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CANADIAN VICKERS  
LIMITED

ANNUAL REPORT  
FOR THE YEAR ENDED  
FEBRUARY 29<sup>TH</sup>, 1948

*Notice of*  
*Annual General Meeting*  
OF SHAREHOLDERS

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## DIRECTORS

ERNEST BEAUPRE, C.A.  
*Montreal, P.Q.*

C. A. CATHERS  
*Newmarket, Ont.*

H. C. FLOOD  
*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.*

T. R. McLAGAN  
*Montreal, P.Q.*

J. L. RALSTON, K.C.  
*Montreal, P.Q.*

J. W. SAVIDANT  
*Montreal, P.Q.*

H. V. SHIPLEY  
*Toronto, Ont.*

J. McL. STEPHEN  
*Montreal, P.Q.*

## OFFICERS

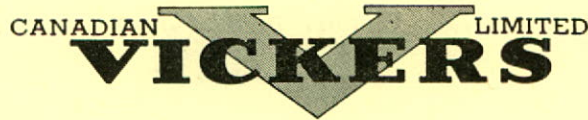
J. EDOUARD LABELLE, K.C.  
*President*

J. McL. STEPHEN  
*Vice-President*

T. R. McLAGAN  
*Vice-President and General Manager*

J. W. SAVIDANT  
*Comptroller, Secretary and Treasurer*





## ANNUAL GENERAL MEETING OF SHAREHOLDERS

4970 Notre Dame Street East,  
Montreal, Quebec

Monday, June 14th, 1948, at 10.30 a.m. (E.D.S.T.)

### NOTICE

Notice is hereby given that the Annual General Meeting of the Shareholders of Canadian Vickers, Limited, will be held at the Head Office of the Company, 4970 Notre Dame Street East, Montreal, Quebec, on Monday the 14th day of June, 1948, at the hour of 10.30 o'clock in the forenoon (Eastern Daylight Saving Time) for the following purposes, that is to say:

1. To receive, consider and, if deemed fit, approve the balance sheet, general statement of income and expenditure, statement of surplus, report of the Auditors and report of the Directors of the Company for the fiscal period ended February 29th, 1948.
2. To elect Directors.
3. To consider and, if deemed fit, to sanction amendment to By-Law No. 9 of the By-Laws of the Company providing in effect that the Executive Committee of the Company consist of six instead of five members of the Board of Directors.
4. To appoint Auditors and to fix or to authorize the Board of Directors to fix their remuneration.
5. To transact such other business as may properly come before the Meeting.
6. To adjourn the meeting from time to time and from place to place, with or without notice, in such manner as the Meeting may determine.

If you are unable to attend the Meeting would you please complete the attached form of Instrument of Proxy and return the same to the Secretary, Canadian Vickers, Limited, 4970 Notre Dame Street East, Montreal. The stamped self-addressed envelope enclosed herewith may be used for such purpose.

In order to be valid for use at the Meeting all Instruments of Proxy must be deposited with the Secretary of the Company at 4970 Notre Dame Street East, Montreal, Quebec, not later than 10.30 o'clock in the forenoon (Eastern Daylight Saving Time) on the twelfth day of June, 1948.

By Order of the Board of Directors,

J. W. SAVIDANT,  
*Secretary.*

Montreal, Quebec,  
May 7th, 1948.

*Annual Report of the Directors*  
*of*  
CANADIAN VICKERS, LIMITED

FISCAL YEAR ENDED FEBRUARY 29th, 1948

TO THE SHAREHOLDERS:

On behalf of your Directors I have the honour to submit your Company's Annual Report, together with the Balance Sheet and Profit and Loss Account, duly certified by the Company's Auditors, Messrs. Deloitte, Plender, Griffiths & Company, covering operations for the fiscal year ended February 29th, 1948.

Profits on operations, including subsidy income, amounted to \$960,081.93 to which has been added \$19,142.02, being the net income from miscellaneous sources, making a total of \$979,223.95. After deducting depreciation and providing for estimated income taxes, the net profit amounts to \$470,900.41.

The Federal Government income tax assessments have been received up to and including the fiscal year ended February 28th, 1946. Adequate provision for these assessments had already been set up in your Company's accounts.

The Net Working Capital amounts to \$3,668,743.93. This is an increase of approximately \$86,000.00 over the figure at the end of the previous fiscal year.

The surplus balance of \$1,789,356.53 shows a decrease of \$173,598.47 from that of last year. Several adjustments have been made in this account, including a charge for past service pensions under the Retirement Income Plan which has been established for salaried employees. Other adjustments were also made on account of ship contracts which, when made, appeared to be profitable but which, due mainly to delays in the delivery of materials by suppliers and component parts by sub-contractors, did not answer the expectations of your Management.

Your Company is still experiencing difficulty in obtaining basic materials in required quantities and, therefore, cannot complete orders with the speed and efficiency which it is felt to be desirable.

Shipbuilding and engineering have become more competitive since the end of the war, but your Company has obtained a fair share of the work offering in both industries. The orders in hand at the end of the fiscal year ended February 29th, 1948 amounted to \$15,845,000.00 and include the balance of the ship contracts for the French Government and for a South American Company. The competition in shipbuilding experienced by your Company, both from within and outside of Canada, makes it difficult for your Management to forecast the future of the industry with any degree of certainty.



