



THIRTY-FIRST

Annual Report

FOR THE YEAR ENDED
OCTOBER 31, 1955



**THE BRANTFORD CORDAGE COMPANY
LIMITED**

BRANTFORD

CANADA

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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-First Annual Report of the Company for the year ended October 31st, 1955, 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 \$341,895.52.

While crop conditions in some areas were well below the previous year, the overall yield of hay, straw and grain in your Company's chief markets has been satisfactory, and Baler Twine and Binder Twine sales were slightly above 1954 in physical volume. Rope and Tying Twine sales also showed a small increase over the previous year.

Our raw material prices have remained relatively stable throughout the year with the result that it is the first in several years that it has not been necessary to absorb a write down in inventory values. This, of course, is reflected in the operating result.

Importations from foreign countries into the Company's markets formed the highest percentage ever of total consumption. Under the present great differentials in wage rates between Canada and the various foreign countries of origin for twine and cordage products, it continues to be extremely difficult for us to be competitive with such imports. This remains a cause for concern but we have met and are endeavouring to meet this situation as fully as possible through the most efficient operation of up-to-date equipment. Of encouragement in this matter is the number of loyal customers who still prefer high quality products at reasonable prices.

Total dividends declared during the 1955 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.

Your Directors are pleased once again to record their appreciation of the loyal and faithful manner in which all officials and employees of the Company have performed their duties.

Respectfully submitted,

W. M. MESSECAR,
President.

November 30th, 1955.

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, 1955, 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, 1955, and the results of the Company's operations for the year ended on that date.

GLENDINNING, JARRETT & CAMPBELL,
Chartered Accountants.

Brantford, Ontario,
November 29th, 1955.



THE BRANTFORD CORD

STATEMENT OF FINANCIAL COND

NET ASSETS IN WHICH CAPITAL WAS INVESTED

CURRENT ASSETS:	1955	1954
Cash on Hand and in Banks	\$1,262,000.56	\$1,047,790.47
Accounts Receivable less Allowance for Doubtful Accounts	260,661.77	348,189.80
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	1,466,173.95	1,637,756.18
Prepaid Insurance	5,153.07	7,700.02
Total Current Assets	<u>\$2,993,989.35</u>	<u>\$3,041,436.47</u>
LESS CURRENT LIABILITIES:		
Accounts Payable	\$ 154,363.76	\$ 456,697.84
Provincial Corporation and Other Taxes Payable	10,646.37	12,779.46
Government Income Taxes Payable	259,867.82	290,149.05
Dividends Declared and Payable December 1st		
Class "A" Shares	15,000.00	15,000.00
Class "B" Shares	10,000.00	
Total Current Liabilities	<u>\$ 449,877.95</u>	<u>\$ 774,626.35</u>
Net Current Assets	\$2,544,111.40	\$2,266,810.12
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	1,980,354.33	1,921,410.24
Less: Accumulated Depreciation	1,369,193.38	1,281,703.53
Net Value Depreciable Property	\$ 611,160.95	\$ 639,706.71
Land	40,730.55	40,730.55
Net Investment	\$ 651,891.50	\$ 680,437.26
TRADE MARKS, PATENT RIGHTS AND GOODWILL	1.00	1.00
TOTAL NET ASSETS IN WHICH CAPITAL WAS INVESTED	<u>\$3,196,003.90</u>	<u>\$2,947,248.38</u>

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AGE COMPANY LIMITED

ITION OCTOBER 31, 1955 AND 1954

SOURCES FROM WHICH CAPITAL WAS OBTAINED

SHAREHOLDERS' INVESTMENT:	1955	1954
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	2,816,003.90	2,567,248.38
TOTAL CAPITAL INVESTED	<u>\$3,196,003.90</u>	<u>\$2,947,248.38</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, 1955 AND 1954

	1955	1954
Balance at beginning of year	\$2,567,248.38	\$2,263,673.95
Add:		
Net Income for year	341,895.52	236,074.43
Net Refund of Government Claims of prior years (after providing for Income Tax thereon)	6,860.00	127,500.00
	<u>\$2,916,003.90</u>	<u>\$2,627,248.38</u>
Deduct:		
Dividends		
Class "A" \$1.00 per share	60,000.00	60,000.00
Class "B" \$.50 per share	40,000.00	
Balance at end of year	<u>\$2,816,003.90</u>	<u>\$2,567,248.38</u>

LIMITED BRANTFORD, CANADA

STATEMENT OF INCOME FOR THE YEARS ENDED OCTOBER 31, 1955 AND 1954

	1955	1954
Income from operations for the year after providing for all except the undernoted expenses	\$ 837,538.71	\$ 670,638.75
Income from sale of Machinery or Equipment	408.78	547.92
	<u>\$ 837,947.49</u>	<u>\$ 671,186.67</u>
Deduct:		
Remuneration to Executive Officers including all Salaried Directors and Legal Fees	89,442.78	94,778.37
Directors' Fees	7,000.00	7,000.00
Provision for Depreciation on Machinery and Equipment	95,609.19	115,333.87
	<u>\$ 192,051.97</u>	<u>\$ 217,112.24</u>
Income from operations, before providing for Government Income Taxes	\$ 645,895.52	\$ 454,074.43
Deduct:		
Provision for Government Income Taxes	304,000.00	218,000.00
Net Income for the Year	<u><u>\$ 341,895.52</u></u>	<u><u>\$ 236,074.43</u></u>

