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**THE BRANTFORD CORDAGE COMPANY,
LIMITED
BRANTFORD, CANADA**



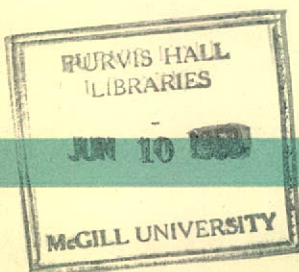
Twenty-Fourth

ANNUAL REPORT

For the Two Months Ended October 31, 1948

and

For the Year Ended August 31, 1948



TRANSFER AGENT
The Toronto General Trusts Corporation
Toronto, Ontario



REGISTRAR
National Trust Company Limited
Toronto, Canada



FIRST PREFERENCE AND COMMON SHARES
Listed on
THE TORONTO STOCK EXCHANGE
Toronto, Ontario

ANNUAL REPORT OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS:

Due to changed conditions within the industry, it was considered advisable by your Directors that the fiscal year of the Company should end on the 31st of October, instead of the 31st of August. Accordingly, the necessary steps were taken by the enactment of bylaw number eight to provide that in future the Company's fiscal year will cover the period beginning November 1st and ending October 31st.

Your Directors submit herewith the Annual Report of the Company for the fiscal year ended August 31st, 1948, and also for the two months period ended October 31st, 1948, together with financial statements including the Balance Sheet, Profit and Loss account and Statement of Earned Surplus.

Operating Profit for the fiscal year ended August 31st, after providing for Depreciation, Dominion and Provincial Profits Taxes, was \$240,052.20, and for the two months period ended October 31st, after making the same provisions for that period, the Profit was \$20,173.86.

It will be noted that the Inventory position is considerably higher than normal, and this condition is largely accounted for by the prevailing high world-wide prices for raw materials.

Renegotiation of previous years' profits has resulted in a substantial addition to Surplus, which is of course a non-recurring item.

Regular quarterly dividends amounting for the fiscal year ended August 31st to \$41,835.31 were paid on First Preference Shares, and regular quarterly dividends amounting to \$39,922.00 were paid on Common Shares in the same period, while for the two months period ended October 31st one quarterly dividend was paid on First Preference Shares and Common Shares, amounting to \$10,175.10 and \$9,980.50 respectively.

Your Directors desire to place on record their continued appreciation of the loyal and whole-hearted co-operation of the executive officers, heads of departments 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.

Dated at Brantford,
November 25, 1948.

THE BRANTFORD CORDAGE COMPANY, LIMITED

BALANCE SHEET

October 31, 1948 and August 31, 1948

ASSETS

	October 31st 1948	August 31st 1948
CURRENT ASSETS:		
Cash on Hand and in Banks	\$ 111,360.74	\$ 160,531.05
Accounts Receivable less Reserve for Doubtful Accounts, etc.	224,391.42	987,479.19
Inventories of Raw Materials, Goods in Process, Finished Goods and Factory Supplies, based on quantities certified by the Management, at cost not exceeding Market Value	3,166,068.58	2,890,786.35
Refundable Portion of Dominion Excess Profits Taxes	25,631.48	25,631.48
Insurance Premiums Prepaid	5,917.13	2,637.20
Total Current Assets	\$3,533,369.35	\$4,067,065.27
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	431,591.79	431,591.79
Machinery and Equipment	832,449.17	774,277.17
Motor Vehicles (Net)	9,033.96	9,546.59
	\$1,313,805.47	\$1,256,146.10
Less: Reserve for Depreciation	990,532.34	988,142.75
	\$ 323,273.13	\$ 268,003.35
TRADE MARKS, PATENT RIGHTS AND GOODWILL:	1.00	1.00
	\$3,856,643.48	\$4,335,069.62

Approved on Behalf of the Board
W. M. MESSECAR,
President (Director),

E. E. SMITH,
Secretary-Treasurer (Director).

TO THE SHAREHOLDERS,
THE BRANTFORD CORDAGE COMPANY LIMITED:

We have audited the books and accounts of The Brantford Company for the two months ended October 31st, 1948, and have obtained all in our opinion, the above Balance Sheet and attached Income and Statement in correct view of the state of the Company's affairs as at August 31st, 1948, information and the explanations given to us and as shown by the books.

