

stock

TWENTY-EIGHTH

Annual Report

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FOR THE YEAR ENDED
OCTOBER 31, 1952



THE BRANTFORD CORDAGE COMPANY
Limited

BRANTFORD

CANADA

PURVIS HALL
LIBRARIES
JUN 10 1953
MCGILL UNIVERSITY

Directors and Officers

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, GRAY AND ROBERTS
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, 1952, with comparative figures for the previous fiscal year.

The operations for the year, after providing for depreciation and Dominion and Provincial taxes, show a profit of \$130,525.02.

Sales for 1952, while above 1951 in dollar value, were nevertheless in tonnage volume somewhat below the previous year. Despite the large grain crop in Western Canada, there was a general decline in the use of binder twine which apparently was chiefly due to increased use of the Combine Harvester encouraged by the scarcity and high cost of farm labour and the high price of twine.

Hay baler twine, which is now a major product of the Company, was in increased general demand as compared to 1951, but due to drought conditions in many of the most important hay growing areas actual consumption fell below the volume expected.

The rope and tying twine portion of our business has continued to be satisfactory and wider distribution was given to these products this year.

Since the outbreak of the Korean War in 1950 our raw material costs have steadily increased until all time peak levels were reached in October, 1951. In March, 1952, a decline in the world fibre market set in and by August some of the leading grades had dropped in price as much as 60% during the six month period. While the Cordage Industry had hoped to see a trend toward lower levels, nothing approaching the severity of the decline was anticipated within such a short period of time, and this naturally affected the Company's profits.

As a result of the aforementioned conditions our total inventory is \$1,472,454.70 higher than in 1951. However, raw materials and finished products on hand have been written down to market levels, and given average crop and market conditions in 1953 we are hopeful of being able to reduce our inventory position to a more normal basis.

During the year expenditures of \$306,766.97 were made on improvements and additions to plant and equipment.

Total dividends paid during the 1952 fiscal year 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.

November 28th, 1952.

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, 1952, 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, 1952, and the results of the Company's operations for the year ended on that date.

GLENDINNING, JARRETT, GRAY & ROBERTS,
Chartered Accountants.

Brantford, Ontario,
November 28th, 1952.

Balance Sheet

THE BRANT

OCTOBER

(With comparative balance)

Assets

CURRENT ASSETS:	1952	1951
Cash on Hand and in Banks	\$ 107,617.72	\$ 95,303.12
Accounts Receivable less Reserve for Doubtful Accounts, etc.	705,381.83	629,881.69
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	4,091,971.37 150,000.00	2,619,516.67 150,000.00
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	\$3,941,971.37	\$2,469,516.67
Insurance Premiums Prepaid	4,585.75	5,651.94
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Total Current Assets	\$4,759,556.67	\$3,200,353.42
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	507,936.12
Machinery and Equipment	1,277,380.01	1,020,829.73
Motor Vehicles	33,262.11	27,853.16
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	\$1,904,116.53	\$1,597,349.56
Less: Reserve for Depreciation	1,168,636.14	1,076,822.74
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	\$ 735,480.39	\$ 520,526.82
TRADE MARKS, PATENT RIGHTS AND GOODWILL	1.00	1.00
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	\$5,495,038.06	\$3,720,881.24

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

1st, 1952

(as at October 31st, 1951)

Liabilities

CURRENT LIABILITIES:

	1952	1951
Bank Loan	\$2,496,000.00	\$ 575,000.00
Accounts Payable	422,404.56	476,700.89
Provincial Corporation and Other Taxes Payable	16,402.50	12,045.21
Government Income Taxes Payable	97,754.84	265,184.00
Dividends Declared and Payable on Class "A" Shares December 1st	15,000.00	15,000.00
Total Current Liabilities	<u>\$3,047,561.90</u>	<u>\$1,343,930.10</u>

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	2,067,476.16	1,996,951.14
	<u>\$5,495,038.06</u>	<u>\$3,720,881.24</u>

CONTINGENT LIABILITY:

The Company has signed Contracts amounting to \$141,032.16 for additions to Fixed Assets not included in above.

Submitted with our Report dated November 28th, 1952.

GLENDINNING, JARRETT, GRAY & ROBERTS,
Chartered Accountants.

THE BRANTFORD CORDAGE COMPANY

Statement of Earned Surplus

For the year ended October 31st, 1952

(With a comparative statement for the year ended October 31st, 1951)

	1952	1951
EARNED SURPLUS AT BEGINNING OF YEAR	\$1,996,951.14	\$1,754,281.53
Add:		
Net Profit for the year transferred from Statement of Profit and Loss	130,525.02	302,669.61
	<u>\$2,127,476.16</u>	<u>\$2,056,951.14</u>
Deduct:		
Dividends declared during the year:		
Class "A" Shares	60,000.00	60,000.00
EARNED SURPLUS AS PER BALANCE SHEET	<u>\$2,067,476.16</u>	<u>\$1,996,951.14</u>

LIMITED . . . BRANTFORD, CANADA

Statement of Profit & Loss

For the year ended October 31st, 1952

(With a comparative statement for the year ended October 31st, 1951)

	1952	1951
INCOME FROM OPERATIONS for the year after providing for all except the undernoted Expenses	\$445,324.89	\$751,304.04
Profit on Sale of Fixed Assets	1,301.06	814.63
	<u>\$446,625.95</u>	<u>\$752,118.67</u>
Deduct:		
Remuneration to Executive Officers including all Salaried Directors and Legal Fees	70,852.82	72,744.48
Directors' Fees	6,000.00	7,000.00
Provision for Depreciation on Fixed Assets	99,248.11	54,704.58
	<u>\$176,100.93</u>	<u>\$134,449.06</u>
Operating Profit, before providing for Government Income Taxes	\$270,525.02	\$617,669.61
Deduct:		
Provision for Government Income Taxes	140,000.00	315,000.00
NET PROFIT for the year transferred to Earned Surplus	<u>\$130,525.02</u>	<u>\$302,669.61</u>

