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ANNUAL  
REPORT

Dominion Engineering  
Works, Limited

FOR YEAR ENDED  
31st December, 1940

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ANNUAL  
REPORT

Dominion Engineering  
Works, Limited

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FOR YEAR ENDED  
31st December, 1940



# 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>
W. TAYLOR-BAILEY		G. H. MONTGOMERY, K.C.
L. J. BELNAP		HOWARD MURRAY
NORMAN J. DAWES		PAUL F. SISE
SIR HERBERT S. HOLT		H. H. VAUGHAN
J. S. HOUSTON	- - - - -	<i>Treasurer</i>
F. W. EVENS	- - - - -	<i>Secretary</i>

# DOMINION ENGINEERING WORKS, LIMITED

18th March, 1941.

TO THE SHAREHOLDERS,

DOMINION ENGINEERING WORKS, LIMITED.

Your Directors submit the Annual Report of the Company together with Balance Sheet as of December 31st, 1940, and relative Profit and Loss Account certified by your Auditors.

The Profit and Loss Account for the year shows a net profit of \$739,809.37 after providing a reserve of \$396,273.47 for depreciation and renewals, but before providing for Income Tax payable to the Dominion and Provincial Governments.

Your Company's tax liability under the Income War Tax and Excess Profits Tax Acts has not yet been determined but your Directors have reserved the sum of \$530,000.00 to provide for the payment of these and Provincial taxes.

Your plants have operated at capacity throughout most of the year and it is gratifying that practically all the Company's regular products have been in considerably increased demand either directly or indirectly for war purposes. In addition, your Company has manufactured a large amount of special mechanical equipment for the Armed Forces which your plants are particularly well equipped to produce. In particular your Company has produced from its own designs a large amount of machinery for the manufacture of cartridge cases and shells.

In July the Longueuil Plant, which was owned by your Company, was taken over by the Government for the manufacture of Ordnance and arrangements had to be made to transfer the work being carried on at Longueuil to your works at Lachine. The necessary new buildings are now practically completed and the transfer of machinery and work in process has been made.

Your Company has entered into a contract with the Government for the operation of the Longueuil Plant. Financial arrangements with respect to the Longueuil Plant were not completed as at December 31st and therefore are only partially reflected in the Balance Sheet.

The Government also made arrangements during the year to increase the capacity of your Lachine Plant by authorizing the expenditure of \$800,000. for additional buildings and machinery to produce the increased quantities of machinery required for war purposes. These additional facilities are the property of the Crown and will be removed after the cessation of hostilities unless other mutually satisfactory arrangements are then made.

There was expended on Capital Account for improvements and extensions to plant and equipment the sum of \$707,805.75. The larger proportion of this expenditure was made at Lachine to replace the Longueuil working facilities taken over by the Dominion Government.

Special depreciation, as allowed by the War Contracts Depreciation Board, has been set up on those expenditures incurred in connection with War orders.

Working Capital as at December 31st, 1940, stands at \$1,696,822.50 as compared to \$1,406,691.99 at the end of the previous year; an increase of \$290,130.51.

There was expended on Development and Research during the year the sum of \$12,988.18 which has been charged to the cost of current operations.

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

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, staff and employees 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, 1940

### ASSETS

**FIXED ASSETS:**

Real Estate—Plant Machinery and Equipment at cost, less amounts written off on Capital Reorganization.	\$6,064,714.19	
Less: Reserve for Depreciation.	3,275,487.34	
	\$2,789,226.85	
Investments in Subsidiary and other Companies less Reserve.	80,003.00	
	\$2,869,229.85	

**CURRENT ASSETS:**

Cash on Hand and in Bank.	\$ 627,509.07	
Investment in Bonds of Dominion Government and Public Utilities, less reserve. (Approximate Market Value \$251,260.00)	217,002.85	
Accounts Receivable, less reserve.	600,783.03	
Deposits on Tenders.	1,100.00	
Work in Progress, at Standard Cost.	\$2,307,763.33	
Less: Payments on Account.	1,459,770.61	
	847,992.72	
Inventories of Raw Materials and Supplies at Lower of Cost or Market Value, less reserve (quantities and condition determined by the Management).	1,182,114.56	
	3,476,502.23	

**DEFERRED CHARGES:**

Prepaid Taxes, Insurance and Expenses.	44,007.62	
	\$6,389,739.70	

(Signed) W. F. ANGUS,  
*Director.*

(Signed) NORMAN J. DAWES,  
*Director.*

### LIABILITIES

**CAPITAL STOCK:**

AUTHORIZED AND ISSUED	
125,000 shares of no par value.	\$2,900,050.00
RESERVE FOR CONTINGENCIES.	250,000.00
PAYMENT ON ACCOUNT OF SALE OF LONGUEUIL PROPERTY.	352,500.00

**ACCOUNTS PAYABLE:**

Accrued Charges and Operating Reserves, including \$593,297.81 due to Taxing Authorities in Canada.	1,779,679.73
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**EARNED SURPLUS:**

Balance as per Profit and Loss Account.	1,107,509.97
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\$6,389,739.70

MONTREAL, 17TH MARCH, 1941.

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

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## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR

THE YEAR ENDED 31st DECEMBER, 1940

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Profits from Contracts and Miscellaneous Earnings . . . . .		\$1,180,883.38
Revenue from Investments . . . . .		19,619.28
Profit on Equipment sold . . . . .		3,825.29
		<hr/>
		\$1,204,327.95
DEDUCT:		
Executive Salaries . . . . .	\$ 42,155.00	
Directors' Fees . . . . .	10,060.00	
Legal Fees . . . . .	3,041.93	
Expenditure for Development and Research . . . . .	12,988.18	
Reserve for Depreciation and Renewals . . . . .	396,273.47	
Reserve for Income and Excess Profits Taxes . . . . .	530,000.00	
		<hr/>
		994,518.58
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		\$ 209,809.37
Balance at Credit as at 31st December, 1939 . . . . .		897,700.60
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BALANCE AT CREDIT AS AT 31st DECEMBER, 1940 . . . . .		<u>\$1,107,509.97</u>

RIDDELL, STEAD, GRAHAM & HUTCHISON  
CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER ST.  
MONTREAL

17th March, 1941.

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, 1940, 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 depositaries in the cases where the securities are deposited for safe custody.

In accordance with Section 114 of the Dominion Companies' Act, we report that a partly owned Subsidiary, after providing necessary reserves, shows neither profit nor loss for the year.

We report that we have obtained all the information and explanations we have required and that, subject to the final determination of the amount set aside for income and excess profits taxes, in our opinion, the accompanying Balance Sheet as at 31st December, 1940, 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.

Your 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
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.

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.

STRANDING MACHINERY.

ELECTRIC STEAM GENERATORS.

MACHINERY TO SPECIAL DESIGN.

CHILLED AND ALLOY IRON ROLLS.

HEAT TREATING.

ROLL GRINDING.