Brantford, Ontario,
November 20th, 1948.

THE BRANTFORD CORDAGE COMPANY, LIMITED

SHEET

and August 31, 1948

LIABILITIES

	<u>October 31st 1948</u>		<u>August 31st 1948</u>
CURRENT LIABILITIES:			
Bank Loan	\$ 800,000.00		\$1,300,000.00
Accounts Payable	98,952.44		33,713.53
Subsidy Refundable to the Dominion Government			20,548.55
Provincial Corporation and Other Taxes Payable	4,376.18		4,774.15
Reserve for Government Profits Taxes less payments thereon	226,821.96		247,307.85
Total Current Liabilities	\$1,130,150.58		\$1,606,344.08
CAPITAL STOCK:			
Authorized and Issued:			
Cumulative Redeemable Sinking Fund First Preference Shares of the Par Value of \$25.00 per share, callable at \$26.50 and accrued dividends per share, carrying dividends of \$1.30 per share per annum.			
	<u>October 31st</u>	<u>August 31st</u>	
Shares at \$25.00	33,590	33,590	\$ 839,750.00
Less Redeemed	2,371	2,282	\$ 59,275.00
Outstanding	31,219	31,308	\$ 780,475.00
80,000 Common Shares without Nominal or Par Value			380,000.00
Total Capital Stock	\$1,160,475.00		\$1,162,700.00
SURPLUS:			
Earned Surplus as per Statement attached	\$1,566,017.90		\$1,566,025.54
	\$3,856,643.48		\$4,335,069.62

cordage Company Limited for the year ended August 31st, 1948, and the information and explanations we have required. We certify that, plus Account, are properly drawn up so as to exhibit a true and correct statement of the financial position of the Company as at August 31st, 1948, and as at October 31st, 1948, according to the best of our knowledge of the Company.

GLENDINNING, JARRETT, GRAY & ROBERTS,
Chartered Accountants,
Auditors.

THE BRANTFORD CORDAGE COMPANY, LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE TWO MONTHS ENDED OCTOBER 31st, 1948
FOR THE YEAR ENDED AUGUST 31st, 1948

	Two Months Ended October 31st 1948	Year Ended August 31st 1948
INCOME FROM OPERATIONS for the Period after providing for Expenses, except the undernoted	\$ 46,546.57	\$ 468,731.15
Profit on Sale of Fixed Assets		20.00
	\$ 46,546.57	\$ 468,751.15
Deduct:		
Remuneration to Executive Officers including all Salaried Directors, and Legal Fees	\$ 11,983.12	\$ 58,246.22
Directors' Fees		7,000.00
Provision for Depreciation on Fixed Assets	2,389.59	13,452.73
	\$ 14,372.71	\$ 78,698.95
Operating Profit, before Providing for Government Profits Taxes	\$ 32,173.86	\$ 390,052.20
Deduct: Provision for Government Profits Taxes.....	12,000.00	150,000.00
	\$ 20,173.86	\$ 240,052.20
NET PROFIT for the Period, Transferred to Earned Surplus	\$ 20,173.86	\$ 240,052.20



STATEMENT OF EARNED SURPLUS

FOR THE TWO MONTHS ENDED OCTOBER 31st, 1948
FOR THE YEAR ENDED AUGUST 31st, 1948

EARNED SURPLUS AT BEGINNING OF PERIOD	\$1,566,025.54	\$1,257,415.62
Add:		
Net Profit for the Period, Transferred from Profit and Loss Account	20,173.86	240,052.20
Refundable Portion of Excess Profits Taxes		29,503.11
Renegotiation of Prior Years' Profits		123,451.65
	\$1,586,199.40	\$1,650,422.58
Deduct:		
Dividends Paid:		
On Preferred Shares (\$1.30 per share per annum)	\$ 10,175.10	\$ 41,835.31
On Common Shares (.50c per share per annum)	9,980.50	39,922.00
Premium on Redemption of Preferred Shares	25.90	2,639.73
	\$ 20,181.50	\$ 84,397.04
EARNED SURPLUS AS PER BALANCE SHEET	\$1,566,017.90	\$1,566,025.54

