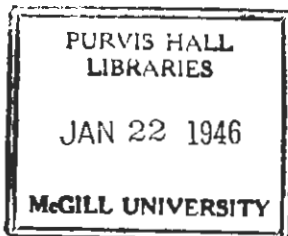


ANNUAL REPORT  
OF  
THE FOUNDATION COMPANY  
OF CANADA  
LIMITED  
AND WHOLLY OWNED  
CANADIAN SUBSIDIARY COMPANIES  
FOR THE YEAR ENDING  
DECEMBER 31, 1941





**THE FOUNDATION COMPANY  
OF CANADA  
LIMITED  
AND WHOLLY OWNED  
CANADIAN SUBSIDIARY COMPANIES**

MONTREAL, March 26, 1942.

TO THE SHAREHOLDERS OF  
THE FOUNDATION COMPANY OF CANADA LIMITED:

The Annual Report for the year ending December 31st, 1941, together with certified balance sheet and Surplus account is submitted herewith.

It will be recalled that the last report submitted, i.e., that for the Period ending December 31st, 1940, was for a period of eight months only, the fiscal year of your Company having been changed in that year to correspond with the calendar year. Previously the fiscal year had ended April 30th. As a consequence, comparison of earnings for the period covered by this report with those for the previous period compare a full year's operations with a period of eight months only and they should be interpreted accordingly.

Operations show a net profit before Income and Excess Profits Taxes of \$526,415 as compared with \$258,786 for the previous period of eight months, or after provision for taxes, \$221,415 as compared with \$98,786. The item of \$305,000 provided in the Profit and Loss statement for Income and Excess Profits Taxes is an arbitrary amount, considered adequate but nevertheless subject to final determination by the Income Tax Department.

Net current Assets as of December 31st, 1941, are \$660,882 as compared with \$649,425 at the close of the previous fiscal year. Your Company has paid dividends during the year on its outstanding Capital stock aggregating \$1.25 per share. Earned Surplus as of December 31st, 1941, stands at \$1,130,860 as compared with \$1,015,195 as of December 31st, 1940.

There has been little change during the year in your Company's investment in construction plant and equipment, but a net increase before depreciation of approximately \$230,000 in marine equipment. This represents additions considered necessary to maintain the standard of the tug boat and salvage service offered by your Company.

The item of land and buildings shows an increase of \$129,318, being the cost of additional machine shop and stores accommodation at Halifax together with minor improvements at Dorval.

Depreciation has been written off your Company's buildings and equipment in general in accordance with its usual policy. Certain Capital expenditures made in connection with war services have, however, been subject to special rates of depreciation under rulings of the Income Tax Department and orders of the War Contracts Depreciation Board.

The period under review has been one of great activity in all branches of your Company's business, virtually all of which has been directly connected with the war effort of the United Nations. Your Company has had a leading part in the vast construction programme undertaken to increase the supply of the two principal light weight metals, viz., aluminum and magnesium, and has been entrusted with important contracts in the hydro-electric field. Your Company completed and put into service in 1941 the Ile Juillet Dam for Beauharnois Light Heat and Power Company which is of unusual interest as being the first dam to have ever been built across the St. Lawrence River.

Your Directors take this opportunity of thanking the members of the staff for their loyal cooperation and unflinching efforts during the past year.

R. E. CHADWICK,  
President.

## CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1941

ASSETS		
CAPITAL ASSETS AT COST:		
Land and Buildings .....	\$ 390,458.38	
Plant and Equipment .....	1,076,554.18	
Marine Equipment .....	1,148,766.04	
Furniture and Fixtures .....	31,000.29	
	\$2,646,778.89	
Goodwill .....	1.00	
		\$2,646,779.89
SUBSIDIARY COMPANIES NOT CONSOLIDATED:		
Investment .....	\$ 15,000.00	
Advances .....	124,305.95	
		139,305.95
CURRENT AND WORKING ASSETS:		
Cash in Banks and on Hand .....	\$1,069,099.52	
Accounts Receivable .....	2,049,899.67	
Deposits on Contracts .....	90,967.00	
Investment in Uncompleted Contracts at cost .....	125,819.44	
Tools and Supplies on hand, valued by the Management at the lower of cost or market prices .....	64,416.92	
Investment in Dominion Government Bonds at cost (Quoted value December 31, 1941, \$186,820) .....	\$186,046.25	
Accrued Interest on Bonds .....	4,536.45	
	190,582.70	
		3,590,785.25
DEFERRED CHARGES TO OPERATIONS .....		34,755.46
		\$6,411,626.55

Approved on behalf of the Board:

R. E. CHADWICK, Director.

LAWRENCE MACFARLANE, Director.

