

# Canadian Bronze Company, Limited

Montreal, Canada



**Annual Report**  
**1938**

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CANADIAN BRONZE COMPANY, LIMITED

*and*

*Wholly Owned Subsidiary Companies*

MONTREAL BRONZE, LIMITED

NORTHWESTERN BRASS, LIMITED

ST. THOMAS BRONZE COMPANY, LIMITED

DIAMOND BRONZE COMPANY INC.

WINNIPEG BRASS LIMITED

NATIONAL BRONZE COMPANY, LIMITED

Established 1896

CANADIAN BRONZE COMPANY,  
LIMITED

DIRECTORS

SIR CHARLES B. GORDON, G.B.E.	SIR HERBERT S. HOLT
ALBERT E. DYMENT	ERNEST R. DECARY
ROSS H. McMASTER	JOSEPH A. KILPATRICK
RICHARD O. JOHNSON	H. CARSON FLOOD
WILLIAM L. BAYER	

EXECUTIVE OFFICERS

W. L. BAYER, *President and Managing Director.*  
R. J. KING, *Treasurer.*  
W. C. PAQUETTE, *Secretary.*  
F. C. COLE, *Assistant Secretary.*

*Solicitors*

WAINWRIGHT, ELDER & McDOUGALL

*Executive Offices*

999 DELORIMIER AVENUE - MONTREAL



## CANADIAN BRONZE COMPANY, LIMITED

### TO THE SHAREHOLDERS:

Your Directors take pleasure in submitting a Consolidated Income Account and Balance Sheet showing the results of the past year's business and the financial position of your Company and its wholly-owned subsidiaries as at December 31st, 1938.

There was a shrinkage in the tonnage available to your Company last year. The Canadian Railways, who are important customers, suffered a reduction in car loadings of  $7\frac{1}{2}\%$  in comparison with 1937 and  $2\%$  in comparison with 1936. There was also a considerable decline in the general industrial business, with a consequent decrease in your earnings.

Rising taxation continues to enter as an unfavorable factor in the earnings available for distribution. During the year 1938 the direct taxes paid, exclusive of sales tax, amounted to 69 cents per share on your common stock.

Your plants are strategically located across Canada, with one in the State of Vermont as well. These plants have been uniformly well maintained and the recent installation of more modern melting equipment should assist in further improving the quality of your products.

Your Company's relations with employees remains highly satisfactory, as it continues to be the policy of your Company to provide working conditions as ideal as possible, consistent with the highly specialized nature of your business. Through periodical medical inspections and in other ways assistance is rendered to the employees, all with a view to bettering general conditions throughout the organization.

Monthly meetings of your Board of Directors were held throughout the year. The books of the Company have been audited regularly and the Certificate of the Auditors appears herewith.

Your Directors desire again to express their appreciation of the efficient work and loyal co-operation of the employees.