Some new lines of manufacture have been established, principally tractors and chemical apparatus, and orders for these products are expected to be of value in improving your Company's position in the industrial field. Further new items of engineering equipment are being studied, and every effort is being made to develop additional lines to supplement the present activities.

During the year a new Company, Vickers-Vulcan Process Engineering Company Limited, was formed by your Company and Vulcan Copper and Supply Company of Cincinnati, Ohio, U.S.A., for the purpose of entering the chemical process industry field. The process design and engineering data is being supplied by Vulcan Copper and Supply Company, and the production of equipment by your Company. So far, the new company has obtained an order for the design and supply of a large plant for obtaining alcohol from sulphite waste liquor, which contract is being successfully progressed. It is hoped that further important work in this field will be developed.

The contributory Retirement Income Plan for salaried staff employees mentioned in the last Annual Report is in full operation according to the conditions of the plan with excellent results in improving the *esprit de corps* of the organization.

During the fiscal year your Directors have been in close touch with preferred and common shareholders of the Company and have received various suggested plans of reorganization. These suggestions have been given the closest attention of your Board and its legal advisers and are still being discussed. It is hoped that within the reasonably near future it may be possible to place before the preferred and common shareholders a plan of Compromise and Arrangement which will be acceptable to the Company and to all classes of shareholders.

Current dividends at the rate of 7% per annum on the preferred stock of your Company were paid during the fiscal year under review.

It is with deep regret that I have to report the passing during the year of Mr. W. L. Bayer, one of our very able Directors, whose extensive experience in business proved most valuable to his colleagues. His place on the Directorate has been taken by Mr. H. V. Shipley of Toronto, a prominent industrialist.

On behalf of the Directors I express their appreciation of the loyal and efficient services rendered to the Company by the staff and personnel generally. The many operating problems which confronted your Company during the past fiscal year were met and overcome due largely to the splendid spirit of co-operation of all the Company's employees.

J. EDOUARD LABELLE,  
*President.*

# CANADIAN VICKERS, LIMITED

## Balance Sheet as at February 29th, 1948

(With comparative figures for the previous year)

	As at February 29th, 1948	As at February 28th, 1947
<b>CURRENT ASSETS:</b>		
Cash on Hand and in Bank .....	\$ 40,871.66	\$ 1,458,248.67
Dominion of Canada Bonds (at market value) .....		1,283,588.23
Accounts Receivable (less Reserve) .....	1,408,872.63	1,298,386.38
Due by wholly owned Subsidiary Company Current Account .....	8,286.78	18,014.45
Work in Progress at cost plus estimated profit, less amounts invoiced .....	\$ 2,743,981.90	\$ 408,228.11
Inventory of Finished Stock, Stores and Supplies, certified to by responsible Officials of the Company as to quantities and as to values which are the lower of cost or market (less reserve) .....	1,932,729.87	1,333,664.06
Department of Public Works—Subsidy Accrued .....	4,676,711.77 16,153.96	1,741,892.17 16,153.96
<b>TOTAL CURRENT ASSETS</b> .....	<b>6,150,896.80</b>	<b>5,816,283.86</b>
Dominion of Canada Bonds, Prepayment in Trust on Contracts, per contra .....		1,263,805.00
Employees Canada Savings Bond Trust Funds, per contra .....	144,730.89	156,414.18
<b>DEFERRED CHARGES:</b>		
Prepaid Taxes, Insurance and other expenditures made on account of future business .....	77,698.30	126,398.84
<b>INVESTMENT IN AND ADVANCES to wholly owned Subsidiary Company—</b>		
Investment .....	1.00	1.00
Advances .....	512,531.99	543,982.71
Funds provided towards redemption of that Company's Bonds on August 1st, 1946 .....	250,000.00	322,731.46
	762,532.99	866,715.17
<b>OTHER INVESTMENTS:</b>		
Investment in Engineering Co. ....	4,900.00	
<b>REFUNDABLE PORTION OF EXCESS PROFITS TAXES (estimated).</b>		
749,131.79	749,131.79	
Less Assigned against liability for purchase of Capital Assets payable on or before March 31st, 1951 .....	412,079.61	
	337,052.18	
<b>FIXED ASSETS:</b>		
Buildings, Floating Dock, Plant and Equipment .....	9,036,228.30	8,566,948.15
Leasehold .....	600,000.00	600,000.00
As per valuation of Coverdale & Colpitts dated September 30th, 1927, with subsequent additions at cost, less retirements .....	9,636,228.30	9,166,948.15
Less Depreciation Reserve .....	6,327,829.09	6,082,815.79
	3,308,399.21	3,084,132.36
	<u>\$10,786,210.37</u>	<u>\$12,062,881.20</u>

To the SHAREHOLDERS,  
CANADIAN VICKERS, LIMITED:

We have examined the books and accounts of Canadian Vickers, Limited for the year ended February 29th, 1948 and have obtained all the information and explanations we have required.

