted to \$1,314,810.32. The programme of rehabilitation of your Company's plants and facilities has progressed during the year and most of the major projects have been completed although there still remains some work to be done. At Lachine the new Boiler House is now complete while it is expected that the new Heavy Assembly Shop will be completed early in 1949. Construction of the new Structural Shop at Edmonton has been delayed because of a shortage of materials but it is expected to be in operation by midsummer. In order to increase the facilities of the Toronto Plant an extension to the Structural Shop is now in process of construction.

The decreased purchasing power of the dollar has resulted in a substantial increase in the cost of replacing worn-out tools and equipment. As normal provision for depreciation is based on the original cost of Fixed Assets, your Directors believe that it is prudent to give some recognition to this increase in the cost of replacements. They have decided, therefore, to provide an additional amount of \$200,000.00 out of current earnings.



## DOMINION BRIDGE COMPANY LIMITED

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A final provision has been made towards the cost of Past Service Income Credits under the pension plan and your Directors are happy to report that the cost of this phase of the plan has now been provided for in full. The total cost of Past Service Income Credits since the plan was inaugurated in 1944 has amounted to \$3,600,000.00. The guarantee of security which the plan ensures is much appreciated by the employees of the various companies, 336 of whom have already retired and are enjoying the benefits derived under the plan.

The deferred liability in respect of fixed assets purchased from the Dominion Government was reduced by a payment on account amounting to \$246,704.60.

Orders and enquiries for your Company's products continue to be gratifying but all your plants are still badly handicapped because of the difficulty in obtaining raw materials.

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

Your Directors have declared quarterly dividends of thirty cents 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.....	\$22,894,270.43	
<b>Less:</b> Depreciation Reserve.....	15,020,324.75	
*Cost less amounts written off.		\$ 7,873,945.68*

Investments in Partly Owned Subsidiaries at Book Value—less Reserve....	2,122,325.09	\$ 9,996,270.77
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#### Current Assets:

Cash on Hand and in Bank.....	2,781,877.11	
Government and Other Bonds and Securities (Approximate Market Value \$889,203.09).....	823,810.87	
Deposits on Tenders.....	132,191.37	
Expenditure on Uncompleted Contracts at Standard Cost less Reserve.....	20,097,810.73	
<b>Less:</b> Amounts received on account....	13,779,711.02	
Accounts and Bills Receivable less Reserve for Doubtful Accounts.....	6,318,099.71	
	4,352,254.09	
Stock of Steel, Supplies and Small Tools at cost, which is less than Market Value, less Reserve.....	5,836,448.83	20,244,681.98
<b>2,649 Fully Paid No Par Value Shares</b> 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.....	256,197.53	
Refundable Portion of Excess Profits Tax	721,721.49	977,919.02
		<u>\$31,258,955.87</u>

W. F. ANGUS, *Director.*

W. TAYLOR-BAILEY, *Director.*



# COMPANY LIMITED

SUBSIDIARY COMPANIES

STATEMENTS AS AT 31st OCTOBER 1948

## LIABILITIES

### Capital Stock:

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

Refundable Portion of Excess Profits Tax..... 721,721.49

### Earned Surplus Account:

Balance as per Profit and Loss Account.....	8,451,847.09
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### Current Liabilities:

Bank Loans.....	\$ 102,730.00	
Dividend payable 25th November, 1948.....	154,185.30	
Reserve for Taxes.....	1,678,158.21	
Sundry Accounts Payable.....	3,442,933.06	
		<u>5,378,006.57</u>

### Deferred Liability:

Balance of price of Fixed Assets purchased from Dominion Government.....	786,014.72
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\$31,258,955.87

### Montreal, 23rd December, 1948:

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 31<sup>ST</sup> OCTOBER, 1948

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Profits from Contracts, Interest and Exchange and Miscellaneous Income.....	\$ 4,181,022.80
Revenue from Investments.....	289,094.53
Profit on sale of Equipment and Securities (net).....	69,048.36
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	4,539,165.69

### Deduct:

Directors' Fees.....	\$ 24,308.00
Executive Salaries.....	94,460.00
Legal Fees.....	19,211.82
Reserve for Taxes.....	1,409,243.57
Depreciation on Plant, Machinery, etc.....	820,885.35
Pension Fund—Contribution in respect of employees' past service.....	700,000.00
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	3,068,108.74
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	1,471,056.95

### Add:

Balance at credit 1st November, 1947.....	3,706,489.01
Adjustment of Prior Years' Profits in respect of Excess Profits Tax recovered, etc.....	3,700,922.35
Refundable Portion of Excess Profits Tax, year 1942...	190,119.98
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	7,597,531.34
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	9,068,588.29

### Deduct:

Dividend for year.....	616,741.20
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Balance as at 31st October, 1948, as per Balance Sheet	\$ 8,451,847.09

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RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

460 ST. JOHN STREET, MONTREAL

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23rd December, 1948.

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 1948 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 dividends received from partly owned subsidiaries, and included in these accounts, are in excess of this Company's share of the aggregate profits of these subsidiaries for the year by \$11,740.88.

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 1948 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.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,

CHARTERED ACCOUNTANTS,

Auditors.











