

CANADIAN VICKERS

LIMITED

Annual Report

FOR THE YEAR ENDED FEBRUARY 28TH

1943

NOTICE OF ANNUAL GENERAL MEETING

of Shareholders to be held on June 25th, 1943

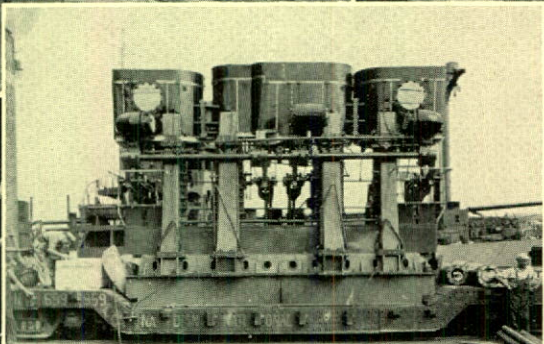
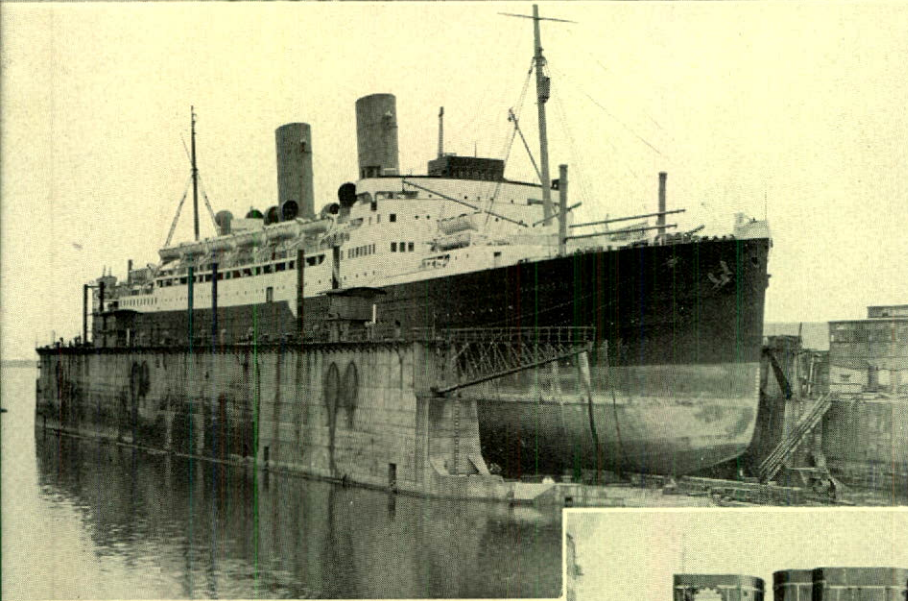
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CANADIAN  LIMITED
VICKERS



Canadian Vickers, Limited

Directors

W. L. BAYER	Montreal, P.Q.
RUSSELL D. BELL	Montreal, P.Q.
A. F. CULVER	Montreal, P.Q.
VICTOR M. DRURY	Montreal, P.Q.
LIONEL A. FORSYTH, K.C. Montreal, P.Q.	
E. GERALD HANSON Montreal, P.Q.	
J. EDOUARD LABELLE, K.C. Montreal, P.Q.	
J. McL. STEPHEN	Montreal, P.Q.
N. A. TIMMINS, Jr.	Montreal, P.Q.

Advisory Committee

A. S. FRASER	Montreal, P.Q.
AVILA RAYMOND	Montreal, P.Q.

Officers

J. EDOUARD LABELLE, K.C., President
J. McL. STEPHEN, First Vice-President
N. A. TIMMINS, Jr., Second Vice-President
J. W. SAVIDANT, Secretary and Treasurer, Comptroller
T. R. McLAGAN, General Manager



**WORKING FOR VICTORY
FOR
VICKERS**

CANADIAN VICKERS, LIMITED

P.O. Box 550 Place d'Armes Station

Montreal, P.Q.

