

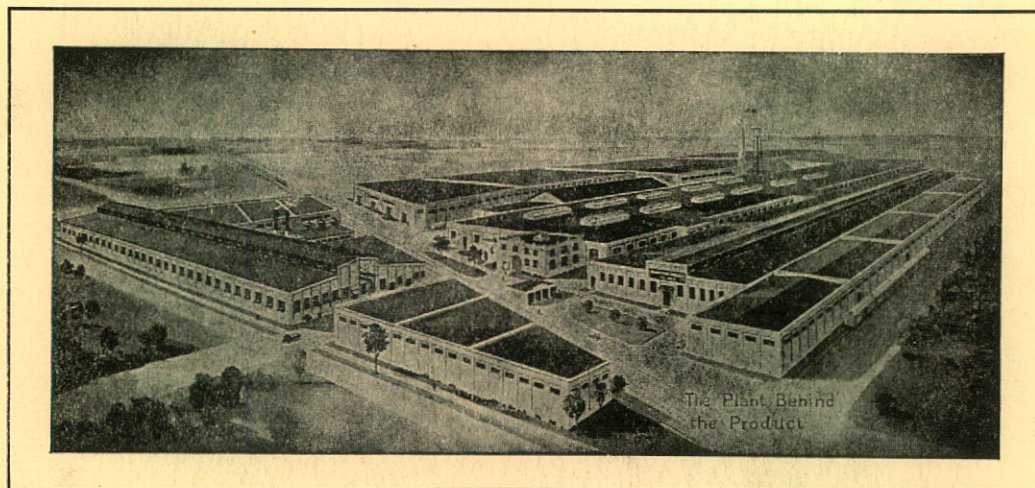
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# ANNUAL REPORT

OF THE

## BOARD OF DIRECTORS

*For Fiscal Year Ended August 31st, 1944.*



The Brantford Cordage Co., Limited  
Brantford, Canada

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# The Brantford Cordage Co.

Limited

## Annual Report of the Board of Directors

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### TO THE SHAREHOLDERS:

Your Directors submit herewith the Annual Report of the Company for the year ended August 31, 1944.

The operations for the year show a profit of \$145,129.39, after providing for Depreciation and Dominion of Canada taxes.

Regular quarterly dividends, amounting for the year to \$43,673.50, were paid on First Preference Shares, and \$412,848.58 of Earned Surplus was applied to reducing the book value of Trade Marks, Patent Rights, and Goodwill to \$1.00.

During the year, in addition to First Preference Shares redeemed through Sinking Fund, 12,000 Second Preferred Shares were purchased for redemption and cancelled; and the remaining Second Preferred Shares were then converted, and the Common Shares consolidated, into new Common Shares at the rate of three and one-third Common Shares for each Second Preferred Share and one Common Share for each two old Common Shares. There is no change in the First Preference Shares or in the rights and priorities attaching thereto, other than that the number Authorized is reduced to the number that were outstanding as at June 1st, 1944, being the date of Supplementary Letters Patent providing for the foregoing adjustments. The Authorized Capital Stock now consists of 33,590 First Preference Shares, of which 186 have been redeemed, leaving 33,404 outstanding as at August 31, 1944; and 80,000 Common Shares without Nominal or Par Value.

The Government has found it necessary to continue to pay subsidies on fibre supplies.

Since the close of the Company's financial year an initial quarterly dividend has been declared on the Common Shares of the Company at the rate of  $12\frac{1}{2}$ c. per share, payable 15th January, 1945, being at the annual rate of 50c. per share.

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, 1944

## Assets

<b>CURRENT ASSETS:</b>	
Cash on hand and in Bank.....	\$ 629,345.38
Dominion of Canada 1¾% 1948 Victory Bonds, par value \$250,000.00 at cost, plus accrued interest.....	251,446.44
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.....	413,446.53
Accounts and Bills Receivable, less Reserve for Doubtful Accounts, etc.....	766,257.35
	\$2,060,495.70
<b>DEFERRED ASSETS:</b>	
Insurance Premiums, prepaid.....	6,622.67
Refundable portion of Dominion Excess Profits Tax.....	17,500.00
	24,122.67
<b>FIXED ASSETS:</b>	
Land, Buildings, Machinery and Equipment (on basis of Appraisal, March 1, 1925, by Lockwood, Greene & Co. of Canada, Limited, plus subsequent additions at cost).....	1,208,296.91
<b>TRADE MARKS, PATENT RIGHTS AND GOODWILL</b> .....	1.00
	\$3,292,916.28

## Liabilities

<b>CURRENT LIABILITIES:</b>	
Accounts Payable, including Accrued Charges.....	\$ 28,394.66
Provision for Dominion Taxes, including balance brought forward.....	\$ 86,612.09
Less instalment payments on account.....	51,886.92
	34,725.17
	63,119.83
<b>RESERVE FOR DEPRECIATION ON FIXED ASSETS</b> .....	936,397.72
<b>INVENTORY RESERVE</b> .....	38,969.22
<b>CAPITAL STOCK, AUTHORIZED AND ISSUED:</b>	
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 186 Shares Redeemed.....	4,650.00
	835,100.00
Outstanding—33,404 Shares.....	\$ 835,100.00
80,000 Common Shares without nominal or Par Value.....	380,000.00
	1,215,100.00
<b>SURPLUS:</b>	
Deferred Surplus, refundable portion of Dominion Excess Profits Tax.....	17,500.00
Earned Surplus, as per Statement attached.....	1,021,829.51
	1,039,329.51
APPROVED on behalf of the Board,	
W. M. MESSECAR, President and General Manager (Director)	
W. C. WELLS, Secretary-Treasurer (Director)	
	\$3,292,916.28

### INCOME AND SURPLUS ACCOUNT — AUGUST 31, 1944

Balance at Credit, September 1, 1943.....	\$1,325,153.15
<i>Add:</i> Additional subsidies retroactive to adjust 1943 Costs and Inventory values, net.....	\$ 57,149.53
<i>Less</i> Excess Profits Tax on resulting reduction in Inventory Reserve, including refundable portion of Excess Profits Tax.....	48,864.28
	8,285.25
	\$1,333,438.40
<i>Deduct:</i>	
Write-down in book value of Trade Marks, Patent Rights and Goodwill.....	\$ 412,848.58
Premium on First Preference Shares Redeemed.....	216.20
Quarterly Dividends of 32½¢. per share paid on the 15th days of October, January, April and July on First Preference Shares.....	43,673.50
	456,738.28
	\$ 876,700.12
<i>Add:</i> Profit for the year ended August 31, 1944, after provision of \$20,459.17 for Depreciation.....	\$ 192,495.99
Profit resulting from reduction in Inventory Reserve.....	32,633.40
	\$ 225,129.39
<i>Deduct:</i> Provision for Dominion Taxes.....	80,000.00
	145,129.39
Credit Balance as per Balance Sheet, August 31, 1944.....	\$1,021,829.51

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, \$50,000.00.

**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, 1944, 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 24, 1944.

