

CANADIAN
CAR & FOUNDRY
COMPANY
LIMITED

SIXTEENTH
ANNUAL
REPORT
/ 1925 /

MONTREAL - CANADA

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CANADIAN CAR & FOUNDRY COMPANY, LIMITED



BOARD OF DIRECTORS

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HON. C. P. BEAUBIEN, SENATOR, MONTREAL	A. HICKS LAWRENCE, NEW YORK
H. W. BEAUCLERK, MONTREAL	WM. MCMASTER, MONTREAL
W. W. BUTLER, MONTREAL	HON. E. C. SMITH, ST. ALBANS, VT.
F. H. CLERGUE, MONTREAL	HON. LORNE C. WEBSTER, SENATOR, MONTREAL
HON. N. CURRY, SENATOR, MONTREAL	W. H. WOODIN, NEW YORK
	MARK WORKMAN, MONTREAL



OFFICERS

HON. N. CURRY, *Chairman of the Board*
W. W. BUTLER, *President*

W. F. ANGUS, <i>Vice-President</i>	W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>	A. WHYTE, <i>Vice-President and</i>
A. C. BOURNE, <i>Secretary</i>	<i>Treasurer</i>
	L. A. PETO, <i>Comptroller</i>



SOLICITORS

WAINWRIGHT, ELDER & MCDUGALL, MONTREAL



BANKERS

BANK OF MONTREAL
THE ROYAL BANK OF CANADA



GENERAL OFFICES

307 CRAIG STREET WEST, MONTREAL

CANADIAN STEEL FOUNDRIES LIMITED



BOARD OF DIRECTORS

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W. F. ANGUS	HON. LORNE C. WEBSTER	V. M. DRURY

OFFICERS

W. W. BUTLER, <i>President</i>	
W. F. ANGUS, <i>Vice-President</i>	W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>	A. WHYTE, <i>Vice-President and Treasurer</i>
A. C. BOURNE, <i>Secretary</i>	L. A. PETO, <i>Comptroller</i>



THE PRATT & LETCHWORTH COMPANY, LIMITED

BOARD OF DIRECTORS

HON. C. P. BEAUBIEN	W. W. BUTLER	H. W. BEAUCLERK
W. F. ANGUS		V. M. DRURY

OFFICERS

W. W. BUTLER, <i>President</i>	
W. F. ANGUS, <i>Vice-President</i>	W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>	A. WHYTE, <i>Vice-President and Treasurer</i>
A. C. BOURNE, <i>Secretary</i>	L. A. PETO, <i>Comptroller</i>



AGENCY OF CANADIAN CAR & FOUNDRY COMPANY, LIMITED

DIRECTORS

HON. N. CURRY	V. M. DRURY	W. W. BUTLER
F. H. CLERGUE		O. F. HARVEY

OFFICERS

HON. N. CURRY, <i>President</i>
W. W. BUTLER, <i>Vice-President</i>
A. C. BOURNE, <i>Secretary and Treasurer</i>

**Canadian Car & Foundry Company, Limited
and Canadian Steel Foundries, Limited
and other Associated Companies**

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**CONSOLIDATED STATEMENT OF SURPLUS AND
PROFITS, SEPTEMBER 30, 1925**

❧

Combined Profits for the Fiscal Year ending September 30, 1925 . . .		\$256,388.93
LESS:		
Interest on Bonds Outstanding	\$365,010.99	
Interest on Negotiable Scrip	51,633.94	
	\$416,644.93	
Less: Interest Earned Net	232,484.97	
	184,159.96	
Profit for Fiscal Year, before providing for depreciation	\$ 72,228.97	
Surplus at September 30, 1924	3,903,870.14	
	\$3,976,099.11	
LESS:		
Appropriation for Depreciation	402,000.00	
	\$3,574,099.11	
DEDUCT:		
Dividends declared on Preference Stock:—		
For Current Year 7%	\$525,000.00	
Balance of Arrears 5¼%	393,750.00	
	918,750.00	
SURPLUS carried forward September 30, 1925		\$2,655,349.11

CANADIAN CAR & FOUNDRY COMPANY, LIMITED
 AND CANADIAN STEEL FOUNDRIES, LIMITED AND OTHER ASSOCIATED COMPANIES
CONSOLIDATED BALANCE SHEET **SEPTEMBER 30, 1925**

ASSETS

COST OF PROPERTIES:

Real Estate, Buildings, Machinery, Patents and Goodwill, as at September 30, 1924.....	\$23,203,457.61	
Addition during Fiscal Year—Net.....	24,271.09	
	\$23,227,728.70	

SCRIP REDEMPTION FUND INVESTMENT:

Balance of provision set aside annually for redemption of 6% Scrip (invested in Government Bonds).....		265,542.50
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CURRENT ASSETS:

Inventories of manufactured and partly manufactured product, materials and supplies at cost or less, and not in excess of present market prices	\$1,557,642.80	
Accounts Receivable (Less Reserve).....	630,592.82	
Bonds and Other Securities (not above market values):		
Dominion of Canada Bonds..	\$2,416,514.50	
Companies' Own Bonds.....	288,966.33	
Miscellaneous Investments...	574,792.60	
	3,280,273.43	
Cash in Bank.....	179,987.56	5,648,496.61

DEFERRED CHARGES		107,351.78
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\$29,249,119.59

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the Books and Accounts of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, for the year ending September 30, 1925, and have obtained all the information and explanations which we required. And we certify that, in our opinion, the above Balance Sheet at September 30, 1925, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, according to the best of our information and the explanations given to us, and as shown by the Books of the Companies.