Notice of Annual General Meeting of Shareholders:

Notice is hereby given that the Annual General Meeting of the Shareholders of Canadian Vickers, Limited, is called to convene at the Head Office of the Company, 5136 Notre Dame Street, East, in the City of Montreal, Province of Quebec, on Friday, the 25th day of June, 1943, at 11 o'clock in the forenoon (Eastern War Time) for purposes of receiving and considering the financial statements of the Company and the report of the Directors for the year ended 28th February, 1943; of election of Directors for the ensuing year; of appointment of Auditors and for the transaction of such other business as may properly come before the meeting.

Montreal, June 8th, 1943.

By Order of the Board,

J. W. SAVIDANT

Secretary

N.B.—In the event of your inability to be personally present at the meeting, please execute and return the enclosed instrument of proxy PRIOR TO JUNE 25th 1943.

Annual Report of the Directors

FISCAL YEAR ENDED FEBRUARY 28th, 1943

To the Shareholders:

On behalf of your Directors, I have the honour to submit the Annual Report, together with the Balance Sheet and Profit and Loss Account, certified to by the Company's Auditors, Messrs. Macintosh, Robertson and Paterson, covering the operations of your Company for the fiscal year ended February 28th, 1943.

Subject to the features mentioned in the Auditors' report, Net Profit for the year, after provision for all charges including an estimated amount of \$1,701,379.00 for Income and Excess Profits Taxes, amounted to \$546,946.81.

The profit shown is somewhat less than that of the previous year, due primarily to the change-over of production from Cargo Vessels to Twin Screw Frigates, and from one type of Aircraft to another. The former necessitated the construction of a different type of engine and boiler, which involved a large volume of technical reorganization of the machine shop and boiler shop. The latter, particularly, required an extensive period for the provision of jigs and in tooling up to the volume necessary to handle large production requirements of the type now being produced at the plant located at Cartierville, P.Q., which is a Government owned project. The transfer to that plant naturally involved considerable disruption of effort and was not completed until February last, but production there is now well under way and gaining rapidly.

Net Working Capital, after provision for Bond Interest unpaid, stands at \$2,307,507.24. It should be here noted that your Company's position generally may be affected by the result of discussions to be developed with the Department of Munitions and Supply as to contracts re-negotiation and with the Department of National Revenue as to taxable income. The item of \$166,600.00 appearing in the balance sheet under the heading "Investments" representing the capital invested in Canadian Associated Aircraft Limited, has, since the close of the year, been returned in full to your Company.

During the year, your plant continued to operate at maximum productive capacity. No effort has been or is being spared in the search to develop possibilities of greater utilization of your Company's facilities, with the intent of ensuring that your Company's contribution to the war effort grows ever more and more substantial.

To meet the steadily expanding production demand under your Company's war contracts, it has been necessary to continue betterment of plant and facilities throughout the year under review.

Your buildings, plant and equipment are in sound physical condition. Maintenance is being carefully supervised to ensure that these conditions continue.

The volume of orders in hand is the greatest in your Company's history, but the issuance of information relating thereto is not permissible under wartime restrictions.

The vacancy existing on your Board of Directors, caused by the resignation of Mr. John I. Rankin, whose counsel and advice over many years was of great value to your Company, has been filled by the election of Mr. Lionel A. Forsyth, K.C.

It is a privilege to pay tribute to the officers, the staff and all other employees of your Company for the outstanding service rendered during a period of unusual difficulties and problems. Their unstinted co-operation and attention to duty has made it possible for your Company to do what it has done and is doing in backing up our fighting forces through production of ships and aircraft needed to bring the war to a victorious conclusion.

Respectfully submitted,

J. EDOUARD LABELLE,
President.

MONTREAL, JUNE 8th, 1943.

Balance Sheet as at 28th February, 1943 (With comparative figures for the previous year)

