

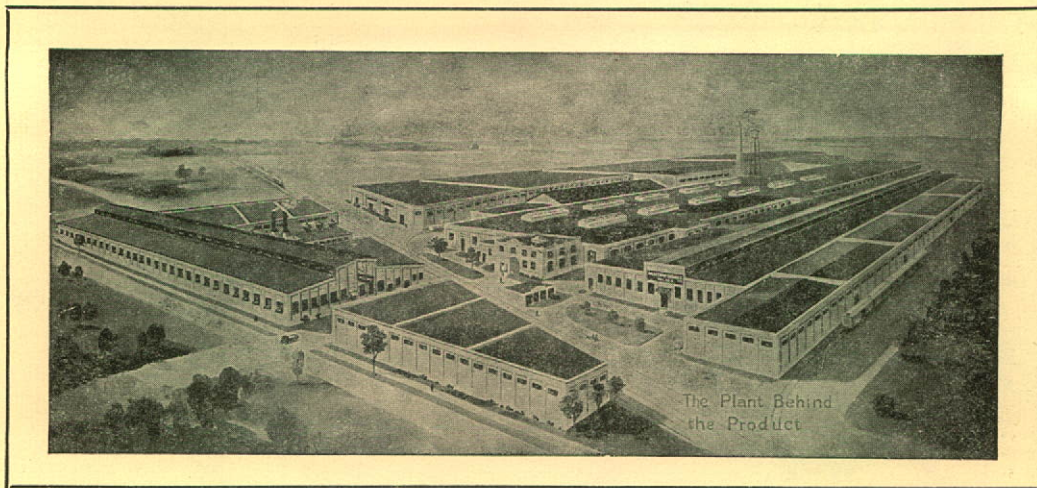
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ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

For Fiscal Year Ended August 31st, 1939.



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 31st, 1939.

The operations for the year, after providing for Depreciation, show a profit of \$8,889.56. Regular quarterly dividends, amounting to \$49,935.93 were paid on First Preference Shares, and 237 First Preference Shares were redeemed and cancelled.

The volume of business for the year was satisfactory, but prices which were already very low, further declined, there being only two other years during the past quarter of a century when prices of binder twine have been so low, and this accounts for the very small profit shown. The Western harvest was later than usual, resulting in heavy sales after the close of the fiscal year with a corresponding reduction in inventories. This, coupled with satisfactory collections of receivables, is reflected in a considerable improvement in the cash position as at October 31st, at which date the cash on hand and in bank was slightly in excess of \$1,000,000.00 as compared with the amount shown in the Statement as on hand at the close of the fiscal year.

Your Directors again take pleasure in expressing their appreciation of the efficient and loyal services of the executives 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, 1939

Assets

CURRENT ASSETS :

Cash on hand and in Bank.....	\$572,060.90	
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.....	669,482.97	
Accounts and Bills Receivable, less Reserve for Doubtful Accounts, etc.....	360,111.16	
Fire Insurance Premiums, Prepaid.....	5,190.30	
		\$1,606,845.33

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).....	1,206,796.74	
TRADE MARKS, PATENT RIGHTS AND GOODWILL.....	412,849.58	
		\$3,226,491.65

Liabilities

CURRENT LIABILITIES :

Accounts Payable, including Accrued Charges.....	\$ 15,952.14	
Provision for Dominion and other Income Taxes.....	8,914.20	
		24,866.34

RESERVE FOR DEPRECIATION ON FIXED ASSETS.....		868,331.69
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CAPITAL STOCK, AUTHORIZED AND ISSUED :

40,000 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.....	\$1,000,000.00	
Less 1,791 Shares Redeemed.....	44,775.00	
Outstanding—38,209 Shares.....	\$955,225.00	
34,000 Second Preferred Shares of the Par Value of \$25.00 per share (callable under certain conditions at \$25.00 and accrued dividends per share) carrying cumulative dividends of \$1.75 per share per annum. (Dividends have been paid in 1930, 1935 and 1936, leaving in respect of the fiscal year ended 31st August, 1939, a total of \$469,939.72 in arrears).....	\$ 850,000.00	
Less 10,000 Shares Redeemed.....	250,000.00	
Outstanding—24,000 Shares.....	600,000.00	
80,000 Common Shares without Nominal or Par Value.....	80,000.00	
		\$1,635,225.00

EARNED SURPLUS.....		698,068.62
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\$3,226,491.65

APPROVED on behalf of the Board,

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

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

INCOME AND SURPLUS ACCOUNT — AUGUST 31, 1939

Balance at Credit, September 1, 1938.....	\$737,464.89	
Add Discount on First Preference Shares Redeemed.....	1,650.10	
		\$ 739,114.99
Deduct: Quarterly Dividends of 32½ cents per share paid on the 15th days of October, January, April and July on First Preference Shares.....	49,935.93	
		\$ 689,179.06
Net Earnings for year ended August 31, 1939, before Depreciation.....	\$19,427.32	
Provision for Depreciation.....	10,537.76	
		8,889.56
Credit Balance as per Balance Sheet, August 31, 1939.....	\$ 698,068.62	

Included in the costs and expenses for the year are the following items: Directors' fees \$6,000.00, salaries, fees or other remuneration to counsel, solicitors or other legal advisers, and salaries of executive officers, including all salaried directors \$50,250.00.

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, 1939, 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, GRAY & ROBERTS, Chartered Accountants

Brantford, Ontario, November 21, 1939.

