

ANNUAL
REPORT

Dominion Engineering
Works, Limited

FOR YEAR ENDED
31st December, 1941

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ANNUAL
REPORT

Dominion Engineering
Works, Limited

FOR YEAR ENDED
31st December, 1941

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	HOWARD MURRAY
L. J. BELNAP	PAUL F. SISE
NORMAN J. DAWES	R. E. STAVERT
G. H. MONTGOMERY, K.C.	H. H. VAUGHAN
J. S. HOUSTON - - - - -	<i>Treasurer</i>
F. W. EVENS - - - - -	<i>Secretary</i>

DOMINION ENGINEERING WORKS, LIMITED

March 24th, 1942.

TO THE SHAREHOLDERS,
DOMINION ENGINEERING WORKS, LIMITED

Your Directors submit the Annual Report of the Company together with the Balance Sheet as of December 31st, 1941, and relative Profit and Loss Account.

The result of the year's operations shows a net profit of \$290,568.80 after making provision for depreciation and renewals to the extent of \$703,578.83 and providing for Income Tax payable to the Dominion Government, for which there has been reserved the sum of \$995,000.00.

The heavy demands for your Company's products, and other equipment for war purposes, resulted in the operation of your plants at their full capacity throughout the year on a twenty-four hour per day basis. In order to meet these demands, there was spent on Capital Account during the year for improvements and extensions to manufacturing facilities, the sum of \$587,617.94. This includes the cost of completing the new buildings erected at Lachine to take the place of those at Longueuil taken over by the Government for Ordnance manufacture as mentioned in last year's report. Against this expenditure, your Company has received payment for the sale of its Longueuil Plant. Special depreciation allowed by the War Contracts Depreciation Board has been written off against Capital Expenditures incurred in connection with war orders.

In 1934 your Directors considered it desirable to use the amount then standing in the Capital Surplus Account of the Consolidated Balance Sheet of your Company, to reduce the book value of fixed assets. As some of these assets have now been realized, a portion of the amount so used has been returned to Capital Surplus Account.

Working Capital as of December 31st, 1941, stands at \$2,568,177.35 as compared to \$1,696,822.50 at the end of the previous year; an increase of \$871,354.85.

Inventories of materials and supplies and manufactured stock are carried on the books at conservative values.

There was expended for development and research during the year the sum of \$18,190.89 which has been charged against Profit and Loss Account. In addition, a considerable sum was spent for the development of special machinery for war purposes which has been charged directly to production costs.

Your Directors report with deep feelings of grief the death of their colleague, Sir Herbert S. Holt, LL.D., D.C.L., who was a Director since the formation of the Company in 1920. Sir Herbert 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.

Mr. R. E. Stavert, a Vice-President and Director of Consolidated Mining and Smelting Company of Canada, has been elected a Director to fill the vacancy caused by the death of Sir Herbert Holt.

Your Directors wish to record the faithful and efficient services rendered by all members of the Organization in the performance of their duties during the past year, when the need for maximum production has called unsparingly upon their time and energy. Some details of the year's accomplishments usually are given in the Annual Report which, because of the character of the work, cannot be given this year, but your Directors wish to report that the results of the year's production have been very gratifying to all concerned, the total far exceeding the production of any previous year in the history of the Company.

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, 1941

ASSETS	LIABILITIES
FIXED ASSETS:	
Real Estate, Plant, Machinery and Equipment at cost, less amounts written off.....	\$5,579,912.83
Less: Reserve for Depreciation.....	3,288,783.02
	\$2,291,129.81
Investments in Subsidiary and other Companies less Reserve.....	80,003.00
	\$2,371,132.81
CURRENT ASSETS:	
Cash on hand and in Banks.....	\$1,036,463.50
Investment in Bonds of Dominion Government and Public Utilities less Reserve.....	217,002.85
(Approximate Market Value \$257,475.00)	
Accounts Receivable, less Reserve.....	1,041,187.73
Deposits on Tenders.....	1,100.00
Work in Progress, at Standard Cost.....	\$5,944,744.78
Less: Payments on account.....	3,754,712.71
	2,190,032.07
Inventories of Raw Materials and Supplies at lower of Cost or Market Value, less Reserve.....	1,103,691.16
(Quantities and condition determined by the Management)	
	5,589,477.31
DEFERRED CHARGES:	
Prepaid Taxes, Insurance and Expenses.....	35,193.03
	\$7,995,803.15
	\$7,995,803.15

W. F. ANGUS,
Director.

NORMAN J. DAWES,
Director.

MONTREAL, 26th MARCH, 1942.

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, 1941

Profits from Contracts and Miscellaneous Earnings		\$2,051,808.87
Revenue from Investments		15,903.36
Profits on Equipment Sold		589.99
		\$2,068,302.22
DEDUCT:		
Executive Salaries	\$ 47,970.00	
Directors' Fees	10,120.00	
Legal Fees	2,873.70	
Expenditure for Development and Research	18,190.89	
Reserve for Depreciation and Renewals, including Accelerated and Special War Contracts Depreciation	703,578.83	
Reserve for Income and Excess Profits Taxes	995,000.00	
		1,777,733.42
		\$ 290,568.80
Balance at Credit as at 31st December, 1940		1,107,509.97
BALANCE AT CREDIT AS AT 31ST DECEMBER, 1941		\$1,398,078.77

CAPITAL SURPLUS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1941

Capital Reserves, previously provided against Fixed Assets, not now required.....		\$ 426,374.42
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RIDDELL, STEAD, GRAHAM & HUTCHISON
CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER ST.
MONTREAL

26th March, 1942.

TO THE SHAREHOLDERS,

DOMINION ENGINEERING WORKS, LIMITED,
LACHINE, QUE.

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, 1941, and have received all the information and explanations we have required.

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 no portion of the profits of a partly owned Subsidiary is included in these accounts.

Subject to the final determination of the Company's liability for income and excess profits taxes, in our opinion, the accompanying Balance Sheet as at 31st December, 1941, 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.

(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.
BANTAM BEARINGS CORPORATION - - - - - SOUTH BEND, Ind.

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.

Mitchell Pivoted Thrust and Journal Bearings.

Roller Bearings.

DIESEL ENGINES:

Dominion Vertical—Four Cycle,
70 B.H.P. to 640 B.H.P.

Dominion-Sulzer—Two Cycle,
Direct Reversing Marine Engines,
400 B.H.P. to 1200 B.H.P.

HYDRAULIC PRESSES.

SHEET METAL FORMERS.

STRANDING MACHINERY.

ELECTRIC STEAM GENERATORS.

MACHINERY TO SPECIAL DESIGN.

CHILLED AND ALLOY IRON ROLLS.

HEAT TREATING.

ROLL GRINDING.