LIABILITIES	
CAPITAL STOCK:	
Authorized—150,000 Common Shares of No. Par Value.	
Issued — 84,600 Common Shares of No Par Value .....	\$ 710,000.00
CURRENT LIABILITIES:	
Accounts Payable and Accrued Liabilities .....	\$2,465,355.72
Dividends declared payable January 20, 1942 .....	42,300.00
Provision for Income, Excess Profits and other Taxes .....	337,247.87
Bank Loan .....	85,000.00
	2,929,903.59
RESERVES:	
Depreciation .....	\$1,524,022.78
Uncompleted Contracts .....	61,335.42
Guarantee Reserve Fund .....	21,761.79
Fire and Marine Insurance .....	33,743.09
	1,640,863.08
EARNED SURPLUS:	
As per statement attached .....	1,130,859.88
	\$6,411,626.55

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of The Foundation Company of Canada Limited and its Wholly Owned Subsidiary Companies for the year ending December 31, 1941 (with the exception of Maritime Towing & Salvage Limited, the Balance Sheet of which was certified by other Chartered Accountants) and have obtained all the information and explanations which we have required; and we report that, in our opinion, subject to the final determination of the liability for Excess Profits Taxes, the above Consolidated Balance Sheet at December 31, 1941, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of The Foundation Company of Canada Limited and its Wholly Owned Canadian Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies examined by us and the certified accounts above mentioned.

In accordance with Section 114 of the Companies Act, 1934, we also report that the Companies' proportion of the aggregate of the profits less losses of subsidiary companies for the year 1941 has not been taken up in the above accounts except to the extent of a dividend declared out of such profits.

PRICE, WATERHOUSE & CO.,  
Auditors.

MONTREAL, March 24, 1942.

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS**  
**DECEMBER 31, 1941**

Operating Profit for the year ending December 31, 1941, before taking into account the items shown below .....	\$	926,768.06
<b>ADD:</b>		
Profit from Sale of Capital Assets (net).....	\$	18,067.78
Income from Investments.....		6,718.90
		24,786.68
		\$ 951,554.74
<b>DEDUCT:</b>		
Executive Officers' Remuneration.....	\$	89,288.40
Directors' Fees.....		6,230.32
Legal Expenses.....		462.48
Loss on Investment.....		750.00
Provision for Depreciation—		
Ordinary.....	\$	198,983.93
Special.....		129,424.44
		328,408.37
		425,139.57
Net Profit before providing for Income and Excess Profits Taxes.....	\$	526,415.17
Provision for Income and Excess Profits Taxes.....		305,000.00
Net Profit for the year ending December 31, 1941.....	\$	221,415.17
Earned Surplus, Balance December 31, 1940.....	\$1,015,194.71	
DEDUCT: Dividends.....		105,750.00
		909,444.71
Earned Surplus, Balance December 31, 1941.....		\$1,130,859.88

**THE FOUNDATION COMPANY  
OF CANADA  
LIMITED**

**BOARD OF DIRECTORS**

W. F. ANGUS	WILLIAM HARTY
D. A. CAMPBELL	LAWRENCE MACFARLANE, K.C.
R. E. CHADWICK	G. McG. MITCHELL
V. M. DRURY	F. G. RUTLEY

**OFFICERS**

R. E. CHADWICK	- - - - -	President
V. M. DRURY	- - - - -	Vice-President
F. G. RUTLEY	- - - - -	Vice-President
V. G. YOUNGSHUSBAND	- - - - -	Vice-President
C. E. GREARSON	- - - - -	Secretary-Treasurer
H. C. LINK	- - - - -	Asst. Secretary-Treasurer

**HEAD OFFICE**

1538 SHERBROOKE STREET WEST  
MONTREAL

