

**CANADIAN
CAR & FOUNDRY
COMPANY
LIMITED**

**NINETEENTH
ANNUAL
REPORT
1928**

MONTREAL - CANADA

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CANADIAN CAR & FOUNDRY COMPANY, LIMITED



BOARD OF DIRECTORS

| | |
|---|---|
| W. F. ANGUS, MONTREAL | V. M. DRURY, MONTREAL |
| HON. C. P. BEAUBIEN, SENATOR, MONTREAL | WM. McMASTER, MONTREAL |
| H. W. BEAUCLERK, MONTREAL | HON. E. C. SMITH, ST. ALBANS, VT. |
| W. W. BUTLER, MONTREAL | HON. LORNE C. WEBSTER, SENATOR, MONTREAL |
| F. H. CLERGUE, MONTREAL | MARK WORKMAN, MONTREAL |
| HON. N. CURRY, SENATOR, MONTREAL | |



OFFICERS

| | |
|---|---|
| HON. N. CURRY, <i>Chairman of the Board</i> | |
| 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> | L. A. PETO, <i>Vice-President & Comptroller</i> |
| A. C. BOURNE, <i>Secretary</i> | J. B. BRODIE, <i>Treasurer</i> |



SOLICITORS

WAINWRIGHT, ELDER & McDOUGALL, MONTREAL



BANKERS

BANK OF MONTREAL
THE ROYAL BANK OF CANADA



GENERAL OFFICES

621 CRAIG STREET WEST, MONTREAL

CANADIAN STEEL FOUNDRIES LIMITED



BOARD OF DIRECTORS

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

OFFICERS

W. W. BUTLER, *President*
W. F. ANGUS, *Vice-President* W. S. ATWOOD, *Vice-President*
A. D. NEALE, *Vice-President* L. A. PETO, *Vice-President & Comptroller*
A. C. BOURNE, *Secretary* J. B. BRODIE, *Treasurer*



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, *President*
W. F. ANGUS, *Vice-President* W. S. ATWOOD, *Vice-President*
A. D. NEALE, *Vice-President* L. A. PETO, *Vice-President & Comptroller*
A. C. BOURNE, *Secretary* J. B. BRODIE, *Treasurer*



AGENCY OF CANADIAN CAR & FOUNDRY COMPANY, LIMITED

DIRECTORS

HON. N. CURRY V. M. DRURY W. W. BUTLER
F. H. CLERGUE T. S. WYLLY, JR.

OFFICERS

HON. N. CURRY, *President*
W. W. BUTLER, *Vice-President*
L. A. PETO, *Vice-President*
A. C. BOURNE, *Secretary and Treasurer*

**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, 1928**

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| | | |
|--|----------------|-----------------------|
| Combined Profits for the Fiscal Year ending September 30, 1928. | | \$1,215,995.79 |
| LESS: | | |
| Interest on Bonds Outstanding | \$295,634.50 | |
| Interest on Negotiable Scrip | 9,653.10 | |
| | \$305,287.60 | |
| Less: Interest Earned (Net) | 29,620.93 | \$ 275,666.67 |
| <hr/> | | |
| Profit for the Fiscal Year before providing for Depreciation and Income Tax | 940,329.12 | |
| Surplus at September 30, 1927 | 2,283,664.62 | |
| | \$3,223,993.74 | |
| LESS: | | |
| Provision for Depreciation | 402,000.00 | |
| | \$2,821,993.74 | |
| DEDUCT: | | |
| Dividends declared, 7% on Preference Stock | 525,000.00 | |
| | \$2,296,993.74 | |
| SURPLUS carried forward September 30, 1928 | | \$2,296,993.74 |

