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Amalgamated Electric Corporation, Limited

Montreal, Canada



**Annual Report
1945**

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In Memoriam

*Employees of the Amalgamated Electric Corporation, Limited
who lost their lives in the service of their country
in the
Second World War, 1939-1945*

F/O	Agassiz, R. E. G.	R.C.A.F.
Sgt.	Buckley, Bayne	R.C.A.F.
F/Sgt.	Chambers, G. W.	R.C.A.F.
Sgt.	Collins, N. J.	R.C.A.F.
F/Sgt.	Gardner, W. H.	R.C.A.F.
Pte.	Hartshorne, T.	Cameron Highlanders of Canada
Pte.	Hood, E.	48th Highlanders of Canada
F/O	Jenkins, J.	R.C.A.F.
Lt.	Melvin, Thomas	Royal Canadian Armoured Corps
Pte.	Owens, Geo.	48th Highlanders of Canada
F/O	Rowe, J. G.	R.C.A.F.
Cpl.	Sargeant, F.	R.C.A.F.
F/O	Sleeth, L. F.	R.C.A.F.
Tpr.	Smith, F.	1st Hussars

AMALGAMATED ELECTRIC CORPORATION,
LIMITED

and
Subsidiary Companies

BENJAMIN ELECTRIC MANUFACTURING COMPANY
of CANADA LIMITED

BULL DOG ELECTRIC PRODUCTS OF CANADA LIMITED

CANADIAN CUTLER-HAMMER LIMITED

LANGLEY ELECTRIC MANUFACTURING COMPANY
LIMITED

LANGLEY ELECTRICAL COMPANY LIMITED

LANGLEY MANUFACTURING COMPANY LIMITED

CANADIAN JEFFERSON ELECTRIC COMPANY, LIMITED

PLANTS AND WAREHOUSES AT:

TORONTO
MONTREAL
WINNIPEG
CALGARY
VANCOUVER

EXECUTIVE OFFICES:

ROOM 1600
1050 BEAVER HALL HILL
MONTREAL, QUEBEC



AMALGAMATED ELECTRIC CORPORATION, LIMITED

MONTREAL, FEBRUARY 28, 1946.

TO THE SHAREHOLDERS:

Your Directors submit herewith the Seventeenth Annual Report of your Company and Consolidated Statements of Account for the year ended December 31, 1945.

RESULTS OF OPERATIONS.

The Net Profit for the year amounted to \$94,002 after providing for Income and Excess Profits Taxes (including refundable portion) amounting to \$119,724. This compares with a Net Profit of \$94,302 in 1944 after provision for like taxes of \$207,620 in that year.

Provision for Income and Excess Profits Taxes (including refundable portion) was \$1.42 per share, leaving an amount attributable to Earned Surplus equivalent to \$1.11 per share. Dividends at the rate of sixty cents (60c) per share were paid during 1945 amounting to \$50,646 leaving a balance of \$43,356 to be carried to Surplus or 51c per share.

The Refundable Portion of Excess Profits Taxes for the year amounted to \$10,140 or \$0.12 per share.

PLANT.

As a result of an extensive study of your Company's manufacturing facilities and probable future requirements in such connection, your Directors have adopted a five-year

programme of capital expenditure for the purpose of modernizing machinery and equipment and to provide for increased production.

Total expenditure on account of Plant and Equipment during the year amounted to \$92,448, which after deducting equipment scrapped totalling \$7,767, resulted in a Net Increase in Plant of \$84,681.

Depreciation on Plant and Equipment of \$37,849 was provided during the year.

INVENTORIES.

The inventories at December 31, 1945, valued at the lower of cost or market prices, amounted to \$1,463,572 as compared with inventories of \$1,347,282 at the end of 1944.

FINANCIAL.

In connection with the financing of the programme of capital expenditure referred to above, your Directors have deemed it advisable to create and to sell at par Five Hundred Thousand Dollars (\$500,000.00) 2 $\frac{3}{4}$ % FIRST MORTGAGE (CLOSED) SERIAL BONDS maturing serially from 1947 to 1951 inclusive, \$100,000 principal amount being payable each year commencing November 1, 1947. The bonds are subject to call at 101 in order of serial maturity.

The following statement shows the changes in Net Working Capital as at December 31, 1945, in comparison with December 31, 1944:

	<u>1945</u>	<u>1944</u>
Current Assets.....	\$2,010,790	\$1,782,564
Current Liabilities.....	633,060	895,604
Net Working Capital.....	<u>\$1,377,730</u>	<u>\$ 886,960</u>

PROSPECTS.

