

Corporate

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# ANNUAL REPORT ANNUAL

FEBRUARY

1947

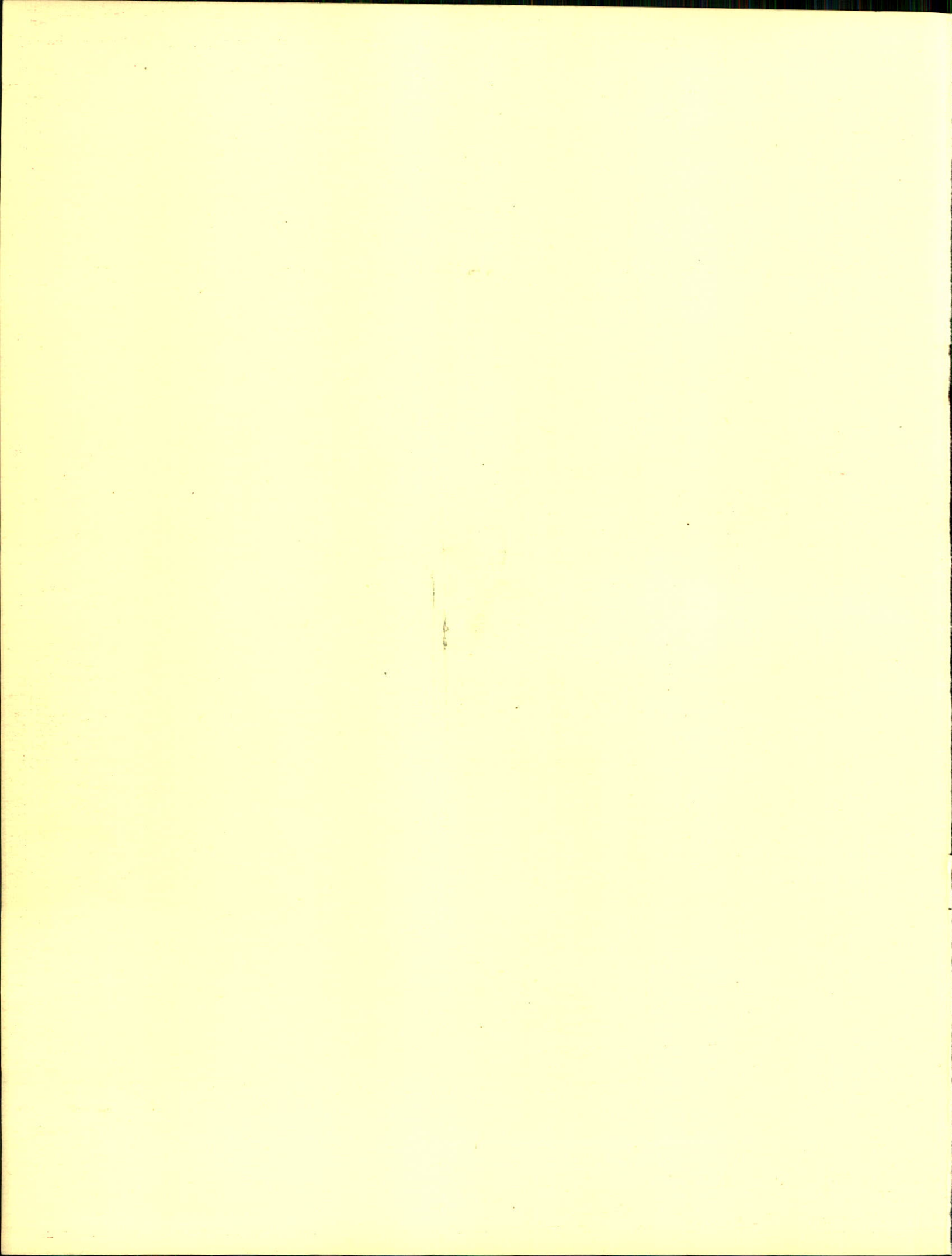
CANADIAN VICKERS LIMITED

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**TO THE  
SHAREHOLDERS OF CANADIAN VICKERS LIMITED**



FOR THE YEAR ENDED FEBRUARY 28,

**1947**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD JUNE 18**



## DIRECTORS

W. L. BAYER  
*Montreal, P.Q.*

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

H. C. FLOOD  
*Montreal, P.Q.*

LIONEL A. FORSYTH, K.C.  
*Montreal, P.Q.*

G. E. D. GREENE  
*Toronto, Ont.*

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.*

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

## OFFICERS

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

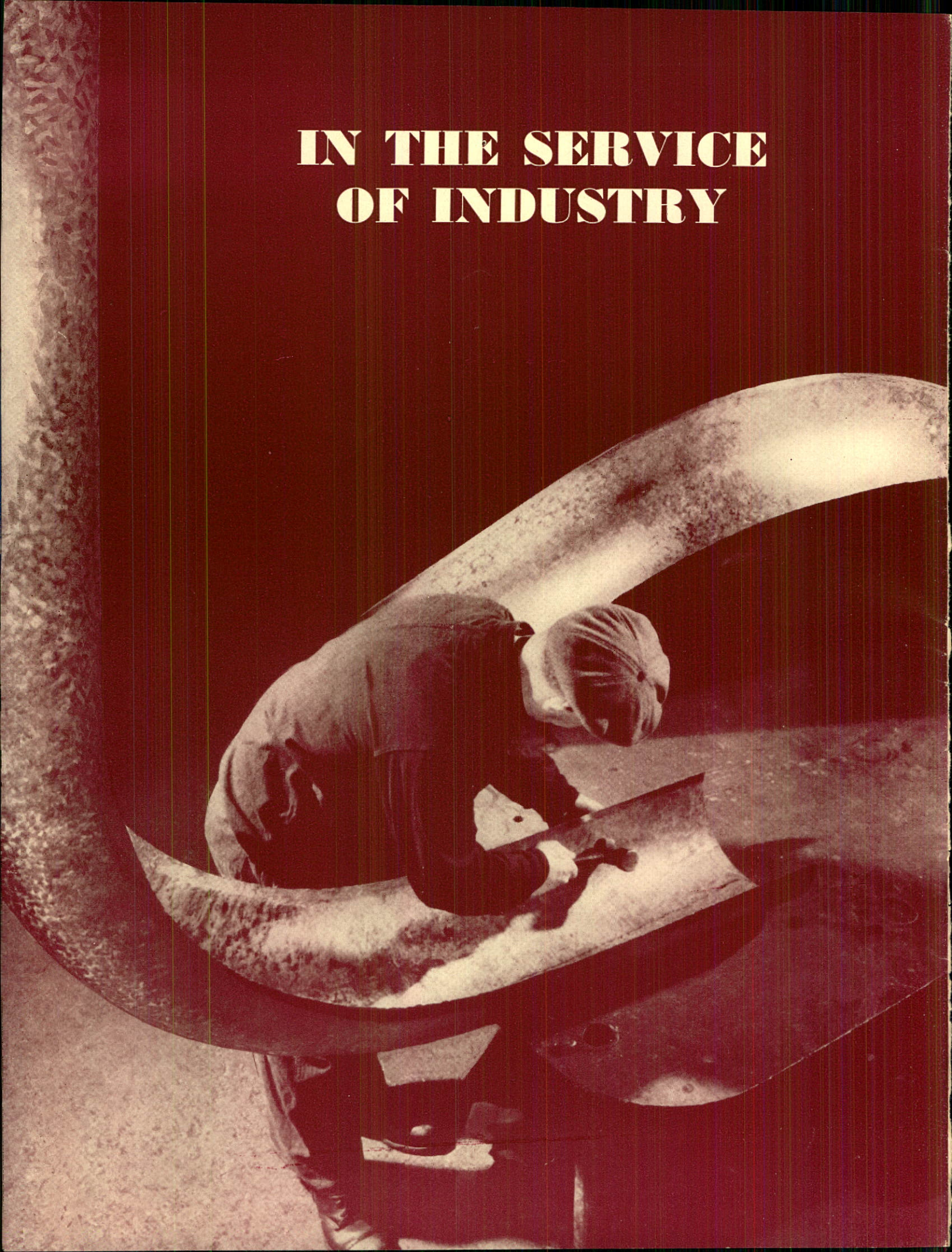
J. McL. STEPHEN  
*Vice-President*

W. L. BAYER  
*Vice-President*

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

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

**IN THE SERVICE  
OF INDUSTRY**





## ANNUAL GENERAL MEETING OF SHAREHOLDERS

4970 Notre Dame Street East,  
Montreal, Quebec

Wednesday, June 18th, 1947, 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 Wednesday the 18th day of June, 1947, 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 28th, 1947.
2. To elect Directors.
3. To consider and, if deemed fit, to sanction amendment to By-Law No. 6 of the By-Laws of the Company providing in effect that all proxies must be deposited with the Secretary of the Company at its Head Office at least forty-eight hours before the time of the meeting, if and when the notice calling such meeting shall so provide, and any proxy not so deposited shall not be valid nor confer any voting or other rights at said meeting.
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 sixteenth day of June, 1947.

