

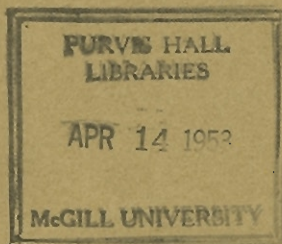
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ANNUAL  
REPORT

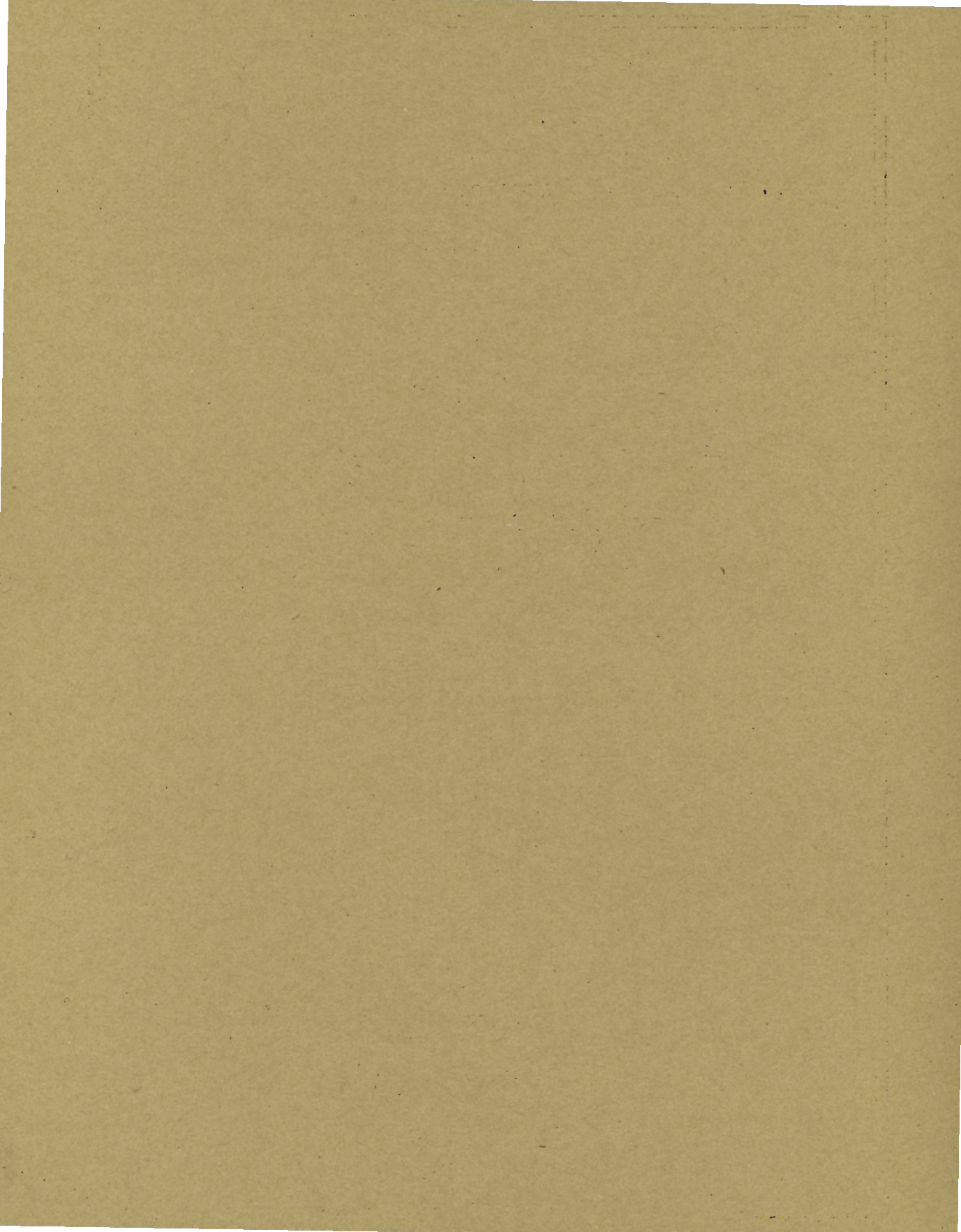
Dominion Engineering  
Works, Limited

FOR YEAR ENDED  
31st December

1945







ANNUAL  
REPORT

Dominion Engineering  
Works, Limited

FOR YEAR ENDED  
31st December

1945



# DOMINION ENGINEERING WORKS, LIMITED

1

## *Directors*

G. H. DUGGAN - - - - - *Chairman of the Board*

W. F. ANGUS - - - - - *President*

H. G. WELSFORD - - - - - *Vice-President and  
General Manager*

W. TAYLOR-BAILEY

HOWARD MURRAY

L. J. BELNAP

PAUL F. SISE

NORMAN J. DAWES

R. E. STAVERT

G. H. MONTGOMERY, K.C.

JAMES WILSON

M. W. WILSON

J. S. HOUSTON - - - - - *Treasurer*

F. W. EVENS - - - - - *Secretary*

# DOMINION ENGINEERING WORKS, LIMITED

March 15th, 1946.

