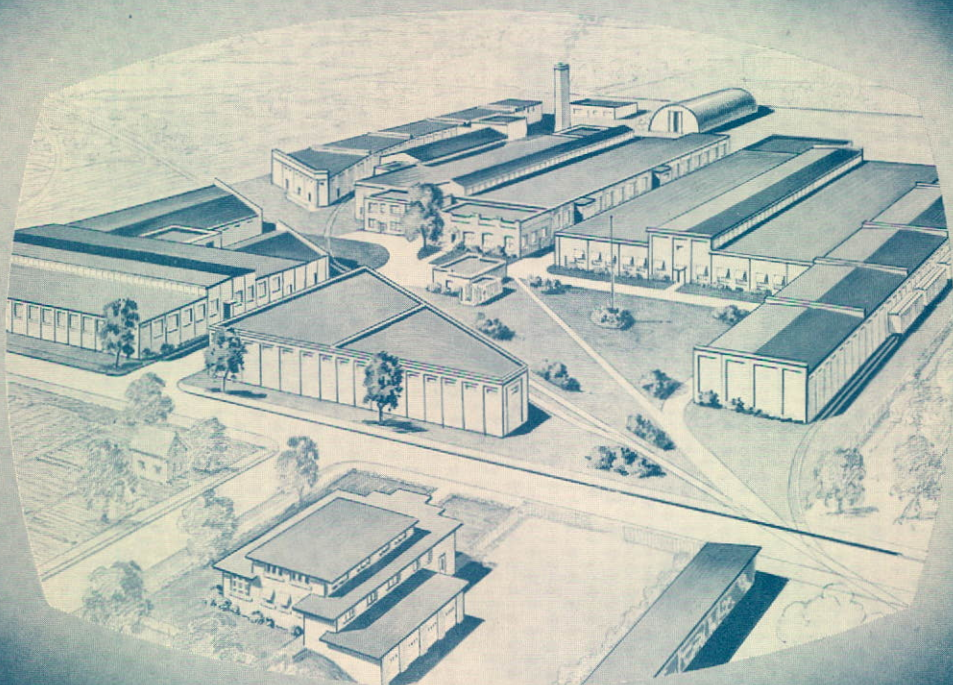


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Annual Report

FOR THE YEAR ENDED OCTOBER 31, 1956

THE
BRANTFORD CORDAGE COMPANY
LIMITED

BRANTFORD - CANADA

UNIVERSITY OF TORONTO
JAN 24 1957
UNIVERSITY

Annual Report



THE BRANTFORD CORDAGE COMPANY LIMITED

Board of Directors

W. E. DAVIES

W. M. MESSECAR

A. M. JAMES

B. B. OSLER, Q.C.

J. A. MCKAY

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-Second Annual Report of the Company for the year ended October 31st, 1956, with comparative figures for the previous fiscal year.

The operations for the year, after providing for depreciation and government income taxes, show a net income of \$401,599.32.

Once again, as in the previous year, crop conditions in the Company's markets have been mixed but, on the whole, somewhat above average. This has permitted an increase in volume of sales of farm twines over 1955. Growth in rope and tying twine sales was again experienced and this part of our business now appears to be firmly established and should, under reasonable conditions, lend stability to the Company's operation in the future.

There has been less fluctuation in the value of our raw materials in the year under review than in any post World War II year. Hard fibres remain relatively low in value. Recent international tension caused a temporary increase in prices but the market has quietened at slightly higher values. There has been no indication of the price levels getting out of hand as in the Korean War period. Supplies of hard fibre appear adequate to meet world demand.

While the net income of the Company indicates a satisfactory result from the year's operations, we must point once more to the importance of competition from twine and cordage products produced abroad. The volume of these imports continues to increase and brings about a reduction in the potential market for our Company. Some members of the United States cordage industry have petitioned the appropriate officials in the U.S. for relief from imports into that country, under legislation enacted in 1955 to preserve U.S. industry against injury by imports, where the industry is considered vital to National Security. No decision has been rendered in this case but an adverse decision could have an unfavourable effect on our sales.