Assets

	As at February 28, 1943	As at February 28, 1942
CURRENT ASSETS:		
Cash on Hand and in Bank	\$ 15,051.26	\$ 5,263.67
Dominion of Canada Bonds	150,000.00	.....
(Market value—\$149,625.00)		
Accounts Receivable (less Reserve)	4,039,942.36	3,283,384.36
Due by wholly owned Subsidiary Company Current Account	19,900.39	.....
Work in Progress at cost, plus Overhead	\$38,414,986.87	\$16,016,228.46
LESS—Amount invoiced there- on	36,327,931.92	13,928,915.82
	<u>2,087,054.95</u>	<u>2,087,312.64</u>
Inventory of Finished Stock, Stores and Supplies certified to by responsible Officials of the Company as to quantities, and as to values which are at the lower of cost or market (less Reserve) and prepayments toward material on order...	5,438,135.37	2,335,480.12
Department of Public Works—Subsidy Accrued.	16,154.00	16,154.00
Cash on Deposit with Trustee for Bondholders...	.....	118,286.80
TOTAL CURRENT ASSETS	\$11,766,238.33	\$ 7,845,881.59
Amount due under Agreement from Subscribers to Capital Stock allotted	85,000.00	90,000.00
DEFERRED CHARGES:		
Prepaid Taxes, Insurance and other expenditure made on account of future business	379,104.67	259,954.48
INVESTMENT IN AND ADVANCES to wholly owned Subsidiary Company—		
Investment	1.00	1.00
Advances	428,685.28	417,199.21
	<u>428,686.28</u>	<u>417,200.21</u>
OTHER INVESTMENTS:		
Bonds of the Company purchased for Sinking Fund (at cost)	5,710.00	5,710.00
1666 Shares of \$100 each of Canadian Asso- ciated Aircraft Ltd.	166,600.00	166,600.00
Sundry at nominal value	2.00	2.00
	<u>172,312.00</u>	<u>172,312.00</u>
CONSIGNMENT STOCK as per Contra .....	.....	3,610.98
Refundable portion of Excess Profits Taxes	218,230.00	.....
(estimated)		
FIXED ASSETS:		
Real Estate, Buildings, Floating Dock Plant and Equipment	7,340,964.45	6,857,107.08
Leasehold	600,000.00	600,000.00
	<u>7,940,964.45</u>	<u>7,457,107.08</u>
As per valuation by Coverdale & Colpitts dated 30th September, 1927 with subsequent addi- tions at cost, less retirements	7,940,964.45	7,457,107.08
LESS Depreciation Reserve	4,363,159.73	3,579,908.26
	<u>3,577,804.72</u>	<u>3,877,198.82</u>
	<u>\$16,627,376.00</u>	<u>\$12,666,158.08</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the books and Accounts of your Company for the Year ended 28th February, 1943, and have obtained all the information and explanations required by us. The Company's war contracts with the Department of Munitions and Supply whether completed or in progress, have been invoiced on the basis of contract prices. We are informed, however, that certain representations have been made with the object of re-negotiation but no provision has been made for such contingency. The basis upon which provision has been made for depreciation of special expenditures during the Year is subject to review by the War Contracts Depreciation Board under application now filed. Subject to the foregoing and to the collectibility of the advances made to your wholly owned Subsidiary Company, the above Balance Sheet in our opinion is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Company. In accordance with Section 114 of the Companies Act, 1934, we also report that the profits of your wholly owned Subsidiary Company are carried forward in its own accounts and are not represented in the accounts of your Company.

(Signed) MACINTOSH, ROBERTSON & PATERSON,

Chartered Accountants.

MONTREAL, 27th May, 1943.

