

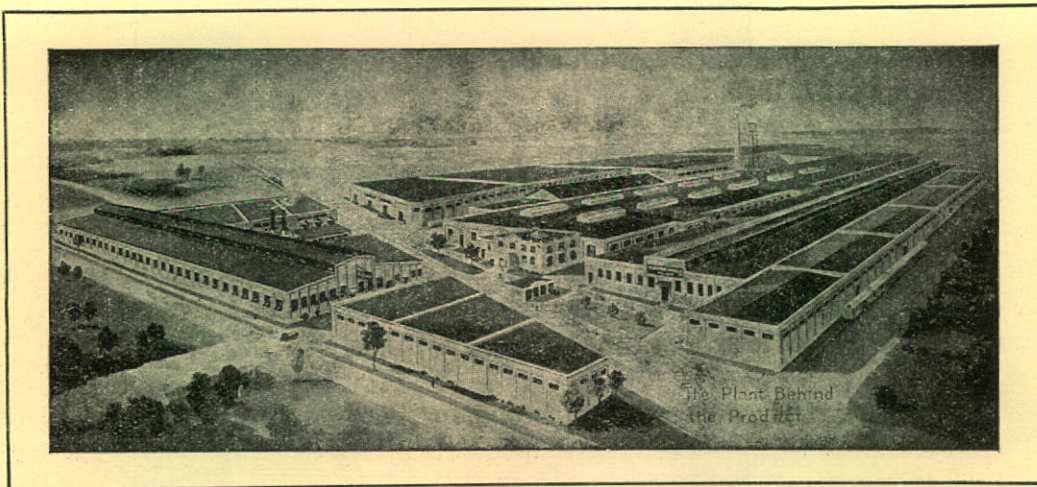
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ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

For Fiscal Year Ended August 31st, 1946.



The Brantford Cordage Co., Limited
Brantford, Canada

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The Brantford Cordage Co. Limited

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, 1946.

The operations for the year, after providing for Depreciation and Dominion of Canada Taxes, show a profit of \$128,191.93 which, as was the case in the two previous years, is considerably below Standard Profits. During the year, fibre for binder twine has been supplied by the Government on a subsidized basis with the selling price of the finished product also frozen by the Government at 1941 levels. It is not known at present how long this condition will continue.

Regular quarterly dividends amounting for the year to \$43,123.60 were paid on First Preference Shares, and regular quarterly dividends amounting to \$39,902.50 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

Balance Sheet, August 31, 1946

Assets

CURRENT ASSETS:

Cash on hand and in Bank	\$ 890,210.22	
Dominion of Canada, 3%, 1963 Victory Bonds, par value, \$300,000.00 (market value \$321,735.00) at cost, plus accrued interest	310,485.61	
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	236,243.28	
Accounts and Bills Receivable, less Reserve for Doubtful Accounts, etc.	686,756.11	
		\$2,123,695.22

DEFERRED ASSETS:

Insurance Premiums, Prepaid	6,399.86	
Refundable Portion of Dominion Excess Profits Tax	17,500.00	
		23,899.86

FIXED ASSETS:

Land, Buildings, Machinery and Equipment (on basis of Appraisal, March 1, 1925, by Lockwood, Greene & Co. of Canada, Limited, plus subsequent additions at cost)		1,240,669.41
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TRADE MARKS, PATENT RIGHTS AND GOODWILL

1.00

\$3,388,265.49

Liabilities

CURRENT LIABILITIES:

Accounts Payable, including Accrued Charges	\$ 29,022.22	
Provision for Dominion Taxes, including balance brought forward	\$ 83,662.13	
Less: Instalment Payments	26,666.64	
		56,995.49

RESERVE FOR DEPRECIATION ON FIXED ASSETS

86,017.71
959,145.65
9,960.60

INVENTORY RESERVE

CAPITAL STOCK, AUTHORIZED AND ISSUED:

33,590 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	\$839,750.00	
Less: 452 Shares Redeemed	11,300.00	
Outstanding — 33,138 Shares	\$ 828,450.00	
80,000 Common Shares without Nominal or Par Value	380,000.00	
		1,208,450.00

SURPLUS:

Deferred Surplus, Refundable Portion of Dominion Excess Profits Tax	17,500.00	
Earned Surplus, as per statement attached	1,107,191.53	
		1,124,691.53

APPROVED on behalf of the Board,

W. M. MESSECAR, President and General Manager (Director)

W. C. WELLS, Secretary-Treasurer (Director)

\$3,388,265.49

INCOME AND SURPLUS ACCOUNT — AUGUST 31, 1946

Balance at Credit, September 1, 1945

1,062,181.90

Deduct:

Premium on First Preference Shares Redeemed	\$ 156.20	
Quarterly Dividends of 32½c. per share paid on the 15th days of October, January, April and July on First Preference Shares	43,123.60	
Quarterly Dividends of 12½c. per share paid on the 15th days of October, January, April and July on Common Shares	39,902.50	
		83,182.30

\$ 978,999.60

Add: Profit for the year ended August 31, 1946, after provision of \$13,511.71 for Depreciation

Income from Investments	\$ 185,529.51	
Profit resulting from reduction in Inventory Reserve	7,261.63	
	15,400.79	

\$ 208,191.93

Deduct: Provision for Dominion Taxes

80,000.00

128,191.93

Credit Balance as per Balance Sheet, August 31, 1946

\$1,107,191.53

Included in the costs and expenses for the year are the following items: Directors' fees \$7,000.00; salaries, fees or other remuneration to counsel, solicitors or other legal advisers, and salaries of executive officers, including all salaried directors, \$58,136.61.

To THE SHAREHOLDERS,

THE BRANTFORD CORDAGE COMPANY, LIMITED:

We have audited the books and accounts of The Brantford Cordage Company, Limited, and we certify that in our opinion the above Balance Sheet and Income and Surplus Account are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st August, 1946, according to the best of our information and the explanations given to us, and as shown by the books of the Company. We have verified the cash on hand and in Bank and have received all the information and explanations we have required.

GLENDINNING, JARRETT, GRAY & ROBERTS, Chartered Accountants

Brantford, Ontario, November 19, 1946.