During the critical war years, the production of electrical supply materials for civilian use was restricted by the diversion of manpower, materials and machines to war production.

The transition from war to peacetime production naturally caused some disruption in the Company's manufacturing operations but, notwithstanding this factor, a substantial output was secured during 1945.

The current housing programmes, equipment and supplies required for industrial reconversion and replacement have created large requirements for electrical supplies which are considerably in excess of pre-war years. It is anticipated that this demand, together with that of new lines not previously manufactured, will enable the Company to maintain production at a relatively high level during 1946.

The prospects for satisfactory results for the ensuing year are dependent upon some improvement in present price levels of the Company's products, many of which are still at 1941 ceilings.

DIRECTORATE.

Mr. S. Langley, who has been a Director of the Company since 1930, decided to retire from the Board, and it was with regret that your Directors accepted his resignation.

Mr. A. V. Armstrong, General Manager of the Company, was elected a Director to fill the vacancy created by Mr. Langley's resignation.

EMPLOYEES.

Your Directors wish to acknowledge their appreciation of the continued loyalty, efficiency and resourcefulness of the employees during the past year, and welcome back ninety-eight employees who served with the Armed Forces and who have now been reinstated. There are still one hundred and seventy-nine employees who have not yet been discharged from the Services.

During the year employees subscribed a total of \$387,850 in Victory Loan Bonds under the Company's salary deduction plan.

Your Directors desire to express their deepest sympathy to the next of kin of fourteen employees who lost their lives in the service of their country.

By Order of the Board,

P. F. SISE,
President.

AMALGAMATED ELECTRIC CORPORATION, LIMITED
AND
SUBSIDIARY COMPANIES

Consolidated Balance Sheet as at December 31, 1945

ASSETS			LIABILITIES
CAPITAL ASSETS:			CAPITAL STOCK:
Land, Buildings, Plant and Equipment at cost	\$1,449,079		Common Stock—without nominal or par value:
DEFERRED RECEIVABLES (A)	89,602		Authorized—100,000 Shares
			Issued and Paid-up—84,415 Shares
			\$ 844,150
CURRENT ASSETS:			2-3/4% FIRST MORTGAGE (CLOSED) SERIAL BONDS:
Inventories of Raw Material, Goods in Process, Finished Stock, etc. (*)	\$1,463,572		(Due November 1, 1947-1951)
Accounts Receivable (less Reserve for Doubtful Accounts)	416,543		500,000
Dominion of Canada Bonds	102,500		
Cash	28,175	2,010,790	CURRENT LIABILITIES:
	<u>2,010,790</u>		Bank Overdraft and Advances
PREPAID EXPENSES:			(Secured to the extent of \$100,000)
Unexpired Insurance, Prepaid Taxes, etc.	4,640		\$ 298,552
GOODWILL AND PATENTS	1		Accounts Payable and Accrued Charges
	<u>1</u>		309,302
	<u>\$3,554,112</u>		Provision for Taxes (less Interim Payments)
			<u>25,206</u>
			633,060
			RESERVE FOR DEPRECIATION
			987,525
			CAPITAL SURPLUS
			138,684
			SURPLUS:
			Deferred Surplus (A)
			89,602
			Earned Surplus
			361,091
			<u>450,693</u>
			<u>\$3,554,112</u>

(A) Refundable Excess Profits Taxes.

(*) Based on Physical Inventory as at October 31, 1945, adjusted for operations to December 31, 1945, at values which do not exceed the lower of cost or market.

Approved on behalf of the Board:

P. F. SISE }
A. H. ELDER } *Directors.*

AUDITORS' REPORT TO THE SHAREHOLDERS

MONTREAL, February 13, 1946.

We have examined the books and accounts of Amalgamated Electric Corporation, Limited, and its Subsidiary Companies as at December 31, 1945, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Consolidated Balance Sheet and relative Consolidated Statements of Profit and Earned Surplus, and Capital Surplus are 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.

WM. CARSWELL, C.A.
Treasurer.

McDONALD, CURRIE & Co.
Chartered Accountants.