Liabilities

	As at February 28, 1943		As at February 28, 1942
CURRENT LIABILITIES:			
Bank Loan and Overdraft (secured).....	\$1,332,075.16		\$ 985,587.01
Accounts and Bills Payable.....	4,289,539.69		2,349,785.66
Sales and other Taxes.....	197,229.91		105,700.62
Reserve for Income and Excess Profits Taxes.....	3,306,189.46		2,300,000.00
	<u>9,125,034.22</u>		<u>5,741,073.29</u>
TOTAL CURRENT LIABILITIES.....			
DEFERRED LIABILITY:			
Bond Interest—Unpaid since 1st February, 1939, with interest thereon.....			498,546.99
Bond Interest for the two years ended 1st February, 1942, with interest thereon.....	333,696.87		
RESERVES:			
Contingencies.....	82,880.77		82,880.77
Uncompleted Contracts.....	32,000.00		20,000.00
	<u>114,880.77</u>		<u>102,880.77</u>
CONSIGNMENT ACCOUNTS PAYABLE as per Contra.....			
			3,610.98
BONDED INDEBTEDNESS:			
First Mortgage 20 Year 6% Gold Bonds (due 1st August, 1947)— Authorized.....	\$5,000,000.00	\$ 5,000,000.00	
Issued.....	2,750,000.00		2,750,000.00
LESS Redeemed.....	243,500.00		243,500.00
Sinking Fund Obligations not met since 1st August, 1932.....	2,506,500.00		2,506,500.00
CAPITAL STOCK:			
7% Cumulative Redeemable Preferred Stock— Authorized—			
50,000 Shares of \$100 each.....	5,000,000.00	5,000,000.00	
Issued—			
19,000 Shares of \$100 each.....	1,900,000.00	1,900,000.00	
Subscribed and Allotted—			
1000 Shares.....	100,000.00	100,000.00	
	<u>2,000,000.00</u>	<u>2,000,000.00</u>	
Dividends paid to 31st October, 1929.			
Common Stock—No Par Value—			
Authorized 100,000 Shares			
Issued 52,000 Shares.....	2,410,000.00	2,410,000.00	
Subscribed and Allotted—			
1000 Shares.....	5,000.00	5,000.00	
	<u>2,415,000.00</u>	<u>2,415,000.00</u>	
LESS Deficit as per Statement attached.....	85,965.86	601,453.95	
	<u>2,329,034.14</u>	<u>1,813,546.05</u>	
	4,329,034.14		3,813,546.05
DEFERRED SURPLUS:			
Refundable portion of Excess Profits Tax.....	218,230.00		
	<u>\$16,627,376.00</u>		<u>\$12,666,158.08</u>

CONTINGENT LIABILITY:

