

ANNUAL
REPORT

Dominion Engineering
Works, Limited

FOR YEAR ENDED
31st December, 1939

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ANNUAL
REPORT

Dominion Engineering
Works, Limited

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FOR YEAR ENDED
31st December, 1939

DOMINION ENGINEERING WORKS, LIMITED

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Directors

G. H. DUGGAN	- - - - -	<i>Chairman of the Board</i>
W. F. ANGUS	- - - - -	<i>President</i>
H. G. WELSFORD	- - - - -	<i>Vice-President and General Manager</i>
L. J. BELNAP		G. H. MONTGOMERY, K.C.
NORMAN J. DAWES		HOWARD MURRAY
SIR HERBERT S. HOLT		PAUL F. SISE

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J. S. HOUSTON	- - - - -	<i>Treasurer</i>
F. W. EVENS	- - - - -	<i>Secretary</i>

DOMINION ENGINEERING WORKS, LIMITED

6th March, 1940

TO THE SHAREHOLDERS,

DOMINION ENGINEERING WORKS, LIMITED.

Your Directors submit the Annual Report of the Company together with Balance Sheet as at December 31st, 1939, and relative Profit and Loss Account certified by your Auditors.

The Profit and Loss Account for the year shows an operating deficit of \$127,580.86 after charging off depreciation of \$121,332.72 and writing off the cost of development work on new products and improvements to our present range amounting to \$20,203.83. This loss was due to an insufficient volume of work going through the Shops to absorb operating expenses.

Business entered during the first six months of the year was very light, being not much over half the business booked in the corresponding period of 1938. Business entered during the second half, however, showed a substantial improvement, fairly well distributed throughout our various lines, but this improvement came too late in the year to have much effect upon the year's results.

There was expended on Capital Account during the year for additions to plant and equipment the sum of \$177,406.79. Most of this expenditure covered additional machine tool equipment for classes of work for which we were not previously equipped and was incurred to complete the programme of plant improvement commenced in 1937, referred to in last year's report.

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

Your Directors record with deep feelings of grief the death of their colleague Mr. Julian C. Smith, who was a Vice-President and Director since the formation of

the Company in 1920. Mr. Smith always evinced a keen interest in the affairs of the Company and his sound judgment and business ability, which were ever at the disposal of his colleagues, will be greatly missed in the deliberations of your Board.

Hon. J. A. Mathewson, K.C., having accepted a Portfolio in the Cabinet of the Provincial Government, tendered his resignation, which was regretfully accepted.

Your Directors are pleased to report that the engineering and technical staffs have fully maintained the Company's reputation for good design and workmanship, and wish to record their appreciation of the faithful and efficient services rendered by the officers and staffs of all departments.

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 ENGINEERING WORKS, LIMITED

AND WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER, 1939

ASSETS	LIABILITIES
<p>FIXED ASSETS:</p> <p>Real Estate, Plant, Machinery and Equipment, at cost, less amounts written off on Capital Reorganization. \$5,407,498.19</p> <p>Less: Reserve for Depreciation. 2,908,201.73</p> <p style="text-align: right;">\$2,499,296.46</p> <p>Investment in Subsidiary and other companies less Reserve. 85,001.00</p> <p style="text-align: right; border-top: 1px solid black;">\$2,584,297.46</p> <p>CURRENT ASSETS:</p> <p>Cash on hand and in Banks. \$ 189,741.66</p> <p>*Dominion Government and other Bonds—less Reserve. 662,120.99 (Approximate Market Value \$702,100.00)</p> <p>Accounts Receivable, less Reserve. 519,462.46</p> <p>Deposits on Tenders. 5,029.00</p> <p>Work in Progress, at Standard Cost. \$ 708,670.97</p> <p>Less: Invoiced. 576,366.34</p> <p style="text-align: right;">132,304.63</p> <p>Inventories of Raw Materials and Supplies at lower of Cost or Market Value, less Reserve (quantities and condition determined by the Management). 705,742.61</p> <p style="text-align: right; border-top: 1px solid black;">2,214,401.35</p> <p>DEFERRED CHARGES:</p> <p>Prepaid Taxes, Insurance and Expenses. 56,761.15</p> <p style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$4,855,459.96</p>	<p>CAPITAL STOCK:</p> <p>AUTHORIZED AND ISSUED:</p> <p>125,000 shares of No Par Value. \$2,900,050.00</p> <p>RESERVE FOR CONTINGENCIES. 250,000.00</p> <p>BANK OVERDRAFT. \$181,467.47</p> <p>ACCOUNTS PAYABLE, ACCRUED CHARGES, CUSTOMERS' CONTRACT CREDITS, AND OPERATING RESERVES, including \$45,659.35 due to Taxing Authorities in Canada. 626,241.89</p> <p style="text-align: right;">807,709.36</p> <p>EARNED SURPLUS</p> <p>Balance as per Profit and Loss Account. 897,700.60</p> <p style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$4,855,459.96</p>

*\$250,000.00 Par Value Bonds are held by the Bank as collateral for the overdraft.

(Signed) W. F. ANGUS,
Director.

(Signed) NORMAN J. DAWES,
Director.

MONTREAL, 4TH MARCH, 1940.