TO THE SHAREHOLDERS,  
DOMINION ENGINEERING WORKS, LIMITED.

Your Directors submit the Annual Report of the Company together with the Balance Sheet as at December 31st, 1945, and relative Profit and Loss Account.

The Profit and Loss Account for the year shows a net profit of \$520,488. after charging off the amount of \$366,851. to depreciation reserve and after reserving the sum of \$1,140,661. for Income and Excess Profits Taxes of which \$160,050. is refundable.

Working capital as at December 31st, 1945, amounts to \$4,526,997. as compared with \$4,241,208. at the same date in 1944.

Expenditures on capital account during the year amount to \$887,084. The greater part of this expenditure covers the purchase of Government-owned plant and machinery installed in your Company's plant during the war for the production of war material. A substantial part of this purchase will be paid for out of the refundable portion of Excess Profits Taxes when these fall due for payment by the Government. This plant and equipment has been acquired to replace equipment worn out under wartime usage, and to provide additional manufacturing capacity capable of meeting anticipated requirements.

The refundable portion of Excess Profits Taxes reported in the Balance Sheet as at December 31st, 1944, has been reduced by \$33,619. as a result of the renegotiation of war contracts and income tax adjustments.

The reserve for post-war rehabilitation and adjustments has been increased by the refundable portion applicable to the year 1945 less the adjustments for the previous year above-mentioned.

As at December 31st, 1945, 1425 employees of the Company were covered under the Pension Plan established in 1944. In addition the Plan covers 131 employees of the Company still on active service. A further payment of \$245,000. has been made to the Sun Life Assurance Company of Canada on account of retirement benefits based upon employees' past services prior to August 1st, 1944, the entire cost of which is to be borne by the Company. This payment, together with the similar payment made during the previous year, covers nearly one-half of the total cost to the Company of these past service benefits.

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

Orders booked during the year were about 30% less than the total orders booked during 1944 but munitions contracts were relatively negligible in amount being less than 2½% of the total. The balance of orders booked represents sales of your Company's regular peace-time products for which there has been a steadily growing demand as manufacturing capacity has become available. The volume of war work in process commenced to decline early in the year with the result that war contract cancellations following V-J Day were comparatively small and had little effect upon the continuity of manufacturing operations. At the end of the year the Company had at its Lachine Plant a total of 1979 employees as compared with 1943 the previous year.

On instructions received from the Minister of Munitions and Supply the Government-owned plant at Longueuil which your Company operated practically throughout the war on behalf of the Dominion Government for the manufacture of ordnance, was turned over on January 1st, 1946, to Canadian Arsenals Limited, a Crown Company, which was recently formed to operate a selected group of plants considered essential to the country's permanent defence establishment. The variety and quality of work turned out by your Company at the Longueuil Plant during the war amply demonstrated the ability of the personnel and equipment to meet the exacting requirements of ordnance manufacture, maintenance and testing. This is a facility which did not exist in Canada before the war and its continued operation by the Government should prove a valuable addition to the country's defence services.

During the year your Directors declared and there was paid to shareholders a dividend of \$2.00 a share.

Your Directors wish to record their appreciation of the faithful service rendered by the officers and employees of all departments throughout the year.

Meetings of your Board of Directors have been held regularly. The books of your Company have been 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 31<sup>ST</sup> DECEMBER 1945

## ASSETS

<b>Fixed Assets:</b>		
Real Estate, Plant, Machinery and Equipment at Cost, less amounts written off .....	\$5,895,258.41	
<u>Less:</u> Reserve for Depreciation .....	3,932,154.11	
	\$1,963,104.30	
Investments in Subsidiary and other Companies less Reserve.....	80,003.00	
		\$ 2,043,107.30
<b>Current Assets:</b>		
Cash on Hand and in Banks .....	1,149,655.45	
Investment in Bonds of Dominion Government and Public Utilities less Reserve .....	1,498,526.72	
(Approximate Market Value \$1,593,117.00)		
Accounts Receivable less Reserve .....	2,404,183.12	
Deposits on Tenders .....	13,775.00	
Work in Progress at Standard Cost .....	\$4,964,031.37	
<u>Less:</u> Payments on Account .....	3,459,030.99	
	1,505,000.38	
Inventories of Raw Materials and Supplies at lower of Cost or Market Value, less Reserve .....	988,021.74	
(Quantities and condition determined by the Management)		
Balance of Employees' Victory Loan Subscriptions .....	298,517.00	
		7,857,679.41
<b>Deferred Assets:</b>		
Prepaid Taxes, Insurance and Expenses .....	30,676.08	
Refundable portion of Excess Profits Tax .....	672,928.85	
		703,604.93
		\$10,604,391.64

