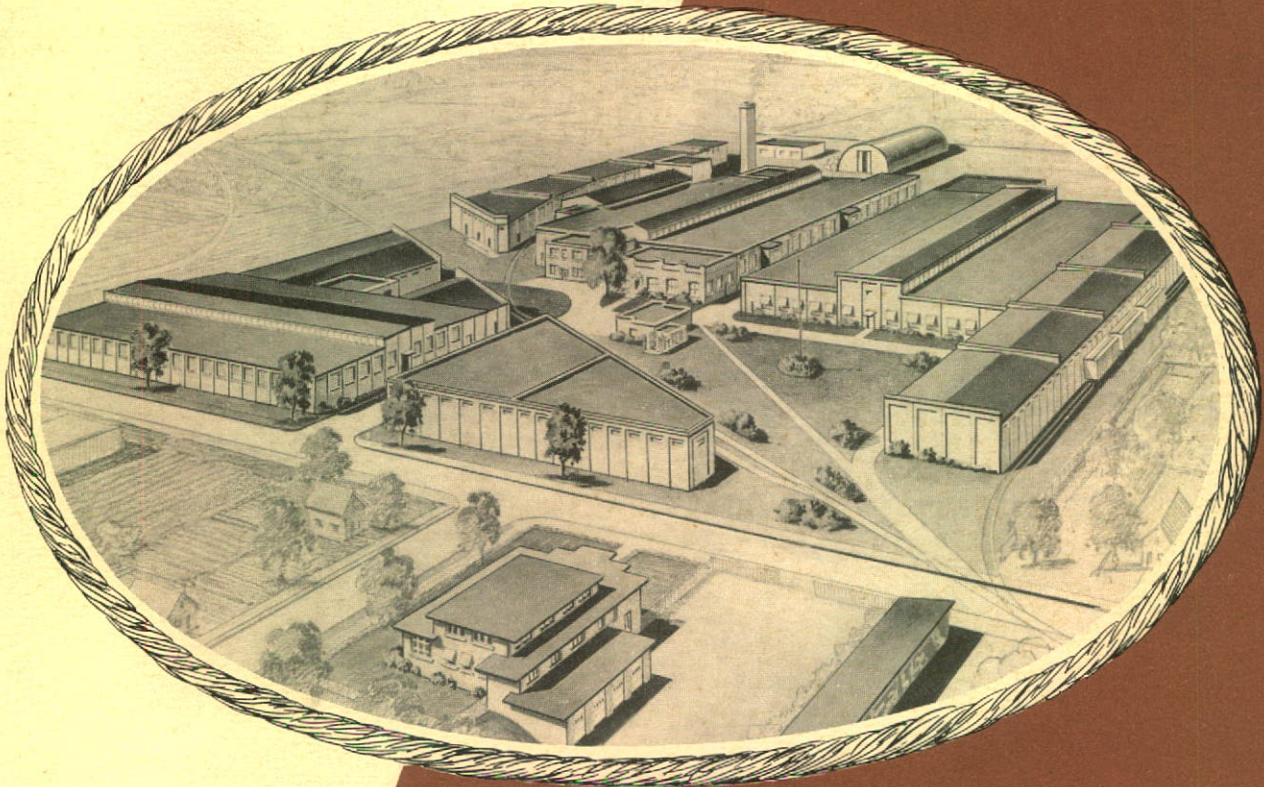


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33rd. ANNUAL REPORT

FOR THE YEAR ENDED OCTOBER 31, 1957

THE BRANTFORD CORDAGE COMPANY LIMITED
BRANTFORD - CANADA

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Annual Report



THE BRANTFORD CORDAGE COMPANY LIMITED

Board of Directors

W. E. DAVIES

A. M. JAMES

J. A. MCKAY

W. M. MESSECAR

B. B. OSLER, Q.C.

E. E. SMITH

H. R. TUDHOPE, O.B.E.

Officers

W. M. MESSECAR President

A. M. JAMES Vice-President

E. E. SMITH Secretary-Treasurer

Bankers

THE BANK OF NOVA SCOTIA

THE MERCHANTS NATIONAL BANK OF BOSTON

Transfer Agents

THE TORONTO GENERAL TRUSTS CORPORATION

Toronto, Canada

Registrar

THE NATIONAL TRUST COMPANY, LIMITED

Toronto, Canada

Auditors

GLENDINNING, JARRETT & CAMPBELL

Brantford, Canada



THE BRANTFORD CORDAGE COMPANY

REPORT OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS :

The Board of Directors takes pleasure in submitting to the Shareholders, the Thirty-Third Annual Report of the Company for the year ended October 31st, 1957, with comparative figures for the previous fiscal year.

