

# Canadian Bronze Company, Limited

Montreal, Canada



Annual Report  
1940

PURVIS HALL  
LIBRARIES

JAN 2 1946

McGILL UNIVERSITY

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 HERBERT S. HOLT, K.B.	ROSS H. McMASTER
ALBERT E. DYMENT	JOSEPH A. KILPATRICK
RICHARD O. JOHNSON	H. CARSON FLOOD
AUBREY H. ELDER, K.C.	WILFRID GAGNON

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 & McDUGALL

*Executive Offices*

999 DELORIMIER AVENUE - MONTREAL



## CANADIAN BRONZE COMPANY, LIMITED

### TO THE SHAREHOLDERS:

Your Directors take pleasure in presenting 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, 1940.

Although profits were approximately \$19,000 in excess of the annual average for the previous four years, there was a contraction of \$29,631.76 in comparison with 1939. Two factors principally responsible for a decrease in 1940 as compared with 1939 were:

1. In common with most industrial companies we experienced after the outbreak of war in September, 1939, an abnormally heavy demand from customers anxious to protect their requirements under war conditions. It was inevitable that the large volume of the closing months of 1939 would represent a borrowing from the business that would normally be expected for the following year.
2. Although the Western wheat crop in 1940 was of close to record-breaking proportions, the movement of grain in Canada in 1940 was considerably less than in 1939. Car loadings as a whole for all Canada were greater than in the preceding year, but loadings of grain were down very materially. This smaller grain movement naturally reacted unfavourably on your Western business.

Your Eastern plants have been expanded and have been kept very busy furnishing other industrial companies with essential materials needed in Canada's war effort. Expansion in that direction, however, was not sufficient to overcome shrinkage in the volume of your regular business, attributable to causes outlined in the foregoing, and low prices.

Dividends were paid during the year at the rate of \$5 per share on your outstanding preferred stock and \$1.50 per share on your outstanding common stock, with an additional interim dividend of 50 cents per share on the latter. Due to war conditions, there has been a considerable increase in the amount that it has been necessary for your Company to provide for taxes for the past year. After allowing for these extra taxes and paying dividends at the aforementioned rates, on the year's operations there was a charge of \$9,723 against your earned surplus. An extra charge of \$3,000 against this surplus represents an adjustment in respect to your taxes for 1939.

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

Your Directors again desire to express their appreciation of the efficient work and loyal cooperation 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 1940

ASSETS			LIABILITIES	
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>	
Cash (Net) . . . . .	22,847.48		Accounts Payable . . . . .	97,783.21
Accounts Receivable, less Reserve for Doubtful Accounts . . . . .	326,936.78		Dividends payable 1st February 1941—	
Inventories:			On Preference Shares . . . . .	9,375.00
Quantities determined by actual count or weight, priced at the lower of Cost or Market and certified to by Officers of the Companies.			On Common Shares . . . . .	<u>70,000.00</u>
Raw Material, Goods in Process and Finished Stock . . . . .	519,732.93		Dominion Income and Excess Profits Taxes and Provincial Income Taxes . . . . .	120,260.66
Less—Raw Material held for Customers' Account . . . . .	54,383.88	465,349.05	Sales Tax Payable . . . . .	<u>13,074.29</u>
		815,133.31	INSURANCE RESERVE . . . . .	15,757.55
<b>INVESTMENTS:</b>			INVENTORY RESERVE . . . . .	52,287.33
<b>Marketable Securities—</b>			5% CUMULATIVE REDEEMABLE PREFERENCE STOCK:	
Government Bonds and Pre- ferred and Common Stocks of Canadian and Foreign Com- panies . . . . .	308,737.37		Authorized—	
Less—Reserve . . . . .	127,509.59	181,227.78	15,000 Shares of \$100.00 Par Value <u>\$1,500,000.00</u>	
			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	Common Stock—without Nominal or Par Value	
			Authorized—100,000 Shares.	
		216,227.78	Issued and Fully Paid—80,000 Shares . . . . .	197,395.24
Interest accrued to date . . . . .	1,316.00	217,543.78	Earned Surplus—as per attached Statement . . . . .	<u>523,244.67</u>
<b>LIFE INSURANCE POLICIES . . . . .</b>		1.00		<u>\$1,849,177.95</u>
Cash Surrender Value as at 31st December 1940—\$9,356.25.				
<b>FIXED ASSETS:</b>				
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 . . . . .	1,486,912.57			
Less—Reserves for Depreciation . . . . .	670,413.71	816,498.86		
<b>CONTRACTS, RIGHTS, PATENTS AND GOODWILL . . . . .</b>		1.00		
		<u>\$1,849,177.95</u>		

Approved on behalf of the Board,

H. S. HOLT }  
W. L. BAYER } *Directors*

**AUDITORS' 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 1940, 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, 28th January 1941

# CANADIAN BRONZE COMPANY, LIMITED

and

*Wholly Owned Subsidiary Companies*

## Consolidated Statement of Profit and Loss for the year ended 31st December 1940

OPERATING PROFITS—

Transferred from Subsidiary Companies . . . . .	367,414.87		
Less—Provision for Depreciation of Fixed Assets . . . . .	29,860.00		
Provision for Dominion Income and Excess Profits Taxes and Provincial Income Taxes . . . . .	120,000.00		
Legal Fees . . . . .	791.80		
Directors' Fees . . . . .	5,823.46		
Salaries and Fees of Executive Officers . . . . .	34,056.54	190,531.80	176,883.07

NET REVENUE—

From Investments, Interest and Rentals . . . . .			10,893.30

NET PROFITS—FOR THE YEAR

Transferred to Consolidated Statement of Earned Surplus . . . . .			\$187,776.37

## Consolidated Statement of Earned Surplus for the year ended 31st December 1940

BALANCE AT CREDIT AS AT 31st DECEMBER 1939 . . . . .			535,968.30
Deduct—Appropriation for Additional Income Taxes in respect of prior year . . . . .			3,000.00
Add—Net Profits for the year . . . . .			187,776.37
Deduct—Dividends Paid and Payable—			720,744.67
Preference . . . . .	37,500.00		
Common . . . . .	160,000.00	197,500.00	
BALANCE AT CREDIT AS AT 31st DECEMBER 1940 as per Consolidated Balance Sheet . . . . .			\$523,244.67

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







