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Amalgamated Electric Corporation, Limited

Montreal, Canada



Annual Report
1948

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Amalgamated Electric Corporation, Limited

Montreal, Canada



**Annual Report
1948**

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 21, 1949.

TO THE SHAREHOLDERS:

Your Board of Directors has pleasure in presenting its Twentieth Annual Report on the operations of your Company and its Subsidiaries, together with the Consolidated Statements of Account for the year ended December 31, 1948.

RESULTS OF OPERATIONS

After providing for Income Taxes amounting to \$121,974, net profits for the year amounted to \$141,442. This compares with net profits of \$112,520 in 1947 which, however, included a credit adjustment of taxes amounting to approximately \$34,000 by reason of the loss sustained during the 1946 fiscal year.

Sales and production continued at approximately the same level as the previous year; however, notwithstanding price increases of your Company's products, the continued increasing cost of labour and materials resulted in a net profit for the year which may still be regarded as abnormally low, having regard to the high volume of business and the investment involved.

In order to improve the liquid position of your Company, your Directors decided that no dividend should be paid during the year 1948.

No assessment has as yet been received for Income and Excess Profits Taxes for the war period.

PLANT

Total expenditure on account of plant and equipment during the year under your Company's programme for modernizing machinery and equipment amounted to \$92,656 which, after deducting equipment scrapped totalling \$12,317, resulted in a net increase in Plant Account of \$80,339.

Depreciation amounting to \$115,642 was provided on Plant and Equipment during the year and is computed on the original cost of the fixed assets. It should be borne in mind that, if depreciation were figured on to-day's replacement costs, the charges would be higher and our earnings, of course, would be correspondingly lower. Accruing depreciation on pre-war values, while paying inflated prices for necessary replacements, is a problem facing all industry.

INVENTORIES

The inventories at December 31, 1948, valued at the lower of cost or market prices, aggregated \$1,443,723, as compared with \$1,701,076 at the close of the preceding year.

FINANCIAL

The second principal repayment of \$100,000 was made against the 2¾% First Mortgage (Closed) Serial Bonds, on November 1, 1948, leaving a balance outstanding as at December 31, 1948 of \$300,000.

Bank Advances as at December 31, 1948 aggregated \$643,073, representing a reduction of \$335,189 from \$978,262 at the end of the previous year.

A comparison of the Net Working Capital of the Company for the years 1948 and 1947 is shown hereunder:

	1948	1947
Current Assets.....	\$2,185,068	\$2,329,084
Current Liabilities.....	1,179,866	1,402,548
Net Working Capital.....	\$1,005,202	\$ 926,536

DIRECTORS

It is with regret that your Directors record the resignation of Mr. M. K. Pike, who has served on the Board of Directors for the past sixteen years. His advice and counsel have been of great value to your Company.

Col. R. D. Harkness, D.S.O., M.C. was elected a Director to replace Mr. Pike.

EMPLOYEES

Your Directors wish to acknowledge with appreciation the loyal and efficient service rendered by the employees during the past year.

PROSPECTS

Present indications are that the demand for your Company's products should continue at a relatively high level throughout 1949.

By Order of the Board,

P. F. SISE,

President.

AMALGAMATED ELECTRIC CORPORATION, LIMITED

AND

SUBSIDIARY COMPANIES

Consolidated Balance Sheet as at December 31, 1948

ASSETS

CAPITAL ASSETS:

Land, Buildings, Plant and Equipment at cost. \$1,832,226

DEFERRED RECEIVABLES. 64,376*

CURRENT ASSETS:

Inventories of Raw Material, Goods in Process,
Finished Stock, etc. \$1,443,723**

Accounts Receivable (less Reserve for Doubtful
Accts.) 712,289

Dominion of Canada Bonds. 5,000

Cash. 24,056 2,185,068

PREPAID EXPENSES:

Unexpired Insurance, etc. 4,804

GOODWILL AND PATENTS. 1

\$4,086,475

LIABILITIES

CAPITAL STOCK:

Common Stock — without nominal or par value:

Authorized — 100,000 Shares

Issued and Paid-up — 84,415 Shares. \$ 844,150

2¾% FIRST MORTGAGE (CLOSED) SERIAL BONDS:

(Due in Equal Annual Amounts

November 1, 1949-1951). 300,000

CURRENT LIABILITIES:

Bank Overdraft. \$ 643,073

Accounts Payable and Accrued Charges. 486,068

Provision for Taxes. 50,725 1,179,866

RESERVE FOR DEPRECIATION. 1,211,095

CAPITAL SURPLUS. 138,684

SURPLUS:

Deferred Surplus. 64,376*

Earned Surplus. 348,304 412,680

\$4,086,475

AUDITORS' REPORT TO THE SHAREHOLDERS

MONTREAL, February 25, 1949.

We have examined the books and accounts of the Amalgamated Electric Corporation, Limited, and its subsidiary Companies for the year ended December 31, 1948, 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 accompanying 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 affairs of the Companies as at December 31, 1948 and the results of the operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

D. M. FARISH, C.A.,
Acting Treasurer.

MCDONALD, CURRIE & CO.,
Chartered Accountants.

* Refundable Excess Profits Tax.

** Based on physical inventories as at October 31, 1948 (valued at cost or market, whichever was lower) adjusted for operations to December 31, 1948, and after deducting reserve.

Approved on behalf of the Board:

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

AMALGAMATED ELECTRIC CORPORATION, LIMITED
AND
SUBSIDIARY COMPANIES

*Consolidated Statement of Profit and Earned Surplus
for Year Ended December 31, 1948*

OPERATING PROFIT FOR YEAR — After deducting charges enumerated below.....	\$263,416
Inventory Reserve.....	\$ 54,693
Provision for Depreciation.....	115,642
Remuneration of Executive Officers.....	29,554
Fees of Directors.....	1,740
Legal Fees.....	2,569
Bond Interest.....	10,548
	<u>\$214,746</u>
PROVISION FOR INCOME TAXES.....	121,974
NET PROFIT for the year.....	141,442
EARNED SURPLUS brought forward from previous year.....	191,776
TRANSFER FROM DEFERRED SURPLUS — refundable excess profits tax received in 1948.....	15,086
EARNED SURPLUS — as per Consolidated Balance Sheet.....	<u>\$348,304</u>

*Consolidated Statement of Capital Surplus
for Year Ended December 31, 1948*

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 CARSWELL	RICHARD O. JOHNSON
AUBREY H. ELDER	*M. P. MURPHY
C. W. FINDLOW	R. D. HARKNESS
*PAUL F. SISE	

OFFICERS

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>
C. D. McCAIG	<i>General Sales 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



Endorsed Electrical Equipment

DISTRIBUTION EQUIPMENT

Busways.
Breakers—Nofuz.
Cabinets—Gutter, Junction, Pull, Splitter, Telephone,
Transformer.
Fuse Clamps and Grips.
Panelboards—Distribution, Lighting, Residential.
Switches—Industrial, Service.
Switchboards—Lighting, Power.
Wireways.
Trol-E-Duct.

LIGHTING EQUIPMENT

Fluorescent, Incandescent.
Display, Floodlighting, Spot.
Porcelain Enamel Reflectors.
Vapor-Proof, Dust-Tight, Explosion-Proof.
Portable Lamps.
Floating Arm Lamps.

MOTOR CONTROL

Starters and Speed Regulators.
Resistors, Rheostats, Dimmers.
Magnetic Brakes.
Pushbutton Stations.
Drum, Pressure, Float, Vacuum and Limit Switches.
Mill Duty Control.
Unitrol Control Centres.

WIRING SUPPLIES

Apartment Mail Boxes.
Fuses—Cartridge.
Fittings—Fixture, Ground.
Ballasts—Fluorescent.
Boxes—Outlet and Switch.
Signals—Industrial.
Transformers—Bell Ringing, Chime, Control, Lighting,
Luminous Tube, Oil Burner Ignition, Power Circuit,
Signalling.
Wiring Devices.



