

REPORT and STATEMENT

DOMINION BRIDGE COMPANY LIMITED

FOR YEAR ENDED
31st OCTOBER

1944



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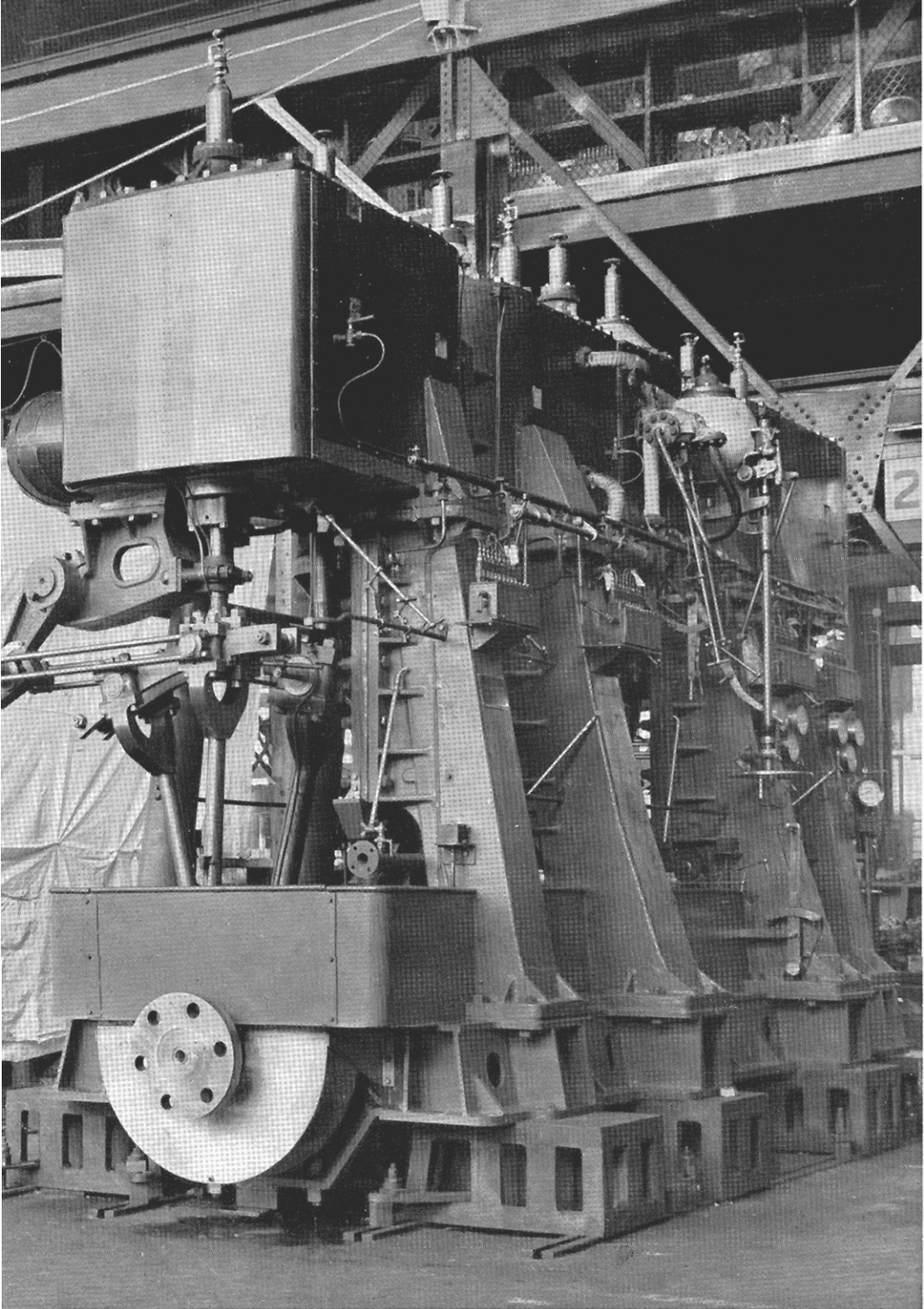
JAN 28 1945

MCGILL UNIVERSITY

ANNUAL
REPORT

*For the Fiscal Year
Ended 31st October*

1944



2750 H.P. Triple Expansion Marine Engine built in the Company's Lachine Shops for Frigates of His Majesty's Royal Canadian Navy. Company engineers developed the special welded steel bedplate used for these as well as the Corvette and Algerine Minesweeper engines.