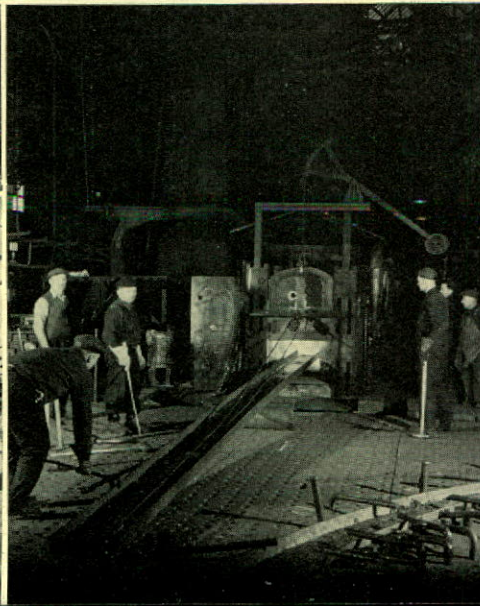
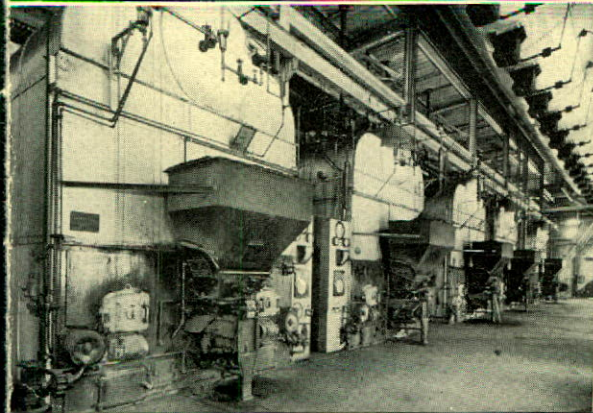
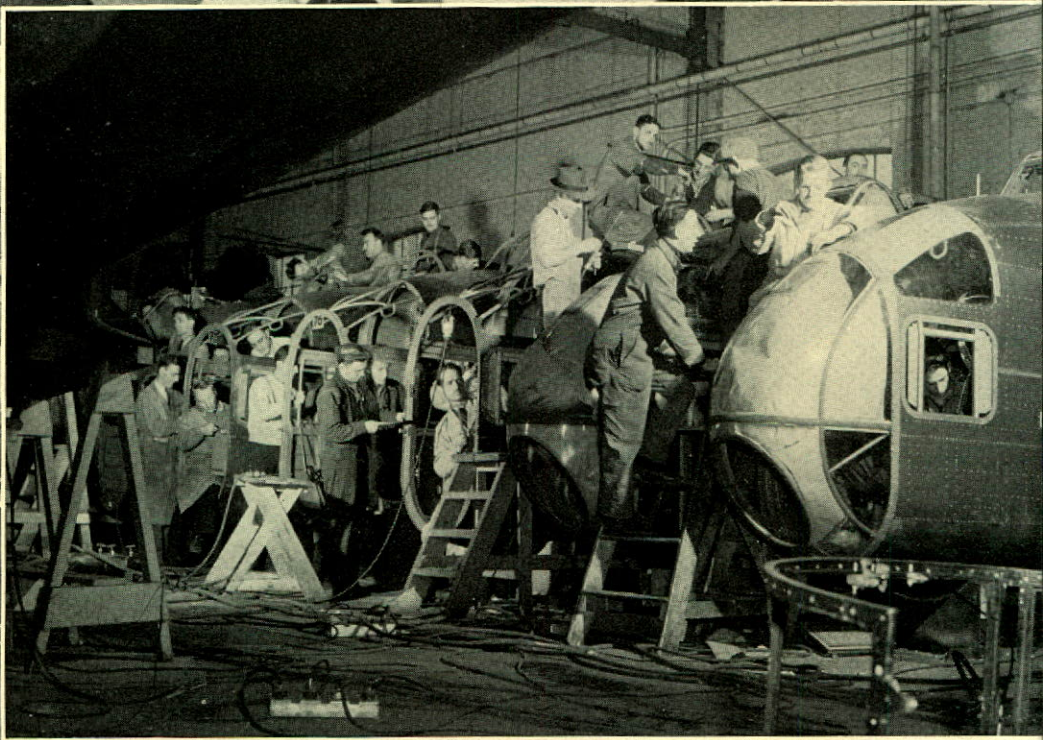
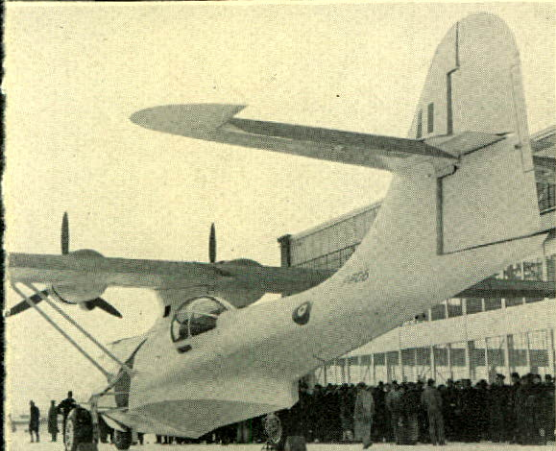
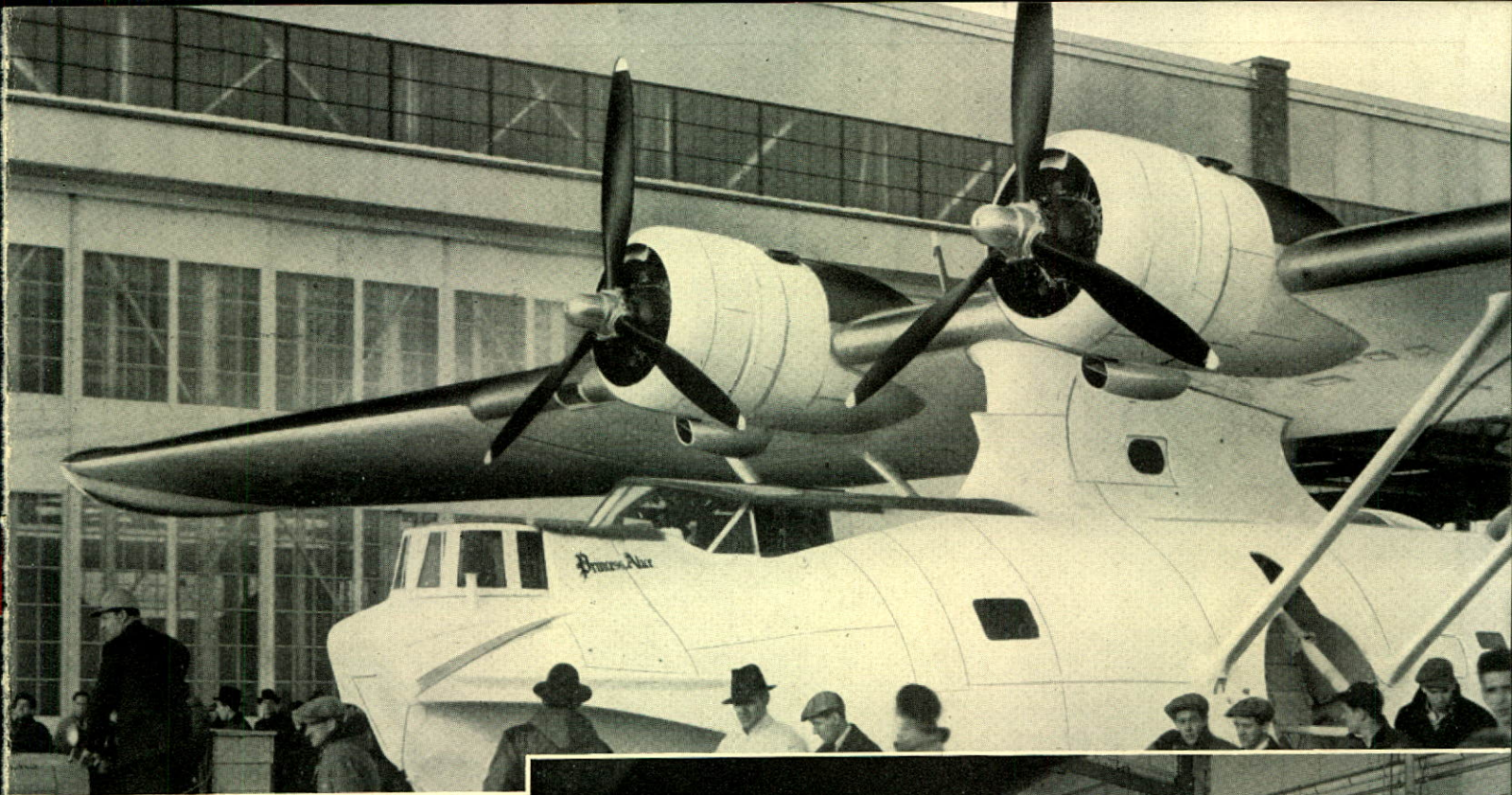
Guarantee of Principal and Interest of \$564,500.00—6% Bonds due 1948 of Montreal Dry Docks Ltd. wholly owned Subsidiary.
Certain Fixed Assets used by the Company in its operations are owned by the Government of the Dominion of Canada and are therefore not included in the above Balance Sheet.