MONTREAL, November 25th, 1925.

PRICE, WATERHOUSE & CO.,
Auditors.

LIABILITIES

CAPITAL STOCK:

Preference: Seven per cent cumulative and participating:		
Authorized and Issued—75,000 Shares of \$100 each.....		\$7,500,000.00
Ordinary:		
Authorized—50,000 Shares of \$100 each.....	\$5,000,000.00	
Issued —49,750 Shares of \$100 each.....		4,975,000.00

BONDED DEBT:

Canadian Car & Foundry Company, Limited:		
First Mortgage Thirty-Year Six Per Cent Sinking Fund Gold Bonds, due 1939. Authorized and Issued.....	\$7,500,000.00	
Less: Held in Treasury.....	\$1,225,000.00	
Redeemed by Sinking Fund.....	2,385,273.98	
	3,610,273.98	3,889,726.02
Canadian Steel Foundries, Limited:		
First Mortgage Collateral Trust Bonds Six Per Cent, due 1936 (Authorized \$5,000,000.)....	\$3,650,000.00	
Less: Bonds held in escrow by Montreal Trust Company for redemption of Montreal Steel Works, Limited, Bonds.....	589,256.07	
	\$3,060,743.93	
Less: Retired by Sinking Fund..	1,606,973.31	
	1,453,770.62	
First Mortgage Six Per Cent Gold Bonds, due 1940, of the Montreal Steel Works, Limited..	488,500.00	5,831,996.64

SEVEN YEAR SIX PER CENT NEGOTIABLE SCRIP, DUE DECEMBER 24, 1927. (Less amount held in Treasury).....		813,980.00
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CURRENT LIABILITIES:

Accounts Payable and Payrolls.....	\$462,197.66	
Interest Accrued.....	108,060.55	
Dividend Payable October 9, 1925, 1 3/4% on Pref. Shares.....	131,250.00	
	701,508.21	

RESERVES:

Depreciation Reserves.....	\$6,104,454.67	
Special Reserve Fund.....	500,000.00	
Operating and Miscellaneous Reserves.....	166,830.96	
	6,771,285.63	

SURPLUS, as per attached statement		2,655,349.11
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\$29,249,119.59

Approved on behalf of the Board:

FRANCIS H. CLERGUE,
Director.

I. A. PETO,
Comptroller.

V. M. DRURY,
Director.

SIXTEENTH ANNUAL REPORT

YEAR ENDED SEPTEMBER 30

1925



To the Shareholders:

Your Directors submit herewith the Sixteenth Annual Report of your Company and of its Subsidiaries, the Canadian Steel Foundries, Limited, and The Pratt & Letchworth Company, Limited, covering combined operations for the year ended September 30th, 1925.

The amount of business received from the Canadian railroads during the year was very discouraging, orders for new equipment being negligible in volume, so that the bulk of the year's production consisted of miscellaneous repair business, and your main producing units, the car-building plants, were unable to operate at anything approaching capacity, while the output of your steel and malleable foundries was also very considerably below normal.

The aggregate sales for the year amounted to \$6,427,510.40, as compared with \$20,426,876.86 for the preceding fiscal period and \$20,689,638.95 for the year ended September 30th, 1923. With the exception of 1915, this output represents the lowest volume of business for any year since the inception of the Company, and as a natural result of this shrinkage in output, the net earnings for the year under review showed a considerable reduction from those of the two preceding fiscal periods, comparative figures, before provision for Income Tax or Depreciation, being as follows:—

1923.....	\$2,063,373.60
1924.....	1,696,221.63
1925.....	72,228.97

The balance to credit of Surplus Account brought forward from the preceding year amounted to \$3,903,870.14, and after adding \$72,228.97, representing the net profit for the period under review, and deducting the provision for Depreciation, amounting to \$402,000.00, there remained a credit balance on Surplus Account of \$3,574,099.11. From this latter amount there has been deducted \$918,750.00, representing the current year's 7% Preference Dividend, together with the balance of Preference Dividends in arrear amounting to 5¼%, all of which were declared and paid during the fiscal period. The deduction of these Dividends from Surplus Account left a balance to be carried forward to the ensuing year of \$2,655,349.11.

The liquid position of the Company continues favorable, the Balance Sheet showing a surplus of Current Assets over Current Liabilities of \$4,946,988.40, the reduction during the year being substantially accounted for by Preference Dividend declarations amounting to \$918,750.00 and the redemption provisions covering Bonds and Negotiable Scrip to the extent of \$658,341.99. Inventories, Accounts Receivable and Accounts Payable have been further reduced, and in this respect the Company is in a more favorable position than at the close of any preceding fiscal period. Your various properties have been well maintained during the year and your Company is in a favorable position to take advantage of the return of normal business.

As a result of the large harvest which Canada has enjoyed, it is hoped that the increased grain movement together with the anticipated general improvement in the trade and commerce of the country, will create an additional demand for the various products manufactured by your Company, and will restore your business to a status more consistent with its past record.

Your Directors are pleased to take this opportunity of expressing appreciation of the efficient services rendered by the Officers and Employees throughout the year.

For the Directors,

(Signed) W. W. BUTLER,
President.

*November the Twenty-Sixth,
Nineteen hundred and Twenty-five.*