AMALGAMATED ELECTRIC CORPORATION, LIMITED
AND
SUBSIDIARY COMPANIES

*Consolidated Statement of Profit and Earned Surplus
For the Year Ended December 31, 1945*

NET PROFIT FOR YEAR—after deducting Income and Excess Profits Taxes and other charges enumerated below.....	\$ 94,002
Provision for Depreciation	\$ 37,849
Remuneration of Executive Officers	34,344
Fees of Directors	1,740
Legal Fees	10,393
Income and Excess Profits Taxes	119,724*
	<u>\$ 204,050</u>
EARNED SURPLUS brought forward from previous year ..	<u>317,735</u>
	411,737
DEDUCT: Dividends Paid	50,646
EARNED SURPLUS—as per Consolidated Balance Sheet ..	<u>\$ 361,091</u>
(*) Includes Refundable Excess Profits Tax	\$ 10,140

*Consolidated Statement of Capital Surplus
For the Year Ended December 31, 1945*

Balance brought forward from previous year	<u>\$ 138,684</u>
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AMALGAMATED ELECTRIC CORPORATION, LIMITED

DIRECTORS

A. V. ARMSTRONG	HOMER M. JAQUAYS
*WILLIAM L. BAYER	RICHARD O. JOHNSON
WILLIAM CARSWELL	*M. P. MURPHY
AUBREY H. ELDER	*M. K. PIKE
*PAUL F. SISE	

OFFICERS

WILLIAM L. BAYER	<i>Chairman of the Board</i>
PAUL F. SISE	<i>President</i>
M. P. MURPHY	<i>Vice-President</i>
WILLIAM CARSWELL	<i>Secretary-Treasurer</i>

A. V. ARMSTRONG	<i>General Manager</i>
STANLEY LANGLEY	<i>Technical Manager</i>
C. W. FINDLOW	<i>Works Manager</i>

SOLICITORS

WAINWRIGHT, ELDER & LAIDLEY—MONTREAL
BLAKE, ANGLIN, OSLER & CASSELS—TORONTO

TRANSFER AGENTS

MONTREAL TRUST COMPANY—MONTREAL

REGISTRAR

THE ROYAL TRUST COMPANY—MONTREAL

*Members of the Executive Committee



The Symbol of Satisfaction

- ELECTRICAL SUPPLIES, ETC.**
APARTMENT MAIL BOXES.
BALLASTS.
BOXES—Outlet; Switch.
CUTOUTS.
FILTERS—Coolant.
FIXTURES—Porcelain Enamel Reflectors; Vapor-Proof; Commercial Fixtures; Glazed Porcelain; Dust-Proof; Explosion-Proof; Fluorescent.
- FLOODLIGHTING.**
FLUORESCENT LAMP CONTROL.
FUSES.
LAMPS—Aircraft; Bed; Desk; Portable.
LIGHTING—Commercial; Cove; Portrait; Show Case; Spot; Theatre; Office; Store; School; Hospital; Industrial; Incandescent and Fluorescent; Localites.
- LIGHTING CONTROL**—Theatre.
MULTIBREAKER PANELBOARDS.
NEAR INFRA-RED HEATING AND DRYING EQUIPMENT.
NOFUZ BREAKERS, PANELBOARDS AND SWITCHBOARDS.
PANELBOARDS—Branch Circuit and Light and Power Distribution.
PLUGS—Attachment.
RADIO OUTLETS.
RECEPTACLES—Flush; Surface; Sign; Fixture.
REFLECTORS—Porcelain Enamel; Aluminum.
SERVICE STATION FLOODLIGHTING.
SHEET METAL WORK.
SIGNALS—Industrial.
SOCKETS—Brass Shell; Porcelain; Rubber; Candle; Weatherproof; Extensions; Reducers.
- SPINNINGS.**
STAMPINGS.
SWITCHBOARDS—Light and Power.
SWITCHPLATES—Brass; Steel; Bakelite.
SWITCHES—Canopy; Door; Externally Operated; Fixture; Flush; Knife; Pendant; Appliance; Surface; Time; Safety; Industrial; Service.
- THEATRE SWITCHBOARDS.**
TRANSFORMERS—Power Circuit; Control Circuit; Ignition; Luminous Tube; Mercury Lamp; Doorbell; Chime; Radio; Street Lighting.
- WIRING DEVICES.**
BULL DOG PRODUCTS—Panelboards; Switchboards; Safety Switches; Wiring Trough; Wireways; Busways; Trolley-Duct.
CUTLER-HAMMER PRODUCTS—Motor Control; Dimmers; Resistors.