DOMINION BRIDGE COMPANY

LIMITED

DIRECTORS

G. H. DUGGAN.....	Chairman of the Board
W. F. ANGUS.....	President and Managing Director
W. TAYLOR-BAILEY.....	Vice-President and General Manager
L. J. BELNAP.....	Montreal
JOHN BURNS.....	Calgary
C. H. CARLISLE.....	Toronto
NORMAN J. DAWES.....	Montreal
T. R. DEACON.....	Winnipeg
A. A. HODGSON.....	Montreal
ROSS H. McMASTER.....	Montreal
G. H. MONTGOMERY, K.C.....	Montreal
HOWARD MURRAY.....	Montreal
W. G. MURRIN.....	Vancouver
PAUL F. SISE.....	Montreal
H. G. WELSFORD.....	Montreal
JAMES WILSON.....	Montreal
MORRIS W. WILSON.....	Montreal

HEAD OFFICE - LACHINE, P.Q.
F. W. EVENS—Secretary-Treasurer

EXECUTIVE OFFICERS

W. F. ANGUS.....	President and Managing Director
W. TAYLOR-BAILEY.....	Vice-President and General Manager
S. W. CAMPBELL.....	Vice-President and Manager Western Division
F. P. SHEARWOOD.....	Consulting Engineer
J. L. HEALD.....	Comptroller
F. W. EVENS.....	Secretary-Treasurer

MANUFACTURING DIVISIONS AND OFFICES

Eastern Division.....	A. H. COWIE.....	Manager, Lachine, P.Q.
Ontario Division.....	G. P. WILBUR.....	Manager, Toronto, Ont.
Western Division.....	S. W. CAMPBELL.....	Vice-President, Winnipeg, Man.
Pacific Division.....	A. S. GENTLES.....	Manager, Vancouver, B.C.

BRANCH PLANTS

AMHERST, N.S.....	J. F. F. MacKENZIE.....	Local Manager
OTTAWA, ONT.....	W. E. McHUGH.....	Local Manager
CALGARY, ALTA.....	J. P. CARROLL.....	Local Manager

AGENCIES

MONTREAL, P.Q.....	C. S. KANE, Divisional Sales Manager ..	Lachine, P.Q.
EDMONTON, ALTA.....	D. J. CARTER, Agent.....	106th and 121st Street
REGINA, SASK.....	H. CRABTREE, Agent.....	1769 Hamilton Street

23rd January, 1945.

To the Shareholders of

DOMINION BRIDGE COMPANY, LIMITED

Your Directors submit the Annual Report of the Company together with Balance Sheet as at 31st October, 1944, and Profit and Loss Account for the year ended that date.

The result of the year's operations show a net profit of \$672,188.64 after making provision for depreciation to the extent of \$916,551.36 and providing for income and excess profits tax payable, for which there has been reserved the sum of \$5,209,693.92, of which \$866,591.05 is refundable.

Working Capital as of 31st October, 1944, stands at \$10,851,000.00 in round figures, as compared with \$10,331,000.00 at the end of the previous year, an increase of \$520,000.00

Expenditure on Capital Account during the year amounted to \$323,000.00.

During the year your Directors established a retirement income plan for the benefit of the employees of Dominion Bridge Company and its entirely owned subsidiary companies. The plan is to be administered by the Sun Life Assurance Company of Canada.

Under the provisions of the plan accumulated past service of employees is recognized up to a maximum of twenty years and your Company intends to defray the entire cost of the past service retirement income credits. The amount of \$1,217,708.74 charged in this year's accounts represents the first instalment of this cost.

The Department of Income Tax has ruled that the retirement income plan meets the requirements of the Income Tax Act and that contributions made by the Company for accumulated past service are allowable as deductions from taxable income over a period of years.

Your Company also undertakes to pay a portion of the cost of future service retirement income credits approximately equal to the aggregate amount contributed by employee members. The Company's proportion of the cost of future service credits is

DOMINION BRIDGE COMPANY LIMITED

allowable as an Operating expense in accordance with the provisions of the Income Tax Act.

Stocks of raw material and manufacturing supplies are well assorted and saleable and inventories have been taken at conservative prices.

The demand for structural steel for buildings and bridges lessened throughout the year. During the first part of the year, the shipbuilding programme made up for this recession, but towards the latter part the demand for shipbuilding steel also declined.

United Shipyards, in which your company has a half-interest, launched twenty-five 10,000-ton cargo ships and delivered twenty-two in the past season of navigation.

Such of your plants as are engaged in the manufacture of shells and cartridge cases continued active during the year.

Your Directors have declared quarterly dividends of 30c per share, a total of \$1.20 for the year.

Your Directors wish to record their appreciation of the loyalty and efficiency of the staff and employees throughout the Company's entire organization.

Meetings of your Board of Directors have been held monthly, the books of your Company have been regularly audited and the certificate of your Auditors appears on the Financial Statement herewith submitted.

By Order of the Board of Directors,

W. F. ANGUS,

President.