Considerable new equipment was installed during the year under review. An outlay of \$231,692.20 was made mainly for production machinery. With this most modern equipment, we will remain in the forefront of efficient producers of quality twine and cordage products.

Total dividends declared during the 1956 fiscal period amounted to \$100,000.00 which represented 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.

It gives your Directors pleasure once again to commend the officials and employees of the Company for their loyal and faithful performance of Company duties during the past year.

Respectfully submitted,

W. M. MESSECAR,
President.

December 3rd, 1956.

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, 1956, 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, 1956, and the results of the Company's operations for the year ended on that date.

GLENDINNING, JARRETT & CAMPBELL,
Chartered Accountants.

Brantford, Ontario,
November 30th, 1956.



THE BRANTFORD CORPORATION

STATEMENT OF FINANCIAL CONDITION

NET ASSETS IN WHICH CAPITAL WAS INVESTED

CURRENT ASSETS:	1956	1955
Cash on Hand and in Banks	\$1,112,028.98	\$1,262,000.56
Accounts Receivable less Allowance for Doubtful Accounts	390,366.79	260,661.77
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	1,796,397.78	1,466,173.95
Prepaid Insurance		5,153.07
Total Current Assets	<u>\$3,298,793.55</u>	<u>\$2,993,989.35</u>
 LESS CURRENT LIABILITIES:		
Accounts Payable	\$ 277,205.06	\$ 154,363.76
Provincial Corporation and Other Taxes Payable	15,174.83	10,646.37
Government Income Taxes Payable	214,317.10	259,867.82
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>\$ 531,696.99</u>	<u>\$ 449,877.95</u>
Net Current Assets	\$2,767,096.56	\$2,544,111.40
 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	2,150,699.93	1,980,354.33
Less: Accumulated Depreciation	1,444,851.63	1,369,193.38
Net Value Depreciable Property	<u>\$ 705,848.30</u>	<u>\$ 611,160.95</u>
Land	40,730.55	40,730.55
Net Investment	<u>\$ 746,578.85</u>	<u>\$ 651,891.50</u>
TRADE MARKS, PATENT RIGHTS AND GOODWILL	1.00	1.00
TOTAL NET ASSETS IN WHICH CAPITAL WAS INVESTED	<u><u>\$3,513,676.41</u></u>	<u><u>\$3,196,003.90</u></u>

Sheet

AGE COMPANY LIMITED

ON OCTOBER 31, 1956 AND 1955

SOURCES FROM WHICH CAPITAL WAS OBTAINED

SHAREHOLDERS' INVESTMENT:	1956	1955
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	3,133,676.41	2,816,003.90
TOTAL CAPITAL INVESTED	<u>\$3,513,676.41</u>	<u>\$3,196,003.90</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, 1956 AND 1955

	1956	1955
Balance at beginning of year	\$2,816,003.90	\$2,567,248.38
Add:		
Net Income for year	401,599.32	341,895.52
Net Adjustment re Government Claims of prior years (after providing for Income Tax thereon)	16,073.19	6,860.00
	<u>\$3,233,676.41</u>	<u>\$2,916,003.90</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>\$3,133,676.41</u>	<u>\$2,816,003.90</u>

LIMITED BRANTFORD, CANADA

STATEMENT OF INCOME FOR THE YEARS ENDED OCTOBER 31, 1956 AND 1955

	1956	1955
Income from operations for the year after providing for all except the undernoted expenses	\$ 991,464.68	\$ 837,538.71
Income from sale of Machinery or Equipment	4,217.92	408.78
	<u>\$ 995,682.60</u>	<u>\$ 837,947.49</u>
Deduct:		
Remuneration to Executive Officers including all Salaried Directors and Legal Fees	94,201.38	89,442.78
Directors' Fees	7,000.00	7,000.00
Provision for Depreciation on Fixed Assets	129,881.90	95,609.19
	<u>\$ 231,083.28</u>	<u>\$ 192,051.97</u>
Net Income before providing for Government Income Taxes	\$ 764,599.32	\$ 645,895.52
Deduct:		
Provision for Government Income Taxes	363,000.00	304,000.00
Net Income for the Year	<u><u>\$ 401,599.32</u></u>	<u><u>\$ 341,895.52</u></u>