In our opinion the above Balance Sheet as at February 29th, 1948 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.

Pursuant to Section 114 of the Dominion Companies Act we report that the profits of the wholly owned Subsidiary Company, Montreal Dry Docks Limited, for its financial year ended December 31st, 1947 have been carried forward in the Balance Sheet of that Company and no amount has been included in the above accounts in respect thereof.

(Signed) DELOITTE, PLENDER, GRIFFITHS & CO.,  
Chartered Accountants, Auditors.

231 ST. JAMES STREET, MONTREAL.  
MAY 6TH, 1948.



# CANADIAN VICKERS, LIMITED

## Balance Sheet as at February 29th, 1948

(With comparative figures for the previous year)

### LIABILITIES

	As at February 29th, 1948	As at February 28th, 1947
<b>CURRENT LIABILITIES:</b>		
Accounts Payable, including provision for Contracts Adjustment.....	\$ 2,010,038.33	\$ 1,785,864.84
Sundry Taxes Payable.....	25,431.83	92,970.68
Reserve for Income and Excess Profits Taxes (estimated).....	446,682.71	354,664.84
<b>TOTAL CURRENT LIABILITIES.....</b>	<b>2,482,152.87</b>	<b>2,233,500.36</b>
Liability in respect of Prepayment in Trust on Contracts per contra.....		1,263,805.00
Employees Canada Savings Bond Trust Funds, per contra.....	144,730.89	156,414.18
Reserve for Advances to wholly owned Subsidiary Company.....	762,531.99	835,263.45
<b>RESERVES:</b>		
Miscellaneous.....	443,306.30	446,811.42
<b>CAPITAL STOCK:</b>		
7% Cumulative Redeemable Preferred Stock:		
Authorized 50,000 shares of \$100.00 each.....	\$ 5,000,000.00	
Issued 20,000 shares of \$100.00 each.....	2,000,000.00	\$ 2,000,000.00
Arrears of dividend from October 31st, 1929 to January 31st, 1947 amount to \$2,227,083.59.		
Common Stock—No Par Value:		
Authorized 100,000 Shares.		
Issued 53,000 Shares.....	2,415,000.00	2,415,000.00
	4,415,000.00	4,415,000.00
Surplus as per statement attached.....	1,789,356.53	1,962,955.00
	6,204,356.53	6,377,955.00
<b>DEFERRED SURPLUS:</b>		
Refundable portion of Excess Profits Taxes (estimated).....	749,131.79	749,131.79
	<u>\$10,786,210.37</u>	<u>\$12,062,881.20</u>

Signed on Behalf of the Board,

(Sgd.) J. EDOUARD LABELLE, }  
T. R. McLAGAN, } Directors.

# CANADIAN VICKERS, LIMITED

## Statement of Income and Expenditure

FOR THE YEAR ENDED FEBRUARY 29th, 1948

(With comparative figures for the previous year)

	Year ended February 29th, 1948	Year ended February 28th, 1947
Operating Profit for year ended February 29th, 1948, before taking into account the items shown below .....	\$ 861,231.93	\$1,485,370.97
Subsidy Income .....	105,000.00	105,000.00
	<u>966,231.93</u>	<u>1,590,370.97</u>
<i>Less—</i>		
Bond Interest .....		\$ 60,926.85
Depreciation .....	\$ 263,811.57	289,788.57
Directors' Fees .....	6,150.00	2,625.00
Provision for Income and Excess Profits Taxes (estimated) ..	244,511.97	868,892.27
	<u>514,473.54</u>	<u>1,222,232.69</u>
	451,758.39	368,138.28
<i>Add—</i>		
Interest earned and Income from Investments .....	37,721.59	140,285.61
Profit on Disposal of Capital Assets .....	5,371.31	135.61
	<u>43,092.90</u>	<u>140,421.22</u>
	494,851.29	508,559.50
<i>Less—</i>		
Net Loss on Realization of Investments .....	23,950.88	958.77
Net Profit for year .....	<u>\$ 470,900.41</u>	<u>\$ 507,600.73</u>
Remuneration of Executive Officers and Legal Advisers of the Company included in Operating Expenses .....	\$ 69,645.00	\$ *69,610.07

\*Adjusted for Comparative Purposes.

### SURPLUS ACCOUNT AS AT FEBRUARY 29th, 1948

Balance forward March 1st, 1947 .....	\$1,962,955.00
<i>Less—</i>	
Cost of Past Service Pensions .....	\$ 343,204.30
Proportion of results on shipbuilding contracts pertaining to prior years, less recovery of taxes applicable thereto ..	219,312.26
Adjustments prior years .....	14,713.78
	<u>577,230.34</u>
	1,385,724.66
<i>Add—</i>	
Portion of Reserve for advances to wholly owned subsidiary no longer required .....	72,731.46
	<u>1,458,456.12</u>
<i>Add—</i>	
Net Profit for the year ended February 29th, 1948 .....	470,900.41
	<u>1,929,356.53</u>
<i>Less—</i>	
Dividends on Preferred Shares .....	140,000.00
Balance at February 29th, 1948, as per Balance Sheet .....	<u>\$1,789,356.53</u>

