

Corp. Stock



The **CANADIAN Fairbanks·Morse** *COMPANY Limited*

**F O R T Y - F O U R T H
A N N U A L R E P O R T**

D E C E M B E R 3 1 , 1 9 4 8

FURVIS HALL
LIBRARIES

APR 8 1940

McGILL UNIVERSITY

The Canadian **FAIRBANKS-MORSE** Company Limited

EXECUTIVE OFFICES

980 St. Antoine Street

Montreal

BOARD OF DIRECTORS

T. H. McWILLIAM, *Chairman of the Board*

L. A. KEELER

C. H. MORSE, III

S. T. KIDDOO

R. H. MORSE

H. L. MATTHEWS

R. H. MORSE, JR.

C. H. MORSE

G. M. NIVEN

C. H. MORSE, JR.

GEO. R. WYER

OFFICERS

G. M. NIVEN, *President*

GEO. R. WYER, *Vice-President*

E. E. JACKSON, *Treasurer*

F. M. FAIRMAN, *Secretary*

TRANSFER AGENTS

NATIONAL TRUST COMPANY LIMITED, MONTREAL
THE FIRST NATIONAL BANK OF CHICAGO,
CHICAGO

REGISTRARS

THE CANADIAN BANK OF COMMERCE, MONTREAL
CONTINENTAL ILLINOIS NATIONAL BANK &
TRUST CO. OF CHICAGO, CHICAGO

BANKERS

THE CANADIAN BANK OF COMMERCE
THE FIRST NATIONAL BANK OF BOSTON

AUDITORS

PRICE, WATERHOUSE & CO.

REPORT OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS OF
THE CANADIAN FAIRBANKS-MORSE COMPANY LIMITED

The Annual Report of the Company, including financial statements for the year ending December 31, 1948, is submitted herewith.

Net Profit for the year, after taxes, amounted to \$1,058,079.33, which was equivalent to \$12.39 per common share, compared with net profit in 1947 of \$852,731.78 or \$9.82 per common share.

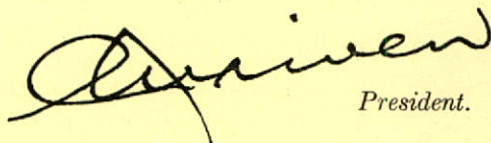
Net working capital was increased from \$4,850,177.61 in 1947 to \$5,457,358.45.

In September, 1948, our Calgary premises were destroyed by fire. A new building was purchased immediately and full operations resumed within sixty days. In April we completed and occupied a new warehouse in Fort William, Ontario and in November our new office and warehouse building in Toronto was completed and occupied.

Billings to customers in 1948 amounted to \$24,158,311.51. Volume of unfilled orders on hand is still substantial and sales to date this year have held up very well. We anticipate satisfactory operations in 1949.

Your Directors wish to express their appreciation of the continued loyal support and co-operation of all officers and employees of the Company.

On behalf of the Board of Directors,



President.

MONTREAL, March 31, 1949.

The Canadian **FAIRBANKS**

BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash in bank and on hand.....	\$ 931,306.36	
Trade accounts and notes receivable.....	3,629,204.80	
Other accounts receivable.....	427,581.15	
Physical inventories of merchandise priced at the lower of cost or market.....	3,899,339.55	
Taxes, insurance and other prepaid expenses..	10,895.08	
	<hr/>	\$ 8,898,326.94

REFUNDABLE PORTION OF EXCESS PROFITS TAX:

Not due within twelve months.....		434,065.04
-----------------------------------	--	------------

PROPERTIES AT COST:

Land and buildings.....	\$2,154,028.87
Machinery and equipment.....	192,630.18
Furniture and fixtures.....	25,000.00
	<hr/>
	\$2,371,659.05

LESS: Reserve for depreciation.....	719,172.51	
	<hr/>	1,652,486.54
		<hr/> <hr/>
		\$10,984,878.52

Approved on behalf of the Board:

T. H. McWILLIAM, *Director.*

G. M. NIVEN, *Director.*

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of The Canadian Fairbanks-Morse Company Limited with returns from the various branches, certified by the managers, and with all the information available to us.

The inventories of stocks on hand at December 31, 1948, have been certified by the managers as correct and not doubtful.

The cash and bank balances at head office have been confirmed by us, and the bank balances determine, all liabilities of the Company at December 31, 1948, have been taken up on the books.

On this basis we report that, in our opinion, the above balance sheet at December 31, 1948, according to the best of our information and the explanations given to us and as shown by the books is correct.

MONTREAL, March 24, 1949.

K S - M O R S E Company Limited

DECEMBER 31, 1948

LIABILITIES

CURRENT LIABILITIES:

Trade and other accounts payable.....	\$2,690,207.68	
Bank loan.....	300,000.00	
Reserve for income and other taxes, balance..	434,052.31	
Dividend on preference stock for the quarter ending December 31, 1948.....	16,708.50	
	<u>16,708.50</u>	\$ 3,440,968.49
RESERVE FOR CONTINGENCIES.....		802,468.30

SHAREHOLDERS' ACCOUNT:

6% Cumulative preferred stock — Authorized and issued — 11,139 shares of \$100.00 each.....	\$1,113,900.00	
Common stock — 80,000 shares without nominal or par value out of a total authorized issue of 125,000 shares.....	1,600,000.00	
Earned surplus, per statement attached.....	4,027,541.73	
		<u>6,741,441.73</u>
		<u><u>\$10,984,878.52</u></u>

for the year ending December 31, 1948, at the head office in Montreal, and have been furnished explanations which we have required.

t, and provision has been made for losses on outstanding accounts receivable considered bad or

the branches reconciled with certificates received from the Company's bankers. So far as we can that date and are reflected in the above accounts.

properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, s and certified branch returns of the Company.

PRICE, WATERHOUSE & Co.,
Auditors.

Statement of Earned Surplus
For the Year Ending December 31, 1948

Earnings from operations for year ending December 31, 1948 . . . \$1,917,886.75

DEDUCT:

Depreciation	\$ 51,723.97	
Executives' remuneration	108,375.00	
Directors' fees	13,200.00	
Legal expenses	3,469.98	
Interest on bank loan	65,038.47	
	241,807.42	

Net earnings before providing for taxes on income \$1,676,079.33

Provision for taxes on income 618,000.00

Net profit for the year \$1,058,079.33

Earned surplus, balance December 31, 1947 3,136,296.40

\$4,194,375.73

DEDUCT:

Dividends on preferred stock	\$ 66,834.00	
Dividends on common stock	100,000.00	
	166,834.00	

Earned surplus, balance December 31, 1948 \$4,027,541.73

\$4,027,541.73

The **FAIRBANKS-MORSE** Company
Canadian **Limited**

EXECUTIVE OFFICES

980 St. Antoine Street

Montreal

★

BRANCH OFFICES AND WAREHOUSES

HALIFAX, N.S.

FORT WILLIAM, ONT.

SAINT JOHN, N.B.

WINNIPEG, MAN.

QUEBEC, QUE.

REGINA, SASK.

MONTREAL, QUE.

SASKATOON, SASK.

OTTAWA, ONT.

CALGARY, ALTA.

TORONTO, ONT.

EDMONTON, ALTA.

WINDSOR, ONT.

VANCOUVER, B.C.

VICTORIA, B.C.

★

FACTORY

SHERBROOKE, QUE.