Signed on behalf of the Board of Directors,
(Signed) J. EDOUARD LABELLE, K.C.
J. McL. STEPHEN

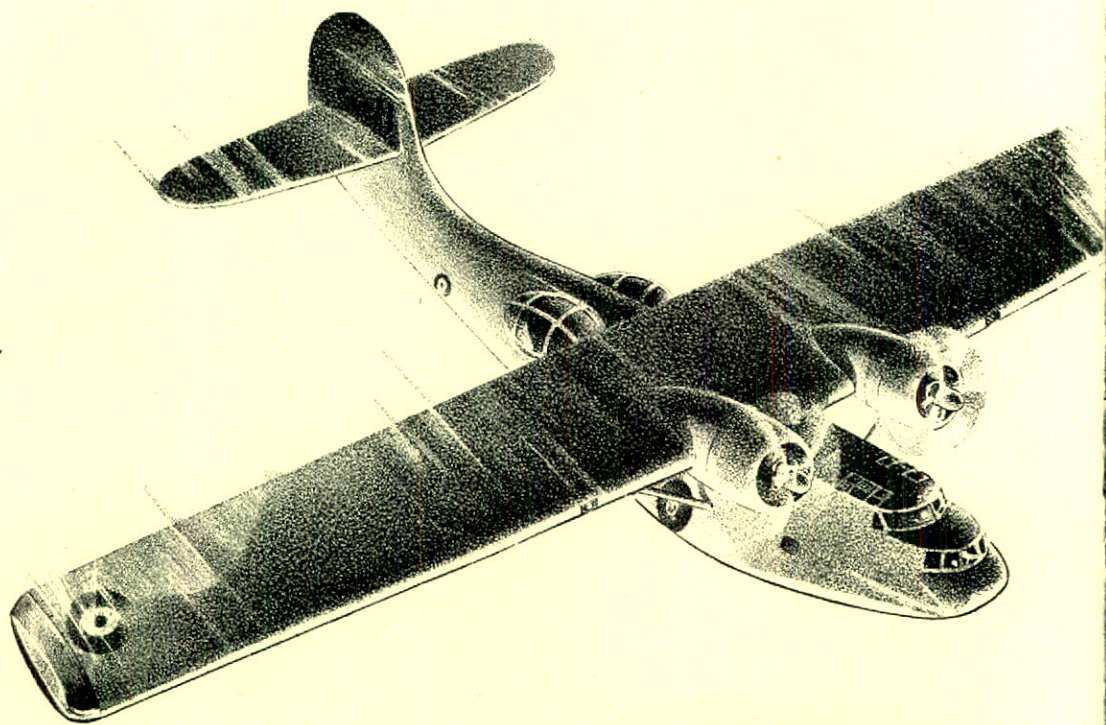
Statement of Income and Expenditure for the year ended 28th February, 1943

