

TWENTY-NINTH

Annual Report

FOR THE YEAR ENDED
OCTOBER 31, 1953



THE BRANTFORD CORDAGE COMPANY
Limited

BRANTFORD

CANADA

PURVIS HALL
LIBRARIES

DEC 8 1953

UNIVERSITY

Directors and Officers

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 AND CAMPBELL
Brantford, Canada

THE BRANTFORD CORDAGE COMPANY

Report of the Board of Directors

TO THE SHAREHOLDERS:

Your Directors submit herewith the Annual Report of the Company for the year ended October 31, 1953, with comparative figures for the previous fiscal year.

The operations for the year after providing for depreciation of \$133,116.94 and Government Income taxes of \$96,000.00 show a profit of \$106,197.79.

Binder Twine and Baler Twine sales during 1953 were below 1952 in both physical and dollar volume but in view of general market conditions in the trade were nevertheless considered satisfactory. In short, due to declining prices and more highly competitive conditions we have passed from a sellers market to a buyers market.

The Rope and Tying Twine section of our business has continued to develop satisfactorily and is showing steadily increasing volume.

Our raw material costs declined further during the period under review and are now at the lowest levels in many years and, as in 1952, the necessity of carrying an inventory through the year has once again adversely affected the Company's profits. The lower inventory value shown on our balance sheet also reflects this condition to some extent.

During the year expenditures of \$171,929.49 were made on improvements to plant and equipment and the major part of our modernization program has now been completed.

Total dividends paid during the 1953 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 wish to again place on record their continued appreciation of the loyal and wholehearted co-operation of the Executive Officers, Departmental Heads, and employees in all branches of the Company's work.

All of which is respectfully submitted on behalf of the Board of Directors.

W. M. MESSECAR,
President.

December 4th, 1953.

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, 1953, 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 Statements of Profit and Loss and Surplus 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, 1953, and the results of the Company's operations for the year ended on that date.

GLENDINNING, JARRETT AND CAMPBELL,
Chartered Accountants.

Brantford, Ontario,
November 27th, 1953.

Balance Sheet

THE BRANT

OCTOBER

(With comparative balance sheet for 1952)

Assets

CURRENT ASSETS:

	1953	1952
Cash on Hand and in Banks	\$ 107,027.32	\$ 107,617.72
Accounts Receivable less Reserve for Doubtful Accounts, etc.	382,462.49	705,381.83
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 Less Inventory Reserve	1,701,101.47	4,091,971.37
		150,000.00
		<u>\$3,941,971.37</u>
Insurance and Other Prepaid Items	7,790.82	4,585.75
Total Current Assets	<u>\$2,198,382.10</u>	<u>\$4,759,556.67</u>

FIXED ASSETS:

(On basis of appraisal March 1st, 1925, by Lockwood, Green and Company of Canada Limited, plus subsequent additions at cost.)

Land	\$ 40,730.55	\$ 40,730.55
Buildings	552,743.86	552,743.86
Machinery and Equipment	1,334,066.19	1,277,380.01
Motor Vehicles	38,740.51	33,262.11
	<u>\$1,966,281.11</u>	<u>\$1,904,116.53</u>
Less: Reserve for Depreciation	1,182,548.33	1,168,636.14
	<u>\$ 783,732.78</u>	<u>\$ 735,480.39</u>

TRADE MARKS, PATENT RIGHTS AND GOODWILL	1.00	1.00
	<u>\$2,982,115.88</u>	<u>\$5,495,038.06</u>

Approved on behalf of the Board:

W. M. MESSECAR, *Director.*

E. E. SMITH, *Director.*

F O R D C O R D A G E C O M P A N Y L I M I T E D

31st, 1953

(as at October 31st, 1952)

Liabilities

CURRENT LIABILITIES:

	1953	1952
Bank Loan	\$ 100,000.00	\$2,496,000.00
Accounts Payable	174,607.41	422,404.56
Provincial Corporation and Other Taxes Payable	11,251.89	16,402.50
Government Income Taxes Payable	37,582.63	97,754.84
Dividends Declared and Payable on Class "A" Shares December 1st	15,000.00	15,000.00
Total Current Liabilities	\$ 338,441.93	\$3,047,561.90

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.			

SURPLUS:

Earned surplus as per statement attached	2,263,673.95	2,067,476.16
	<u>\$2,982,115.88</u>	<u>\$5,495,038.06</u>

Submitted with our Report dated November 27th, 1953.

GLENDINNING, JARRETT AND CAMPBELL,
Chartered Accountants.

THE BRANTFORD CORDAGE COMPANY

Statement of Earned Surplus

For the year ended October 31st, 1953

(With a comparative statement for the year ended October 31st, 1952)

	1953	1952
EARNED SURPLUS AT BEGINNING OF YEAR	\$2,067,476.16	\$1,996,951.14
Add:		
Net Profit for the year transferred from Statement of Profit and Loss	106,197.79	130,525.02
Transfer of tax paid Inventory Reserve	150,000.00	
	<u>\$2,323,673.95</u>	<u>\$2,127,476.16</u>
Deduct:		
Dividends declared during the year:		
Class "A" Shares	60,000.00	60,000.00
Earned Surplus as per Balance Sheet	<u><u>\$2,263,673.95</u></u>	<u><u>\$2,067,476.16</u></u>

LIMITED . . . BRANTFORD, CANADA

Statement of Profit & Loss

For the year ended October 31st, 1953

(With a comparative statement for the year ended October 31st, 1952)

	1953	1952
INCOME FROM OPERATIONS for the year after providing for all except the undernoted Expenses	\$406,105.62	\$445,324.89
Profit on Sale of Fixed Assets	7,374.57	1,301.06
	<u>\$413,480.19</u>	<u>\$446,625.95</u>
Deduct:		
Remuneration to Executive Officers including all Salaried Directors and Legal Fees	71,165.46	70,852.82
Directors' Fees	7,000.00	6,000.00
Provision for Depreciation on Fixed Assets	133,116.94	99,248.11
	<u>\$211,282.40</u>	<u>\$176,100.93</u>
Operating Profit, before providing for Government Income Taxes	\$202,197.79	\$270,525.02
Deduct:		
Provision for Government Income Taxes	96,000.00	140,000.00
Net Profit for the Year, Transferred to Earned Surplus	<u>\$106,197.79</u>	<u>\$130,525.02</u>

