

CANADA  
STEAMSHIP  
LINES  
LIMITED

ANNUAL REPORT  
1939

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# CANADA STEAMSHIP LINES LIMITED

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## DIRECTORS

HON. FRANK CARREL  
W. H. COVERDALE, ESQ.  
KENNETH T. DAWES, ESQ.  
W. C. FRANZ, ESQ.  
HARRY C. HATCH, ESQ.  
FRANK J. HUMPHREY, ESQ.  
BRIG.-GEN. C. H. MITCHELL, C.B., C.M.G., C.E.  
GEORGE H. MONTGOMERY, ESQ., K.C.  
PAUL J. MYLER, ESQ.  
JOS. SIMARD, ESQ.  
SIDNEY T. SMITH, ESQ.  
C. E. TASCHEREAU, ESQ.  
HON. LORNE C. WEBSTER



## EXECUTIVE OFFICERS

W. H. COVERDALE  
*President*

GEORGE H. MONTGOMERY, K.C.  
*Vice-President*

R. B. THOMSON  
*Secretary*

H. A. CRESSWELL  
*Treasurer*

L. PRENDERGAST  
*Assistant to President*

# CANADA STEAMSHIP LINES LIMITED

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## *To the Stockholders:*

Your Directors submit the Company's twenty-sixth Annual Report and Statement of Accounts. The total revenue for 1939 amounted to \$10,491,220.00, a decrease of \$498,061.73 below the previous year, due to shrinkage in earnings from grain and passenger services.

The net earnings for the year before providing for depreciation were \$1,966,690.23, bond and other interest paid during the year amounted to \$598,680, leaving \$1,368,010.23 available for depreciation and other corporate purposes.

Reserve for depreciation amounted to \$1,005,820.99.

After all charges, reserve for depreciation, income tax, etc., there was a net profit for the year of \$277,189.24.

Cash on hand on December 31, 1939, amounted to \$2,115,660.94 after the purchase of \$905,000 First Mortgage Bonds of the Company against future sinking fund requirements.

Kingston Elevator Company First Mortgage Bonds were reduced by \$30,000 through sinking fund operations to \$1,218,000 outstanding as at December 31, 1939.

The Company's property has been maintained in sound physical condition; capital expenditures in net amount of \$136,062.21 were made during the year.

In accordance with the terms of the Reorganization Plan, a dividend of sixty-two and one-half cents per share has been declared on the Company's Preference stock, payable April 1, 1940, to stockholders of record of March 21, 1940.

After all interest, dividend, net capital expenditures, sinking fund on Kingston Elevator bonds, purchase of First Mortgage Bonds of the Company, etc., the operations of the year in review have resulted in an improvement in working capital of \$679,436.29.

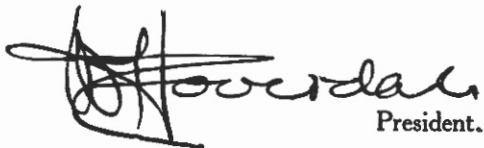
During the year the Company contributed \$32,901.81 to its Employees' Pension Fund against employees' aggregate contribution in like amount. The assets of this fund are entirely separate and distinct from the assets shown on the Company's balance sheet.

The fleet consists of seventy-seven steamships, of which sixty-five are freight and *twelve are passenger steamships.*

Your Directors regret to announce that during the year 1939 the Company sustained severe loss through the deaths of T. R. Enderby, Esq., Managing Director, and of Thomas Bradshaw, Esq. and H. B. Smith, Esq., Directors.

Your Directors desire to record their appreciation of the loyal and efficient services of the Company's officers and employees.

Respectfully submitted,



President.

Montreal, March 2, 1940.



# CANADA STEAMSHIP LINES, LIMITED

## AND ITS SUBSIDIARY COMPANIES

### PROFIT AND LOSS ACCOUNT

For the Year ended 31st December, 1939

Operating Revenue:	
Vessels .....	\$ 9,241,076.27
Docks and Wharves .....	620,953.51
Miscellaneous Operating Revenue—Net .....	546,343.26
	10,408,373.04
Other Revenue (including Income from Investments \$42,756.20) .....	82,846.96
	10,491,220.00
Expenses (including Salaries of Executive Officers \$62,420.80, Directors' Fees \$8,143.40 and Legal Fees \$2,048.24) .....	8,524,529.77
Net Earnings before Interest Charges and Depreciation .....	1,966,690.23
From which Deduct:	
Interest on 5% Mortgage Bonds .....	\$ 525,000.00
Interest on 6% Mortgage Bonds of Kingston Elevator Co. Ltd. ....	73,680.00
	598,680.00
Provision for Depreciation .....	1,005,820.99
	1,604,500.99
Net Profit .....	362,189.24
Amount Reserved for Dominion and Provincial Income Taxes .....	85,000.00
Net Income for Year .....	\$ 277,189.24

#### EARNED SURPLUS

As at 31st December, 1939

Earned Surplus as at 31st December, 1938 .....	\$ 264,808.27
Add Net Income for Year ended 31st December, 1939 .....	277,189.24
	541,997.51
Less Dividend Payable to Preference Shareholders under the terms of the Reorganization Plan .....	143,281.25
Earned Surplus as at 31st December, 1939 .....	\$ 398,716.26

#### DIVIDEND AMOUNT

Available for Dividends to Preference Shareholders under the terms of the Reorganization Plan

Balance as at 31st December, 1938 .....	\$ 17,779.13
Add 50% of Net Income for Year ended 31st December, 1939 .....	138,594.62
	156,373.75
Deduct Dividend Payable representing 1¼% on the outstanding Preference Shares .....	143,281.25
Balance of Dividend Amount included in Earned Surplus as at 31st December, 1939 .....	\$ 13,092.50



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