CANADIAN CAR & FOUNDRY COMPANY, LIMITED

AND CANADIAN STEEL FOUNDRIES, LIMITED AND OTHER ASSOCIATED COMPANIES

CONSOLIDATED BALANCE SHEET

September 30, 1928

| ASSETS | | LIABILITIES | |
|--|------------------------|---|------------------------|
| COST OF PROPERTIES: | | CAPITAL STOCK: | |
| Real Estate, Buildings, Machinery, Patents and Goodwill, as at September 30, 1927 | \$23,308,984.17 | Preference: Seven per cent cumulative and participating: Authorized and Issued—75,000 Shares of \$100 each | \$7,500,000.00 |
| Addition during Fiscal Year—(Net) | 159,485.87 | Ordinary: Authorized—50,000 Shares of \$100 each..... | \$5,000,000.00 |
| | <u>\$23,468,470.04</u> | Issued —49,750 Shares of \$100 each..... | <u>4,975,000.00</u> |
| GOVERNMENT AND OTHER BONDS: | | BONDED DEBT: | |
| Deposited with the Montreal Trust Company towards redemption of the outstanding Bonds of the Montreal Steel Works, Limited..... | 200,000.00 | 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 |
| GOVERNMENT BONDS: | | Less: Held in Treasury..... | \$1,075,000.00 |
| Deposited with the Royal Trust Company as guarantee under Workmen's Compensation Act of Quebec | 50,000.00 | Redeemed by Sinking Fund.... | 3,264,009.96 |
| CURRENT ASSETS: | | | <u>4,339,009.96</u> |
| Inventories of manufactured and partly manufactured product, materials and supplies at cost or less, and not in excess of present market prices... | 2,058,927.17 | | 3,160,990.04 |
| Accounts Receivable (Less Reserve) | 1,160,819.11 | Canadian Steel Foundries, Limited: First Mortgage Collateral Trust Bonds Six Per Cent, due 1936. (Authorized \$5,000,000.00) | \$3,650,000.00 |
| Bonds and Other Securities (not above market values): | 874,675.00 | Less: Bonds held in escrow by Montreal Trust Company for redemption of Montreal Steel Works, Limited, Bonds..... | 362,858.72 |
| Dominion of Canada Bonds.... | \$547,960.00 | | <u>\$3,287,141.28</u> |
| Companies' Own Bonds..... | 227,460.00 | Less: Retired by Sinking Fund.... | 2,145,031.97 |
| Miscellaneous Investments.... | 99,255.00 | | 1,142,109.31 |
| Cash in Bank | 477,525.92 | First Mortgage Six Per Cent Gold Bonds, due 1940, of the Montreal Steel Works, Limited..... | 461,500.00 |
| DEFERRED CHARGES | <u>4,571,947.20</u> | | <u>4,764,599.35</u> |
| | 83,077.68 | CURRENT LIABILITIES: | |
| | <u>\$28,373,494.92</u> | Accounts Payable and Payrolls | 583,655.06 |
| | | Interest Accrued | 81,145.97 |
| | | Dividend Payable October 10, 1928, 1 3/4% on Preference Shares | 131,250.00 |
| | | | <u>796,051.03</u> |
| | | RESERVES: | |
| | | Depreciation Reserves | 7,310,454.67 |
| | | Special Reserve Fund | 500,000.00 |
| | | Operating and Miscellaneous Reserves | 230,396.13 |
| | | | <u>8,040,850.80</u> |
| | | SURPLUS, as per attached statement | 2,296,993.74 |
| | | | <u>\$28,373,494.92</u> |

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, 1928, 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, 1928, 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 2, 1928

PRICE, WATERHOUSE & CO.
Auditors.

NOTE: The judgment against the Company for \$312,000.00 and interest in the action for the payment of commission on munitions contracts, was under appeal at September 30, 1928.

Approved on behalf of the Board,

W. W. BUTLER,
Director

F. H. CLERGUE,
Director

L. A. PETO,
Vice-President and Comptroller

NINETEENTH ANNUAL REPORT

Year Ended September 30th, 1928



To the Shareholders:

Your Directors submit herewith the Nineteenth Annual Report of your Company and of its subsidiaries, Canadian Steel Foundries Limited and The Pratt & Letchworth Company Limited, covering combined operations for the year ended September 30th, 1928.

After providing for depreciation, results show a net profit of \$538,329.12, subject to income tax. This, while not as good as the previous year, is considered satisfactory in view of the small amount of car orders placed by the Railroads during the period.

Your subsidiary companies showed increased sales over the previous year.

The working capital of the Company is somewhat reduced, the excess of current assets over current liabilities being \$3,775,896.17 as compared with \$3,982,202.11 a year ago. This is due to retirement of bonded indebtedness, which was reduced during the year by \$241,492.00 to the present amount outstanding of \$4,764,599.35. A further deposit of \$100,000.00 was made with the Montreal Trust Company towards the redemption of outstanding bonds of the Montreal Steel Works, Limited, there now being the sum of \$200,000.00 on deposit for this purpose, which is equal to almost half of that issue at present outstanding and maturing in 1940.

Since the close of the fiscal period under review, substantial orders for cars have been received, assuring much greater activity in your Plants than has prevailed during the past few years. It is hoped that, with the unprecedented field crops harvested in Canada this year and the expansion of business in practically all lines of industry, there will be a continued and steady demand for railway equipment.

The various properties of your Companies have been maintained in good condition.

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 7th, 1928.

NOTE:—Since the preparation of this Report, a compromise settlement of the judgment referred to in the last Annual Report has been effected, the amount paid in complete settlement thereof being less than fifty per cent of the judgment as rendered.

