

Corporation  
File

**THIRTY-SIXTH ANNUAL REPORT  
OF THE  
CANADIAN LOCOMOTIVE CO.**

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**LIMITED  
THE YEAR ENDED 31<sup>st</sup> DEC. 1947**

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**THIRTY-SIXTH ANNUAL  
REPORT**  
OF THE  
**Canadian Locomotive  
Company, Limited**  
FOR YEAR ENDED  
**31st December, 1947**



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CANADIAN LOCOMOTIVE COMPANY LIMITED

HEAD OFFICE: KINGSTON, ONT.

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DIRECTORS:

EDWARD FITZGERALD, Esq.	W. F. ANGUS, Esq.
COL. H. D. L. GORDON, D.S.O.	WM. HARTY, Esq. (Deceased)
L. J. BELNAP, Esq.	WM. CASEY, Esq.
J. A. McDONALD, Esq.	G. M. TODD, Esq.
COL. K. R. MARSHALL, C.M.G., D.S.O.	

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EXECUTIVE OFFICERS:

WM. HARTY, *Chairman of the Board* (Deceased)  
WM. CASEY, *President and General Manager*  
J. A. McDONALD, *Vice-President and General Purchasing Agent*  
G. W. DALY, *Secretary-Treasurer*

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TRANSFER AGENT AND REGISTRAR:

NATIONAL TRUST COMPANY LIMITED  
Toronto, Ontario  
Montreal, Quebec

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AUDITORS:

GEORGE A. TOUCHE & CO., *Chartered Accountants*  
Toronto, Montreal, London, Eng.

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# CANADIAN LOCOMOTIVE COMPANY LIMITED

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## PRESIDENT'S REPORT TO SHAREHOLDERS

### TO THE SHAREHOLDERS:

Your Directors submit herewith the Statement of the Assets and Liabilities, the Profit and Loss and Surplus Accounts for the year ended December 31st, 1947, all as approved by the Company's auditors.

Your Company produced 48 locomotives and 14 extra locomotive boilers in the 12 months. Deliveries in the latter half of the year were curtailed due to the delay of the Railways in placing orders and a shortage of material supplies. This condition has now improved, and we look forward to greater production in 1948.

As of January 1st the Company had on hand orders for 90 steam locomotives and 19 diesel-electric locomotives. The delivery of these locomotives was started in February.

From the operating profits \$157,800.00, or approximately \$1.00 per share of the outstanding capital stock, was expended during the year on employees' welfare; this covering group insurance, cost of pension plan, unemployment insurance, compensation insurance, vacations with pay, etc.

From the year's profits, your Directors declared a dividend of \$1.00 per share, plus an extra of \$1.50 per share, or \$2.50 in all, and transferred \$100,000.00 to the reserve for contingencies, bringing these reserves to a total of \$500,000.00.

It is with deep regret that we record the sudden death on February 12th of this year of Mr. William Harty, O.B.E., Chairman of our Board. He was the son of Hon. William Harty, who founded our Company in 1900. Mr. Harty was associated with the Company during the whole of his business career of over 45 years. He started as an apprentice in 1901, and served in many capacities, including those of Sales Manager, President, latterly, Chairman of the Board. He will be sadly missed by all of us.

Yours faithfully,

WM. CASEY,  
President.

Kingston, Ontario,  
March 1st, 1948.

**CANADIAN LOCOMOTIVE**  
(Incorporated Under The  
**BALANCE SHEET AT THE**

**ASSETS**

<b>Current Assets</b>		
Cash in banks and on hand .....		\$ 347,632.47
Dominion of Canada Victory Loan Bonds —at par which is approximate market plus accrued interest .....		1,004,387.20
Accounts receivable, less reserve .....		74,530.72
Inventories as certified by responsible officials:		
Work in Process at estimated cost .....	\$ 1,199,389.17	
Materials and supplies at values not exceeding the lower of cost or mar- ket, less reserve .....	243,999.51	
		1,443,388.68
		2,869,939.07
<b>Refundable Portion of Dominion Excess Profits Tax .....</b>		1,294,090.68
<b>Deduct:</b>		
Amount assigned to War Assets Corpor- ation re purchase of buildings and equip- ment .....	359,000.00	
		935,090.68
<b>Fixed Assets at the valuations adopted under the plan of reorganization effected the 1st October, 1932, plus subsequent ad- ditions at cost, less retirements:</b>		
Land .....	144,851.10	
Buildings and equipment \$ 2,505,856.59 Deduct: Reserve for de- preciation .....	1,351,483.70	
		1,154,372.89
		1,299,223.99
<b>Prepaid Insurance, Etc. ....</b>		39,937.23
<b>Patents .....</b>		1.00
		\$5,144,191.97

AUDITOR'S

To THE SHAREHOLDERS,

CANADIAN LOCOMOTIVE COMPANY LIMITED.

