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# ANNUAL REPORT

OF THE

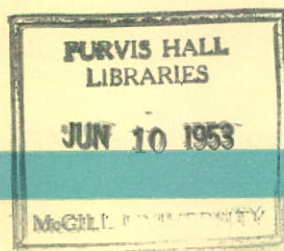
## BOARD OF DIRECTORS

*For Fiscal Year  
Ended August 31, 1947*



**THE BRANTFORD CORDAGE COMPANY,**  
LIMITED

**BRANTFORD, CANADA**



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**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

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## ANNUAL REPORT OF THE BOARD OF DIRECTORS

### TO THE SHAREHOLDERS:

Your Directors submit herewith the Annual Report of the Company for the year ended August 31, 1947.

The operations for the year, after providing for Depreciation of \$16,809.99 and Dominion and Provincial Taxes of \$175,000.00, show a profit of \$233,392.97. The improvement in earnings was to a considerable extent accounted for by the Company's export business.

In March the Dominion Government decided to discontinue subsidy payments on raw materials entering into binder twine for domestic consumption. At the same time the Wartime Prices and Trade Board authorized an increase in the selling price of our finished product to offset the higher raw material cost resulting from discontinuance of Government subsidy. The refundable subsidy item of \$446,375.61 shown on the balance sheet as a liability represents the amount necessary to adjust our raw materials received through Government channels from a subsidized base cost to actual landed cost.

In view of the continued worldwide shortage of hard fibres, with resultant increasing costs, your Directors consider the Company's inventory position as satisfactory.

Since the close of our fiscal year, accounts receivable have been reduced by \$643,991.28, leaving only \$119,325.33 outstanding as at this date.

Regular quarterly dividends amounting for the year to \$43,050.48 were paid on First Preference Shares and regular quarterly dividends amounting to \$39,922.00 were paid on Common Shares.

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,  
October 27th, 1947.

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THE BRANTFORD CORDAGE COMPANY, LIMITED

BALANCE SHEET,

ASSETS

CURRENT ASSETS:

Cash on Hand and in Banks .....	\$ 865,833.69	
Accounts Receivable less Reserve for Doubtful Accounts, etc. ....	763,316.61	
Inventories of Raw Materials, Goods in Process, Finished Goods and Factory Supplies, based on quantities certified by the Manage- ment, at cost not exceeding market value .....	1,127,252.25	
		<u>\$2,756,402.55</u>

DEFERRED ASSETS:

Insurance Premiums Prepaid .....	\$ 8,930.87	
Refundable Portion of Dominion Excess Profits Tax .....	17,500.00	
		<u>\$ 26,430.87</u>

CASH HELD FOR SINKING FUND FOR RETIREMENT OF  
PREFERRED SHARES:

16,343.48

FIXED ASSETS:

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

	Book Value	Depreciation	Net
Land .....	\$ 40,730.55		\$ 40,730.55
Buildings .....	431,591.79	\$221,503.13	210,088.66
Machinery and Equipment .....	770,465.20	754,176.09	16,289.11
	<u>\$1,242,787.54</u>	<u>\$975,679.22</u>	<u>\$267,108.32</u>

Motor Vehicles at cost, less depreciation .....	7,497.91	
		<u>\$ 274,606.23</u>

TRADE MARKS, PATENT RIGHTS AND GOODWILL: .....

1.00

\$3,073,784.13

Approved on Behalf of the Board

W. M. MESSECAR,

*President and General Manager (Director).*

A. M. JAMES,

*Assistant General Manager (Director)*

TO THE SHAREHOLDERS,

THE BRANTFORD CORDAGE COMPANY LIMITED:

We have audited the books and accounts of The Brantford Cordage Company Limited and have obtained all the information and explanations we have required. The Balance Sheet, Income and Surplus Account, are properly drawn up so as to exhibit a true and correct view of the financial position of the Company as at 31st August, 1947, according to the best of our information and the explanation given to us.

Brantford, Ontario,  
14th October, 1947.

THE BRANTFORD CORDAGE COMPANY, LIMITED

AUGUST 31, 1947

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable .....	\$	18,857.39	
Subsidy Refundable to the Dominion Government .....		446,375.61	
Reserve for Government Profits Taxes less payments thereon .....		127,860.51	
			\$ 593,093.51

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

	33,590 shares @ \$25.00	\$	839,750.00
Less: Redeemed .....	559 "		13,975.00
Outstanding .....	33,031 "		825,775.00
80,000 Common Shares without Nominal or Par Value .....			380,000.00
			\$1,205,775.00

SURPLUS:

Deferred Surplus — Refundable Portion of Dominion Excess Profits Tax .....	\$	17,500.00
Earned Surplus — as per Statement attached .....		1,257,415.62
		\$1,274,915.62

\$3,073,784.13

age Company Limited for the year ended 31st August, 1947, and We certify that, in our opinion, the above Balance Sheet and attached a true and correct view of the state of the Company's affairs as at lanations given to us and as shown by the books of the Company.

GLENDINNING, JARRETT, GRAY & ROBERTS  
Chartered Accountants  
Auditors.



**THE BRANTFORD CORDAGE COMPANY, LIMITED**

**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 31st AUGUST, 1947

INCOME FROM OPERATIONS FOR THE YEAR AFTER PROVIDING FOR EXPENSES, EXCEPT THE UNDERNOTED .....	\$ 468,474.06
Income from Investments .....	4,236.99
Profit on Sale of Investments .....	10,875.00
Profit on Sale of Fixed Assets .....	159.52
Profit resulting from Reduction in Inventory Reserve .....	9,960.60
	<u>\$ 493,706.17</u>
Less:	
Remuneration to Executive Officers, including all Salaried Directors and Legal Fees .....	\$61,503.21
Directors' Fees .....	7,000.00
Provision for Depreciation on Fixed Assets .....	16,809.99
	<u>\$ 85,313.20</u>
Operating Profit, before Providing for Government Profits Taxes .....	\$ 408,392.97
Less:	
Provision for Government Profits Taxes .....	175,000.00
NET PROFIT FOR THE YEAR ENDED 31st AUGUST, 1947	
TRANSFERRED TO EARNED SURPLUS .....	<u>\$ 233,392.97</u>



**STATEMENT OF EARNED SURPLUS**

FOR THE YEAR ENDED 31st AUGUST, 1947

BALANCE AT CREDIT, 1st SEPTEMBER, 1946 .....	\$1,107,191.53
Less:	
Dividends Paid	
On Preferred Shares (\$1.30 per share) .....	\$43,050.48
On Common Shares (50c per share) .....	39,922.00
	<u>\$82,972.48</u>
Premium on Redemption of Preferred Shares .....	196.40
	<u>\$ 83,168.88</u>
Add:	
Net Profit for the year transferred from Profit and Loss Account .....	233,392.97
BALANCE AT CREDIT, 31st AUGUST, 1947 .....	<u>\$1,257,415.62</u>