DOMINION BRIDGE COMPANY LIMITED

AND ENTIRELY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31st OCTOBER, 1944

<u>ASSETS</u>	<u>LIABILITIES</u>
Fixed Assets:	Capital Stock:
Real Estate, Plant, Machinery and Equipment.....	Authorized:
\$19,355,712.35	600,000 Shares of No Par Value.
Less: Depreciation Reserve.....	Issued
12,615,849.90	513,951 Shares of No Par Value.....
\$6,739,862.45*	\$15,921,366.00
Investments in Partly Owned Subsidiaries at Book Value.....	Reserve Accounts:
2,082,966.01	For Plant Extensions and Betterments.....
Investments in Other Companies at Book Value—less Reserve.....	\$ 1,000,000.00
91,807.29	For Accidents in Erection.....
\$ 8,914,635.75	181,358.36
Current Assets:	1,181,358.36
Cash on Hand and in Bank.....	Refundable Portion of Excess Profits Tax.....
4,522,553.86	2,349,024.30
Government and Other Bonds and Securities (Approximate Market Value \$5,621,612.00)	Earned Surplus Account:
5,400,271.81	Balance as per Profit and Loss Account.....
Deposits on Tenders.....	3,012,104.45
74,854.58	Current Liabilities:
Expenditure on Uncompleted Contracts at Standard Cost, less Reserve.....	Dividend payable 25th November, 1944.....
\$31,724,115.35	154,185.30
Less: Amounts received on account.....	Reserve for Taxes.....
30,143,381.33	2,882,907.23
1,580,734.02	Sundry Accounts Payable.....
Accounts and Bills Receivable less Reserve for Doubtful Accounts.....	3,480,219.16
1,859,664.89	6,517,311.69
Stock of Steel, Supplies and Small Tools at Cost, which is less than market value—less Reserve.....	
3,930,847.27	
17,368,926.43	
2,649 Fully Paid No Par Value Shares	
held by Trust Companies for sale to employees of Dominion Bridge Company, Limited.....	
40,084.10	
Suspended Assets:	
Unexpired Insurance Premiums, Taxes and Deferred Charges.....	
308,494.22	
Refundable portion of Excess Profits Tax	
2,349,024.30	
2,657,518.52	
<u>\$28,981,164.80</u>	<u>\$28,981,164.80</u>

Montreal, 4th January, 1945.

Submitted in accordance with our Report of even date on the Consolidated Balance Sheet of Dominion Bridge Company, Limited and Entirely Owned Subsidiary Companies.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants,

Auditors

W. F. ANGUS, Director

G. H. DUGGAN, Director

DOMINION BRIDGE COMPANY LIMITED

AND

ENTIRELY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER, 1944

Profits from Contracts, Interest and Exchange and Miscellaneous Income.....		\$7,784,064.19
Revenue from Investments.....		335,006.44
Profit on sale of Equipment and Bonds (net).....		8,565.07
		<hr/>
		\$8,127,635.70
Deduct:		
Directors' Fees.....	\$ 25,500.00	
Executive Salaries.....	85,000.00	
Legal Fees.....	993.04	
Reserve for Taxes (including refundable portion of Excess Profits Tax).....	5,209,693.92	
Depreciation on Plant, Machinery, etc.....	916,551.36	
Pension Fund—Contribution in respect of employees' past service.....	1,217,708.74	
		<hr/>
		7,455,447.06
		<hr/>
		672,188.64
Add:		
Balance at Credit 1st November, 1943.....	2,986,559.42	
Less: Adjustment of prior years' profit in respect of Inventory Reserve, Depreciation and Income Tax.....	29,902.41	
		<hr/>
		2,956,657.01
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		\$3,628,845.65
Deduct:		
Dividend for year.....		616,741.20
Balance as at 31st October, 1944, as per Balance Sheet		<hr/> <hr/>
		\$3,012,104.45

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER STREET, MONTREAL

4th January, 1945.

To the Shareholders,

DOMINION BRIDGE COMPANY, LIMITED

We have examined the Books and Accounts of Dominion Bridge Company, Limited and its entirely owned Subsidiary Companies for the year ended 31st October, 1944, and report thereon as follows:

The Inventories of Stock on Hand, as certified by responsible officials of the various companies, have been valued on a conservative basis.

The Investments in which your Company is interested have been verified by actual inspection of the Securities or by certificate from the Depositaries in the cases where the Securities are deposited for safe custody or as security.

In accordance with Section 114 of the Dominion Companies' Act we report that no portion of the profits of partly owned subsidiaries, (with the exception of dividends actually declared by two of these) is included in these accounts. The aggregate profits pertaining to this company are in excess of the dividends received.

The company has contracts for the production of war materials which may be subject to renegotiation. It is not possible at this time to estimate what the effect, if any, may be upon the financial position of the company if such renegotiation occurs.

Subject to the foregoing comment, we report that we have obtained all the information and explanations we have required and, in our opinion, the accompanying Balance Sheet as at 31st October, 1944, is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

RIDDELL, STEAD, GRAHAM & HUTCHISON,

CHARTERED ACCOUNTANTS.

Auditors.