We have examined the books and accounts of Canadian Locomotive Company Limited in connection therewith we carried out tests of the transactions recorded in the Profit and Loss and Surplus Accounts.

Based upon such examination we report that we have obtained our opinion the above Balance Sheet and related Profit and Loss Account of the state of the Company's affairs at the 31st December, 1947, and to the best of our information and the explanations given to us and as shown.

Dated at Toronto, Ontario,  
26 February, 1948.

## VE COMPANY LIMITED

(Dominion Companies Act)

E 31st DECEMBER, 1947

## LIABILITIES AND CAPITAL

Current Liabilities	
Accounts payable and accrued .....	\$ 473,126.09
Sales tax accrued .....	3,268.36
Advances in connection with current orders .....	525,250.00
Provision for Dominion and Provincial taxes less payments thereon .....	311,300.00
	<u>1,312,944.45</u>
Reserve for Contingencies	
Balance at the 1st January, 1947 .....	\$ 400,000.00
Add:	
Transfer from Profit and Loss Account during year .....	100,000.00
	<u>500,000.00</u>
Capital and Surplus	
Capital Stock—authorized: 250,000 common shares without nominal or par value of which 159,596 are issued and fully paid .....	977,141.18
Surplus	
Balance at the 1st January, 1947 .....	\$ 2,102,249.39
Deduct:	
Dividend paid .....	319,128.00
	<u>1,783,121.39</u>
Add:	
Profit for the year—Statement II .....	570,984.95
	<u>2,354,106.34</u>
	<u>3,331,247.52</u>
	<u>\$5,144,191.97</u>

Approved on behalf of the Board,

WM. CASEY, Director.

J. A. McDONALD, Director.

## REPORT

otive Company Limited for the year ended the 31st December, 1947. In  
for the year and made a general review of the accounting methods and

all the information and explanations we have required and that, in  
count are properly drawn up so as to exhibit a true and correct view  
the results of its operations for the year then ended, according to the  
by the books of the Company.

GEORGE A. TOUCHE & CO.,  
Chartered Accountants,

Auditors.

STATEMENT II  
 CANADIAN LOCOMOTIVE COMPANY LIMITED  
 PROFIT AND LOSS ACCOUNT

For the Year ended the 31st December, 1947

<b>OPERATING PROFIT FOR THE YEAR</b>		
before deducting depreciation, income and excess profits taxes and other items as indicated hereunder .....		\$ 1,627,638.82
<b>Add:</b>		
Interest on Dominion of Canada bonds .....		17,500.20
		1,645,139.02
<b>Deduct:</b>		
Directors' fees .....	\$ 1,900.00	
Executive salaries and bonuses .....	63,500.00	
Legal fees .....	2,494.40	
Interest on balance due War Assets Cor- poration .....	7,179.96	
		75,074.36
Provision for depreciation .....		1,570,064.66
		139,929.71
		1,430,134.95
Provision for taxes on income		
—Dominion .....	612,950.00	
—Provincial .....	100,000.00	
		712,950.00
		717,184.95
Special pension fund payment .....	46,200.00	
Transfer to reserve for contingencies .....	100,000.00	
		146,200.00
<b>PROFIT FOR THE YEAR—Statement I</b> .....		<b>\$ 570,984.95</b>



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STATEMENT III  
 CANADIAN LOCOMOTIVE COMPANY LIMITED  
 STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
 For the Year ended the 31st December, 1947

Source of Funds

Profit for the year—Statement II .....	\$570,984.95	
Add:		
Provision for depreciation .....	139,929.71	
Transfer to reserve for contingencies .....	100,000.00	
		\$ 810,914.66
Decrease in prepaid insurance, etc. ....		1,724.62
		<u>\$ 812,639.28</u>

Application of above funds

Dividend paid .....	\$319,128.00	
Additions to Fixed Assets—net .....	37,177.98	
Adjustment of refundable portion of Do- minion excess profits tax .....	7,000.00	
	<u>363,305.98</u>	
Net increase in working capital .....	449,333.30	
		<u>\$ 812,639.28</u>

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CANADIAN LOCOMOTIVE COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Thirty-sixth Annual General Meeting of the Shareholders of Canadian Locomotive Company, Limited, will be held at the Head Office of the Company, in the City of Kingston, Ontario, on Friday, the 19th day of March, 1948, at the hour of three o'clock p.m., to receive the report of the Directors for the year ended 31st December, 1947, to elect Directors for the ensuing year, and for the transaction of such other businesss as may properly come before the meeting.

Meeting of the newly-elected Directors will follow immediately after the General Meeting.

By order of the Board,

G. W. DALY,

Secretary.

Kingston, Ontario,

March 1st, 1948.