{With comparative figures for the previous year}

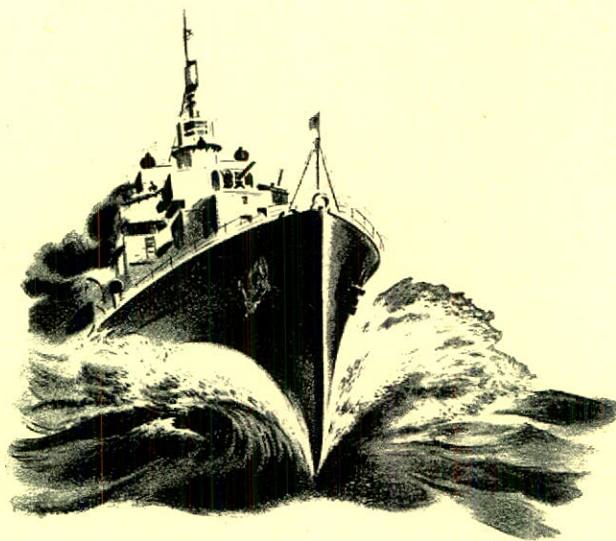
	As at February 28th, 1943		As at February 28th, 1942	
Net Operating Profit for Year ended 28th February, 1943, before taking into account the items shown below.....		\$3,545,888.11		\$4,391,578.70
LESS				
Bond Interest, including interest on Arrears.....	\$ 204,116.60		\$ 171,360.14	
Depreciation and Amortization.....	1,061,335.93		742,522.14	
Directors' Fees.....	3,665.11		4,700.00	
Provision for Income and Excess Profits Taxes (including refundable portion of Excess Profits Tax \$218,230.00)—estimated.....	1,701,379.00		.....
Loss on Disposal of Discarded Assets.....	55,018.81		.....
Reserves for Doubtful Accounts and Inventories.....	.....		375,000.00	
Provision for Income and Excess Profits Taxes—estimated.....	.....	3,025,515.45	2,300,000.00	3,593,582.28
		520,372.66		797,996.42
Income from Investments.....	26,699.15		2,133.34	
LESS Loss on Sale of Investments.....	125.00	26,574.15	31.25	2,102.09
Net Profit for Year.....		546,946.81		800,098.51
Deficit as at 28th February, 1942.....	601,453.95		1,248,550.40	
ADD Adjustment of Provincial Income Tax.....	\$ 5,039.44		.....
Income and Excess Profits Taxes for 1940-41—estimated.....	.....		131,725.76	
Other Net Adjustments applicable to prior years.....	26,419.28	31,458.72	21,276.30	153,002.06
		632,912.67		1,401,552.46
Deficit as at 28th February, 1943, as per Balance Sheet.....	\$ 85,965.86			\$ 601,453.95
Remuneration of Executive Officers and Legal Advisers of the Company included in Operating Expenses amounts to.....	\$ 34,074.05			\$ 28,359.56



If it Flies



or Floats



V I C K E R S C A N B U I L D I T . . .