W. F. ANGUS,  
*Director.*

NORMAN J. DAWES,  
*Director.*

## LIABILITIES

<b>Capital Stock:</b>	
AUTHORIZED AND ISSUED	
125,000 shares of No Par Value .....	\$ 2,900,050.00
<b>Capital Surplus:</b> .....	426,374.42
<b>Reserves:</b>	
Reserve for Contingencies .....	\$ 250,000.00
Reserve for Post War Rehabilitation and Adjustments .....	1,672,928.85
	1,922,928.85
<b>Earned Surplus:</b>	
Balance as per Profit and Loss Account .....	1,499,356.68
<b>Current Liabilities:</b>	
Accounts Payable, Accrued Charges, Customers' Contract Credits, Adjustments of War Contracts and Operating Reserves .....	3,330,681.69
<b>Deferred Liabilities:</b>	
Balance of purchase price of fixed assets acquired from the Dominion of Canada .....	525,000.00
	\$10,604,391.64

MONTREAL, 14th March, 1946.

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 1945

Profits from Contracts and Miscellaneous Earnings.....		\$ 2,130,602.03	
Revenue from Investments.....		27,247.18	
Profit on Sale of Bonds and Equipment.....		1,904.84	
			<u>\$ 2,159,754.05</u>
<b>Deduct:</b>			
Executive Salaries.....	\$ 50,265.00		
Directors' Fees.....	10,080.00		
Legal Fees.....	1,232.07		
Expenditure for Development and Research.....	70,175.61		
Reserve for Depreciation and Renewals including Accelerated Depreciation.....	366,851.09		
Reserve for Income and Excess Profits Taxes (including refundable portion of Excess Profits Taxes transferred to Reserve for Post War Rehabilitation and Adjustments).....	1,140,661.50		
		<u>1,639,265.27</u>	
			<u>\$ 520,488.78</u>
Balance at Credit as at 31st December 1944.....	1,259,249.02		
<u>Add:</u> Adjustment of prior years' profit in respect of contract price adjustments, depreciation and Income Tax, etc.....	214,618.88		
		<u>1,473,867.90</u>	
<u>Less:</u> Dividend paid 11th May 1945.....	\$ 250,000.00		
Employees' Pension Fund—Past Service Contri- bution.....	245,000.00		
		<u>495,000.00</u>	
			<u>978,867.90</u>
Balance at Credit as at 31st December 1945.....			<u><u>\$ 1,499,356.68</u></u>

RIDDELL, STEAD, GRAHAM & HUTCHISON  
CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER ST.  
MONTREAL, 1.

14th March, 1946.

TO THE SHAREHOLDERS,

DOMINION ENGINEERING WORKS, LIMITED,  
LACHINE, QUEBEC.

We have examined the books and accounts of Dominion Engineering Works, Limited, and its wholly owned Subsidiary Companies for the year ended 31st December 1945 and have obtained 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.

In our opinion, the accompanying Balance Sheet as at 31st December 1945 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.  
THE TORRINGTON CO., INC.-BANTAM BEARINGS DIVISION - - SOUTH BEND, Ind.

### PAPER DIVISION:

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.  
Electric Steam Generators.

### HYDRAULIC DIVISION:

Hydraulic Turbines and Governors.  
Penstock Valves.  
Gate Valves—Electric, Hydraulic and Hand  
Operation.  
Valve Control Mechanism.  
Sluice Gates.  
Larner-Johnson Hydraulic Valves.  
Glenfield Tilting-Disc Check Valves.  
Centrifugal Pumps.  
Axial Flow Pumps.  
Sewage Disposal Pumps.  
Michell Pivored Thrust and Journal Bearings.

### INDUSTRIAL DIVISION:

#### ROLLING MILL MACHINERY:

2-High, 3-High and 4-High Mill Stands.  
Shears.  
Tables and Drives, etc.

#### PLASTICS MACHINERY:

Banbury Mixers.  
Mills.  
Tubing Machines.  
Calenders.

#### MINING AND CRUSHING MACHINERY:

Ball and Tube Mills.  
Crushers.  
Mine Car Loaders.  
Mine Hoists.

#### TRANSMISSION EQUIPMENT:

Gears.  
Gear Units.  
Gear Motors.  
Couplings.

#### SPEED-HY-MATIC and HYDRAULIC PRESSES:

Hydraulic Controls.  
Radial Piston Pumps.  
Special Machine Tools.  
Machinery to Special Design.  
Roller Bearings.

DIESEL DIVISION:

Dominion, Vertical, Four-Cycle,  
240-640 B.H.P. for all services.

Dominion-Sulzer, Two-Cycle,  
Direct Reversing Marine or Stationary  
400-1000 B.H.P.

MANUFACTURING DIVISION:

Iron Foundry.  
Bronze Foundry.  
Chilled & Alloy Iron Rolls.  
Cast & Forged Steel Rolls.  
Roll Grinding & Corrugating.  
Heat Treating.  
Shear Knives.











