



THIRTIETH

Annual Report

FOR THE YEAR ENDED
OCTOBER 31, 1954



THE BRANTFORD CORDAGE COMPANY
Limited

BRANTFORD

CANADA



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 Thirtieth Annual Report of the Company for the year ended October 31st, 1954, 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 \$236,074.43.

Despite unfavourable crop conditions in various areas our sales of Binder Twine and Baler Twine were slightly above 1953 in physical volume. Rope and Tying Twine sales were at about the same level as in the previous year.

The raw material market continued a gradual decline during the period under review with the result that fiber prices are now at the lowest levels in many years.

The modernization programme undertaken earlier has been completed and the benefits of reduced manufacturing costs are reflected in the year's results. Our customers continue to approve of the high quality of our products which has enabled us to maintain our position in the consumer market.

Competition from foreign sources was the most severe it has been in the post-war period. In spite of our fully modernized manufacturing equipment it is not possible to meet this cut price competition due to the great differential in wage rates. An example of this situation is the fact that in one particular country of origin of imported harvest twines the *daily* wage of mill employees is considerably less than the average *hourly* rate received by our employees. No relief from this condition is apparent.

Total dividends paid during the 1954 fiscal period amounted to \$60,000.00 which represented a dividend of \$1.00 per share on each of the 60,000 Class "A" 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, 1954.

LIMITED BRANTFORD, CANADA

AUDITOR'S 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, 1954, 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, 1954, and the results of the Company's operations for the year ended on that date.

GLENDINNING, JARRETT & CAMPBELL,
Chartered Accountants.

Brantford, Ontario,
November 26th, 1954.

Balance

THE BRANTFORD CORDA



STATEMENT OF FINANCIAL COND

NET ASSETS IN WHICH CAPITAL WAS INVESTED

	1954	1953
CURRENT ASSETS:		
Cash on Hand and in Banks	\$1,047,790.47	\$ 107,027.32
Accounts Receivable less Allowance for Doubtful Accounts, etc.	348,189.80	382,462.49
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	1,637,756.18	1,701,101.47
Insurance and Other Prepaid Items	7,700.02	7,790.82
Total Current Assets	<u>\$3,041,436.47</u>	<u>\$2,198,382.10</u>
LESS CURRENT LIABILITIES:		
Bank Loan		\$ 100,000.00
Accounts Payable	\$ 456,697.84	174,607.41
Provincial Corporation and Other Taxes Payable	12,779.46	11,251.89
Government Income Taxes Payable	290,149.05	37,582.63
Dividends Declared and Payable on Class "A" Shares December 1st	15,000.00	15,000.00
Total Current Liabilities	<u>\$ 774,626.35</u>	<u>\$ 338,441.93</u>
Net Current Assets	<u>\$2,266,810.12</u>	<u>\$1,859,940.17</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	1,921,410.24	1,925,550.56
Less: Accumulated Depreciation	1,281,703.53	1,182,548.33
Net Value Depreciable Property	<u>\$ 639,706.71</u>	<u>\$ 743,002.23</u>
Land	40,730.55	40,730.55
Net Investment	<u>\$ 680,437.26</u>	<u>\$ 783,732.78</u>
TRADE MARKS, PATENT RIGHTS AND GOODWILL	1.00	1.00
TOTAL NET ASSETS IN WHICH CAPITAL WAS INVESTED	<u><u>\$2,947,248.38</u></u>	<u><u>\$2,643,673.95</u></u>

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GE COMPANY LIMITED

ION OCTOBER 31, 1954 AND 1953

SOURCES FROM WHICH CAPITAL WAS OBTAINED

SHAREHOLDERS' INVESTMENT:	1954	1953
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	2,567,248.38	2,263,673.95
TOTAL CAPITAL INVESTED	<u>\$2,947,248.38</u>	<u>\$2,643,673.95</u>

Approved on behalf of the Board:

W. M. MESSECAR, *Director*.

E. E. SMITH, *Director*.

Submitted with our Report dated November 26th, 1954.

GLENDINNING, JARRETT & CAMPBELL,
Chartered Accountants.



THE BRANTFORD CORDAGE COMPANY

SUMMARY OF EARNINGS RETAINED FOR USE IN THE BUSINESS FOR THE YEARS ENDED OCTOBER 31, 1954 AND 1953

	1954	1953
Balance at beginning of year	\$2,263,673.95	\$2,067,476.16
Add:		
Net Income for year	236,074.43	106,197.79
Net Refund of Government Claims of prior years (after providing for Income Tax thereon)	127,500.00	
Transfer of tax paid Inventory Reserve		150,000.00
	<u>\$2,627,248.38</u>	<u>\$2,323,673.95</u>
Deduct:		
Dividends paid during the year	60,000.00	60,000.00
Balance at end of year	<u><u>\$2,567,248.38</u></u>	<u><u>\$2,263,673.95</u></u>

LIMITED BRANTFORD, CANADA

STATEMENT OF INCOME FOR THE YEARS ENDED OCTOBER 31, 1954 AND 1953

	1954	1953
Income from operations for the year after providing for all except the undernoted expenses	\$670,638.75	\$406,105.62
Income from sale of Machinery or Equipment	547.92	7,374.57
	<u>\$671,186.67</u>	<u>\$413,480.19</u>
Deduct:		
Remuneration to Executive Officers including all Salaried Directors and Legal Fees	94,778.37	71,165.46
Directors' Fees	7,000.00	7,000.00
Provision for Depreciation on Machinery and Equipment	115,333.87	133,116.94
	<u>\$217,112.24</u>	<u>\$211,282.40</u>
Income from operations, before providing for Government Income Taxes	\$454,074.43	\$202,197.79
Deduct:		
Provision for Government Income Taxes	218,000.00	96,000.00
Net Income for the Year	<u>\$236,074.43</u>	<u>\$106,197.79</u>