The operations for the year, after providing for depreciation and income taxes, show a net income of \$400,553.09.

Overall, conditions affecting the Company have remained relatively unchanged during the year under review. While certain crop producing areas, such as the Canadian West, were adversely affected by growing conditions, others, particularly in the United States, were well above average and allowed a satisfactory sale of Baler and Binder Twine. The volume of sales of Rope and Tying Twine was lower than the previous year. This has been due in part to competitive conditions which are referred to below.

The market for our main raw material, sisal, has remained remarkably stable throughout the year. Only small movements up or down have occurred due to an adequate supply and the already low level of prices. Sisal remains among the commodities showing the smallest increases in value from pre-World War II levels. Abaca (Manila Hemp) on the other hand rose in value considerably and it appears that this fibre's supply and demand position will sustain it at about present levels for some time to come. On the whole, raw fibre prices are not such as to present an unusual problem.

Your Directors wish again to draw your attention to the growing amount of competition from low priced twine and cordage products of foreign countries. These importations continue to increase in the Company's markets. It has been possible to obtain the level of earnings experienced during the fiscal period just closed by constant attention to all possible economies in manufacturing and attempting to deal with the problem of imports by making available high quality products and the best possible service to our customers. In many cases, however, price is the controlling factor and the Company's potential in sales is not being fully realized for this reason.

In March, 1957, the petition of the United States cordage industry for restrictions on imports into that country was refused. In July, 1957, a new petition was entered and this is now under consideration by U.S. Government officials. The relationship of cordage and twine to national security is the key point involved. An unfavourable decision from our point of view could, as in the case last year, have an adverse effect upon our sales. It is, however, difficult to visualize a divorcement of the national security objectives of the Canadian and United States' governments. Nevertheless, this matter is a cause for concern and is receiving our attention.

Total dividends declared during the 1957 fiscal period amounted to \$100,000.00, which represents a dividend of \$1.00 per share on each of the 60,000 Class "A" shares and 50c per share on each of the 80,000 Class "B" shares outstanding.

Your Directors take pleasure in commending the officials and employees of the Company for their loyal and faithful performance of the Company's duties during the past year.

Respectfully submitted,

W. M. MESSECAR,
President.

December 2nd, 1957.

LIMITED BRANTFORD, CANADA

AUDITORS' REPORT

TO THE SHAREHOLDERS,
THE BRANTFORD CORDAGE COMPANY, LIMITED.

We have examined the books and accounts of The Brantford Cordage Company, Limited, for the year ended October 31st, 1957, and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We report that, in our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Company, the accompanying Balance Sheet and Statement of Income and Summary of Earnings Retained for Use in the Business are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to exhibit a true and correct view of the state of the Company's affairs as at October 31st, 1957, and the results of the Company's operations for the year ended on that date.

GLENDINNING, JARRETT & CAMPBELL,
Chartered Accountants.

Brantford, Ontario,
November 29th, 1957.