By Order of the Board,

W. L. BAYER, *President.*

# CANADIAN BRONZE COMPANY, LIMITED

AND WHOLLY OWNED SUBSIDIARY COMPANIES

Consolidated Balance Sheet as at 31st December 1938

ASSETS			LIABILITIES	
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>	
Cash .....	166,017.20		Accounts Payable .....	112,378.07
Accounts Receivable, less Reserve for Doubtful Accounts .....	200,640.17		Dividends payable 1st February 1939—	
<b>Inventories:</b>			On Preference Shares .....	9,375.00
<small>Quantities determined by actual count or weight, priced at the lower of Cost or Market and Certified to by Officers of the Companies.</small>			On Common Shares .....	30,000.00
Raw Material, Goods in Process and Finished Stock .....	451,294.03		Dominion and Provincial Income Taxes .....	50,474.54
Less—Raw Material held for Customers' Account .....	49,440.05	401,853.98	Sales Tax Payable .....	10,621.31
		768,511.35	<b>INSURANCE RESERVE .....</b>	<b>15,757.55</b>
<b>INVESTMENTS:</b>			<b>INVENTORY RESERVE .....</b>	<b>52,287.33</b>
<b>Marketable Securities—</b>			<b>5% CUMULATIVE REDEEMABLE PREFERENCE STOCK:</b>	
Bonds and Preferred and Com- mon Stocks of Canadian and Foreign Companies .....	217,131.78		Authorized—	
Less—Reserve .....	145,158.95	71,972.83	15,000 Shares of \$100.00 Par Value <u>\$1,500,000.00</u>	
(Quoted Market Value—\$120,847.35)			Issued and Fully Paid—	
<b>Non-Marketable Securities—</b>			7,500 Shares .....	750,000.00
Guaranteed First Mortgage Certificates .....	57,500.00		<b>COMMON STOCK AND EARNED SURPLUS:</b>	
Less—Reserve .....	22,500.00	35,000.00	<b>Common Stock—without Nominal or Par Value</b>	
		106,972.83	Authorized—100,000 Shares.	
<b>LIFE INSURANCE POLICIES .....</b>			Issued and Fully Paid—80,000 Shares .....	197,395.24
Cash Surrender Value as at 31st December 1938—\$6,752.62.		1.00	<b>Earned Surplus—as per attached Statement .....</b>	<b>466,060.17</b>
<b>FIXED ASSETS:</b>				<u><u>\$1,694,349.21</u></u>
Real Estate, Buildings, Machinery and Tools, Plant, Patterns, Office Furniture and Fixtures. Valued on the basis of appraisals made on 30th April 1934 and 13th October 1934 by the Canadian Appraisal Company, Limited, with additions since the dates of these appraisals at Cost .....	1,429,556.74			
Less—Reserves for Depreciation .....	610,693.71	818,863.03		
<b>CONTRACTS, RIGHTS, PATENTS AND GOODWILL .....</b>				
		1.00		
		<u><u>\$1,694,349.21</u></u>		

Approved on behalf of the Board,

C. B. GORDON }  
W. L. BAYER } *Directors.*

### AUDITOR'S REPORT

TO THE SHAREHOLDERS,

CANADIAN BRONZE COMPANY, LIMITED, MONTREAL.

We have audited the books and accounts of Canadian Bronze Company, Limited, and its Wholly Owned Subsidiary Companies for the year ended 31st December 1938, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Consolidated Balance Sheet is 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.

(Signed) McDONALD, CURRIE & CO.,  
Chartered Accountants.

MONTREAL, 24th January, 1939.

# CANADIAN BRONZE COMPANY, LIMITED

and

Wholly Owned Subsidiary Companies

## Consolidated Statement of Profit and Loss for the year ended 31st December 1938

### OPERATING PROFITS—

Transferred from Subsidiary Companies . . . . .	285,192.38		
Less—Provision for Depreciation of Fixed Assets . . . . .	29,860.00		
Provision for Dominion and Provincial Income Taxes . . . . .	44,000.00		
Legal Fees . . . . .	938.44		
Directors' Fees . . . . .	1,785.00		
Salaries and Fees of Executive Officers . . . . .	32,655.00	109,238.44	175,953.94

### NET REVENUE—

From Investments, Interest and Rentals . . . . .			11,158.69
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### NET PROFITS—FOR THE YEAR . . . . .

Deduct—Dividends Paid and Payable—			
Preference . . . . .	37,500.00		
Common . . . . .	120,000.00		157,500.00

### BALANCE OF PROFITS—FOR THE YEAR

Transferred to Consolidated Statement of Earned Surplus . . . . .			<u>\$29,612.63</u>
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## Consolidated Statement of Earned Surplus for the year ended 31st December 1938

BALANCE AT CREDIT AS AT 31st DECEMBER 1937 . . . . .	439,947.54
Deduct—Appropriation for Additional Income Taxes in respect of prior years . . . . .	3,500.00
	<u>436,447.54</u>
Add—Balance of Profits for the Year . . . . .	29,612.63
	<u>\$466,060.17</u>
BALANCE AT CREDIT AS AT 31st DECEMBER 1938	
As per Consolidated Balance Sheet . . . . .	<u>\$466,060.17</u>

CANADIAN BRONZE COMPANY,  
LIMITED

*Works located at*

MONTREAL, QUEBEC  
ST. THOMAS, ONTARIO  
WINNIPEG, MANITOBA  
CALGARY, ALBERTA  
LYNDONVILLE, VERMONT

*Transfer Agents:*

THE ROYAL TRUST COMPANY  
MONTREAL and TORONTO

*Registrars:*

THE TORONTO GENERAL TRUST CORPORATION  
MONTREAL and TORONTO