This is the Balance Sheet referred to in our report of this date.

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

Dominion Engineering Works, Limited

AND WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR

THE YEAR ENDED 31st DECEMBER, 1939

Loss on operations	\$	30,642.05	
Executive Salaries		31,000.00	
Directors' Fees		5,930.00	
Legal Fees		2,189.69	
Expenditure for Development and Research		20,203.83	
Reserve for Depreciation and Renewals		121,332.72	
			<hr/>
	\$	211,298.29	
DEDUCT:			
Revenue from Investments	\$35,065.84		
Profit on Bonds sold	48,651.59		
		<hr/>	83,717.43
			<hr/>
	\$	127,580.86	
Balance at Credit as at 31st December, 1938		1,025,281.46	
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BALANCE AT CREDIT AS AT 31ST DECEMBER, 1939	\$	897,700.60	

RIDDELL, STEAD, GRAHAM & HUTCHISON
CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER ST.
MONTREAL

4th March, 1940.

TO THE SHAREHOLDERS,

DOMINION ENGINEERING WORKS, LIMITED,
LACHINE, QUEBEC.

Dear Sirs :

We have examined and audited the Books and Accounts of Dominion Engineering Works, Limited, and its wholly owned Subsidiary Companies for the year ended 31st December, 1939, and report :

The Investments in which your Company is interested have been verified by actual inspection of the securities, or we have seen certificates 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 a partly owned Subsidiary, after providing necessary reserves, has shown neither profit nor loss for the year.

We report that we have obtained all the information and explanations we have required and that, in our opinion, the accompanying Balance Sheet as at 31st December, 1939, 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.

Yours faithfully,

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,
Auditors.

DOMINION ENGINEERING WORKS, LIMITED

Associated Companies

DOMINION BRIDGE COMPANY LIMITED	- - - - -	MONTREAL, Canada
CHAS. WALMSLEY & CO. (CANADA) LIMITED	- - - - -	MONTREAL, Canada
DOMINION HOIST & SHOVEL COMPANY LIMITED	- - - - -	MONTREAL, Canada
FARRELL-BIRMINGHAM CO., INC.	- - - - -	ANSONIA, Conn.
UNITED ENGINEERING & FOUNDRY COMPANY	- - - - -	PITTSBURGH, Pa.
CROSSLEY BROTHERS LIMITED	- - - - -	MANCHESTER, England
CROSSLEY PREMIER ENGINES LIMITED	- - - - -	SANDIACRE, England

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LIST OF PRODUCTS

PAPER-MAKING MACHINERY:

Paper Machines, all types.
Removable Fourdriniers.
Slices.
Downingtown Extractor Rolls.
Suction Couch and Press Rolls.
Granite Press Rolls.
Cram Dryer Drainage Systems.
Calenders, Reels, Winders.
Refiners.
Stock Pumps.
Pulp Grinders.

HYDRAULIC MACHINERY:

Hydraulic Turbines and Governors.
Penstock Valves.
Gate Valves, 4" to 60" Electric, Hydraulic and
Hand Operation.
Valve Control Mechanism.
Sluice Gates.
Larner-Johnson Hydraulic Valves.
Glenfield Tilting Disc Check Valves.
Centrifugal Pumps.
Axial Flow Pumps.
High Pressure Gear Oil Pumps.

ROLLING MILL MACHINERY:

Blooming, Slabbing, Universal, Cogging and
Billet Mills.
Slab and Plate Mills.
Cold Strip Mills.
Rod, Bar and Re-Rolling Equipment.
Hot Strip and Sheet Bar Mills.
Tube and Pipe Mill Equipment.
Structural and Rail Mills.
Four-High Mills for Rolling of Ferrous and
Non-Ferrous Sheet and Strip.
Machinery for Hot and Cold Rolling of Non-
Ferrous Rods, Sheet, Strip and Foil.

MINING AND CRUSHING MACHINERY:

Ball and Tube Mills.
Jaw Crushers.
Hoists.
Pumps.

PLASTICS MACHINERY:

Banbury Mixers.
Crackers.
Washers.
Refiners.

Mills—Mixing, Grinding, Warming, Sheeting.
Calenders.
Tubing Machines.
Hose Making Machinery.

TRANSMISSION MACHINERY:

Continuous Tooth Herringbone Gears.
Spur and Single Helical Gears.
Tramways Gears and Pinions.
Bevel Gears.
Cone Worm Gears.
Speed Reducing Units.
Speed Increasing Units.
Gear Motors.
Flexible Couplings.
Rolling Mill and Other Heavy Duty Drives.
Michell Pivoted Thrust and Journal Bearings.
Roller Bearings.

DIESEL AND GAS ENGINES:

6 to 3,000 B.H.P., for Marine and Stationary Service.
Producer Gas Plants.

HYDRAULIC PRESSES.

SHEET METAL FORMERS.

WIRE DRAWING AND STRANDING MACHINERY.

SIMPSON INTENSIVE MIXERS.

ELECTRIC STEAM GENERATORS.

MACHINERY TO SPECIAL DESIGN.

CHILLED AND ALLOY IRON ROLLS.

HEAT TREATING.

ROLL GRINDING.