Balance

THE BRANTFORD CORD

STATEMENT OF FINANCIAL CONDITI

NET ASSETS IN WHICH CAPITAL WAS INVESTED

	1957	1956
CURRENT ASSETS :		
Cash on Hand and in Banks	\$ 1,259,982.45	\$ 1,112,028.98
Accounts Receivable less Allowance for Doubtful Accounts	321,434.21	390,366.79
Inventories of Raw Materials, Goods in Process, Finished Goods and Factory Supplies, based on quantities certified by the Management, valued at the lower of Cost or Market	1,943,211.02	1,796,397.78
Total Current Assets	<u>\$ 3,524,627.68</u>	<u>\$ 3,298,793.55</u>
LESS CURRENT LIABILITIES :		
Accounts Payable	\$ 165,033.09	\$ 277,205.06
Provincial Corporation and Other Taxes Payable	13,995.97	15,174.83
Income Taxes Payable	184,912.42	214,317.10
Dividends Declared and Payable December 1st		
Class "A" Shares	15,000.00	15,000.00
Class "B" Shares	10,000.00	10,000.00
Total Current Liabilities	<u>\$ 388,941.48</u>	<u>\$ 531,696.99</u>
Net Current Assets	<u>\$ 3,135,686.20</u>	<u>\$ 2,767,096.56</u>
INVESTMENT IN PLANT AND EQUIPMENT :		
(On basis of appraisal March 1st, 1925, by Lockwood, Green and Company of Canada Limited, plus subsequent additions at cost.)		
Buildings, Machinery and Equipment	2,185,122.62	2,150,699.93
Less : Accumulated Depreciation	1,547,310.87	1,444,851.63
Net value Depreciable Property	<u>\$ 637,811.75</u>	<u>\$ 705,848.30</u>
Land	40,730.55	40,730.55
Net Investment	<u>\$ 678,542.30</u>	<u>\$ 746,578.85</u>
TRADE MARKS, PATENT RIGHTS AND GOODWILL	1.00	1.00
TOTAL NET ASSETS IN WHICH CAPITAL WAS INVESTED	<u><u>\$ 3,814,229.50</u></u>	<u><u>\$ 3,513,676.41</u></u>

Sheet

AGE COMPANY LIMITED

ION OCTOBER 31, 1957 AND 1956

SOURCES FROM WHICH CAPITAL WAS OBTAINED

SHAREHOLDERS' INVESTMENT :	1957	1956
Capital Stock :		
Authorized and Issued :		
60,000 Class "A" Shares without Nominal or Par Value carrying a Fixed, Preferential Cumulative Dividend of \$1.00 per Share per Annum. Convertible into Class "B" Shares	\$ 380,000.00	\$ 380,000.00
80,000 Class "B" Shares without Nominal or Par Value.		
Earnings retained for use in the business	3,434,229.50	3,133,676.41
TOTAL CAPITAL INVESTED	<u>\$ 3,814,229.50</u>	<u>\$ 3,513,676.41</u>

Approved on behalf of the Board :

W. M. MESSECAR, *Director.*

E. E. SMITH, *Director.*



THE BRANTFORD CORDAGE COMPANY

SUMMARY OF EARNINGS RETAINED FOR USE IN THE BUSINESS FOR THE YEARS ENDED OCTOBER 31, 1957 AND 1956

	1957	1956
Balance at beginning of year	\$ 3,133,676.41	\$ 2,816,003.90
Add :		
Net Income for year	400,553.09	401,599.32
Net Adjustment re Government Claims of prior years (after providing for Income Tax thereon)		16,073.19
	<u>\$ 3,534,229.50</u>	<u>\$ 3,233,676.41</u>
Deduct :		
Dividends		
Class "A" \$1.00 per share	60,000.00	60,000.00
Class "B" \$.50 per share	40,000.00	40,000.00
Balance at end of year	<u>\$ 3,434,229.50</u>	<u>\$ 3,133,676.41</u>

LIMITED BRANTFORD, CANADA

STATEMENT OF INCOME FOR THE YEARS ENDED OCTOBER 31, 1957 AND 1956

	1957	1956
Income from operations for the year after providing for all except the undernoted expenses	\$ 976,035.59	\$ 991,464.68
Income from Investments	26,419.36	
Income from sale of Machinery or Equipment	335.00	4,217.92
Capital Profit from sale of Investments	2,409.33	
	<u>\$ 1,005,199.28</u>	<u>\$ 995,682.60</u>
Deduct :		
Remuneration to Executive Officers including all Salaried Directors and Legal Fees	112,259.92	94,201.38
Directors' Fees	7,000.00	7,000.00
Provision for Depreciation on Fixed Assets	115,386.27	129,881.90
	<u>\$ 234,646.19</u>	<u>\$ 231,083.28</u>
Net Income before providing for Income Taxes	\$ 770,553.09	\$ 764,599.32
Deduct :		
Provision for Income Taxes	370,000.00	363,000.00
Net Income for the Year	<u><u>\$ 400,553.09</u></u>	<u><u>\$ 401,599.32</u></u>

