

C
Corporation

File

Amalgamated Electric Corporation, Limited

Montreal, Canada



Annual Report
1946

FURVIS HALL
LIBRARIES

MAR 18 1947

MCGILL UNIVERSITY

Amalgamated Electric Corporation, Limited

Montreal, Canada



Annual Report

1946

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, MARCH 17, 1947.

TO THE SHAREHOLDERS:

Your Directors submit herewith the Eighteenth Annual Report of your Company and Consolidated Statements of Account for the year ended December 31, 1946.

RESULTS OF OPERATIONS

The operations for the year 1946 resulted in a loss of \$376,236 as compared with a net profit in the preceding year of \$213,726, before providing for Income and Excess Profits Taxes.

Your Company is entitled to an adjustment of 1945 Taxes in an amount of \$119,724, by reason of the loss sustained during the past fiscal year. After giving effect to this adjustment and the payment of a dividend amounting to \$25,323, declared prior to the strike, the net reduction to Surplus during the year was \$281,835.

The very unsatisfactory results for 1946 were accounted for by the fact that your Toronto Plant was closed down from July 8, 1946 to November 4, 1946, owing to a strike of the hourly rated employees of which the Shareholders were advised. The strike was finally settled on a basis consistent with the general pattern set by settlement of other wage disputes in the Central Ontario Region, it being the policy of the Company to pay wage rates comparable to those being paid in the community for similar work. An appropriate adjustment was made in the salaries of the Shop and Office employees.

It is thus apparent that strikes not only materially affect the worker, the financial stability of the companies concerned, industry in general, but also adversely affect the national and government revenue.

PLANT

In spite of the difficulties encountered during the year 1946, substantial progress has been made in converting the plant from war to peacetime production.

The Company's five year programme of capital expenditure for the purpose of modernizing machinery and equipment and to provide for increased production is being proceeded with. In this connection total expenditures on account of plant and equipment during the year amounted to \$215,209 which, after deducting equipment scrapped totalling \$24,368, resulted in a net increase in Plant Account of \$190,841.

INVENTORIES

The inventories at December 31, 1946, valued at the lower of cost or market prices, aggregated \$1,855,189 as compared with \$1,463,572 at the close of the preceding year.

The increase is accounted for by the stoppage of production by the strike above referred to and abnormalities caused by shortages of material necessary to complete production. It is hoped that during the current year a more regular flow of materials necessary for your Company's products will not only aid in greater efficiency in production, but in a substantial reduction of total inventories carried.

FINANCIAL

A substantial reduction in the Net Working Capital of the Company was sustained during the year chiefly owing to the loss above referred to. This is indicated in the following summary:

	<u>1946</u>	<u>1945</u>
Current Assets	\$2,228,827	\$2,010,790
Current Liabilities	1,289,573	633,060
Net Working Capital	<u>\$ 939,254</u>	<u>\$1,377,730</u>

PROSPECTS

The requirements for electrical supplies of all types, both at home and abroad, have created an immediate demand far in excess of prewar levels. The value of unfilled orders on hand indicates that production should be maintained at a high level throughout 1947.

MANAGEMENT

Mr. M. P. Murphy, Vice-President and Managing Director, who has been in charge of the Company's operations since January 2, 1936, has recently been appointed as Assistant General Manager of the Northern Electric Company, Limited, with headquarters in Montreal. He will retain his position as Vice-President of the Company.

Mr. A. V. Armstrong, General Manager, is now in direct charge of the Company's operations.

By Order of the Board,

P. F. SISE,

President.

AMALGAMATED ELECTRIC CORPORATION, LIMITED
AND
SUBSIDIARY COMPANIES

Consolidated Balance Sheet as at December 31, 1946

ASSETS	
CAPITAL ASSETS:	
Land, Buildings, Plant and Equipment at cost	\$1,639,920
DEFERRED RECEIVABLES	79,462*
CURRENT ASSETS:	
Inventories of Raw Material, Goods in Process, Finished Stock, etc.	\$1,855,189**
Accounts Receivable (less Reserve for Doubtful Accts.) including Income and Excess Profits Taxes Recoverable	358,427
Dominion of Canada Bonds	2,500
Cash	12,711
	2,228,827
PREPAID EXPENSES:	
Unexpired Insurance	3,399
GOODWILL AND PATENTS	
	1
	\$3,951,609

LIABILITIES	
CAPITAL STOCK:	
Common Stock — without nominal or par value: Authorized — 100,000 Shares Issued and Paid-up — 84,415 Shares	\$ 844,150
2-3/4% FIRST MORTGAGE (CLOSED) SERIAL BONDS: (Due in Equal Annual Amounts November 1, 1947-1951)	
	500,000
CURRENT LIABILITIES:	
Bank Overdraft and Advances	\$ 885,731
Accounts Payable and Accrued Charges	399,798
Provision for Sales Tax	4,044
	1,289,573
RESERVE FOR DEPRECIATION	
	1,020,484
CAPITAL SURPLUS	
	138,684
SURPLUS:	
Deferred Surplus	79,462*
Earned Surplus	79,256
	158,718
	\$3,951,609

* Refundable Excess Profits Tax. Reduced by \$10,140 in 1946 due to adjustment of 1945 taxes.

** Based on Physical Inventory of Amalgamated Electric Corp. Limited as at December 15, 1946 and of Subsidiary Companies as at October 31, 1946, adjusted for operations to December 31, 1946 at values which do not exceed the lower of cost or market.

Approved on behalf of the Board:

P. F. SISE
W. L. BAYER } *Directors.*

AUDITORS' REPORT TO THE SHAREHOLDERS

MONTREAL, February 28, 1947.

We have examined the books and accounts of Amalgamated Electric Corporation, Limited, and its subsidiary Companies as at December 31, 1946, 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 Year Ended December 31, 1946*

LOSS FOR YEAR — Including charges enumerated below	\$ 376,236
Provision for Depreciation	\$ 52,528
Remuneration of Executive Officers	33,794
Fees of Directors	1,820
Legal Fees	9,041
Bond Interest	13,750
	<u>\$ 110,933</u>
RECOVERY OF 1945 INCOME AND EXCESS PROFITS TAXES, due to application of 1946 Loss against 1945 Profit	119,724*
NET CHARGE TO SURPLUS	256,512
EARNED SURPLUS brought forward from previous year	361,091
	104,579
DEDUCT: Dividends Paid	25,323
EARNED SURPLUS — as per Consolidated Balance Sheet	\$ 79,256
* Includes Refundable Excess Profits Tax	\$ 10,140

*Consolidated Statement of Capital Surplus
For the Year Ended December 31, 1946*

Balance brought forward from previous year	\$ 138,684
--	------------

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 & LAIDLAY—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—Fluorescent.
BOXES—Outlet; Switch.
CAPS—Rubber.
CUTOUPS.
FILTERS—Coolant.
FITTINGS—Fixture.
FIXTURES—Porcelain Enamel Reflectors; Vapor-Proof; Commercial Fixtures; Glazed Porcelain; Dust-Proof; Explosion-Proof; Fluorescent.
FLOODLIGHTING.
FLUORESCENT LAMP CONTROL.
FUSES—Cartridge.
LAMPS PORTABLE—Aircraft; Bed; Desk; Fluorescent.
LIGHTING—Commercial; Cove; Portrait; Show Case; Spot; Theatre; Office; Store; School; Hospital; Industrial; Incandescent and Fluorescent; Localites; Floating Arm Lamps.
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.
RECEPTACLES—Flush; Surface; Sign; Fixture.
REFLECTORS—Porcelain Enamel; Alzac Aluminum.
SERVICE STATION FLOODLIGHTING.
SHEET METAL WORK.
SIGNALS—Industrial.
SOCKETS—Brass Shell; Porcelain; Rubber; Weather-proof; Extensions; Reducers.
SPINNINGS.
STAMPINGS.
SWITCHBOARDS—Light and Power.
SWITCHPLATES—Brass; Steel; Bakelite.
SWITCHES—Door; Externally Operated; Fixture; Flush; Knife; Pendant; Surface; Time; Safety; Industrial; Service.
THEATRE SWITCHBOARDS.
TRANSFORMERS—Power Circuit; Control; Ignition; Luminous Tube; Mercury Lamp; Doorbell; Chime; Radio; Street Lighting; Signal.
WIRING DEVICES.
BULL DOG PRODUCTS—Panelboards; Switchboards; Safety Switches; Wiring Trough; Wireways; Busways; Trolley-Duct.
CUTLER-HAMMER PRODUCTS—Motor Control; Dimmers; Resistors.