By Order of the Board of Directors,

J. W. SAVIDANT,  
*Secretary.*

Montreal, Quebec,  
June 2nd, 1947.



*600-gallon Gin Still made in your  
company's copper shop.*



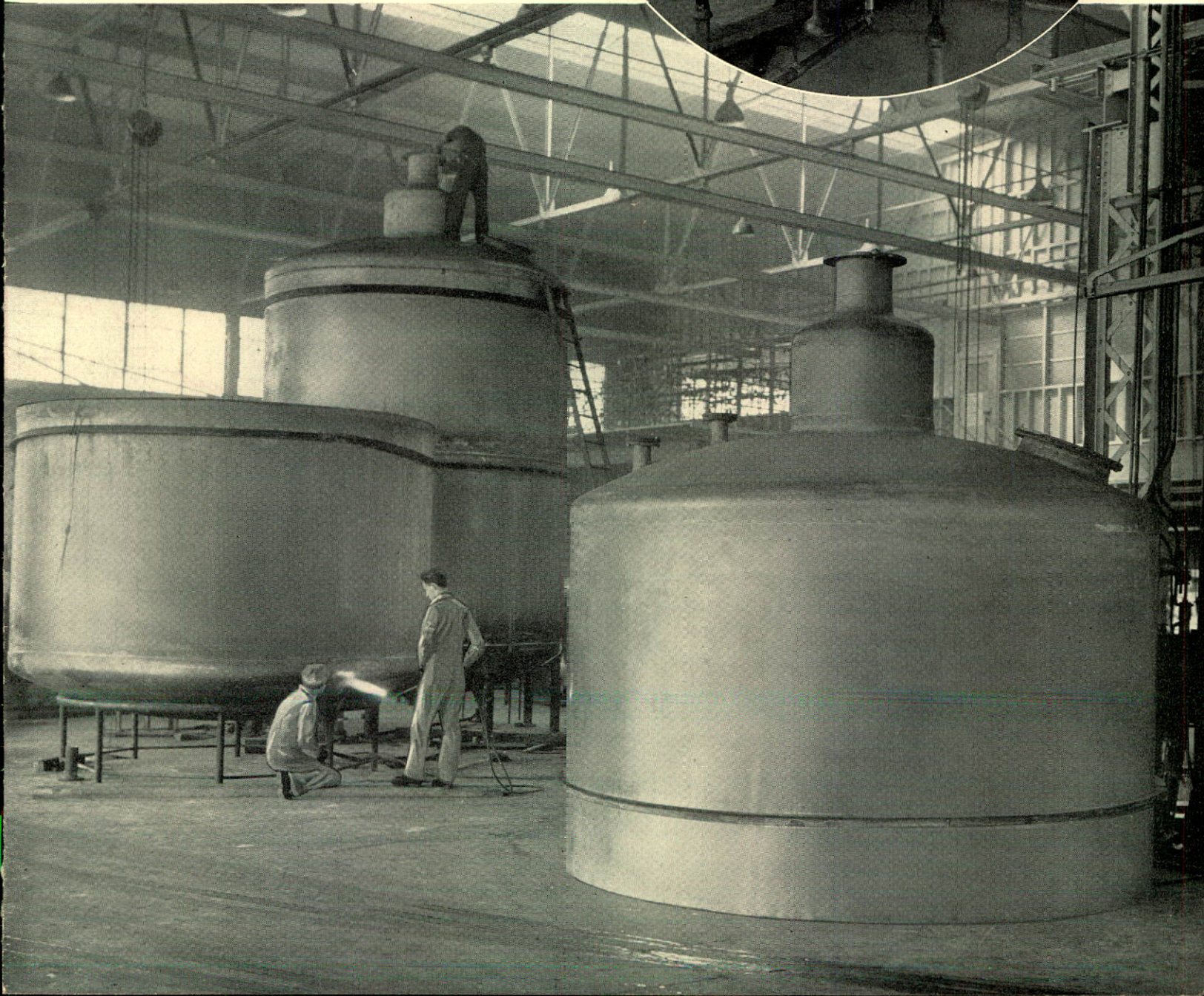
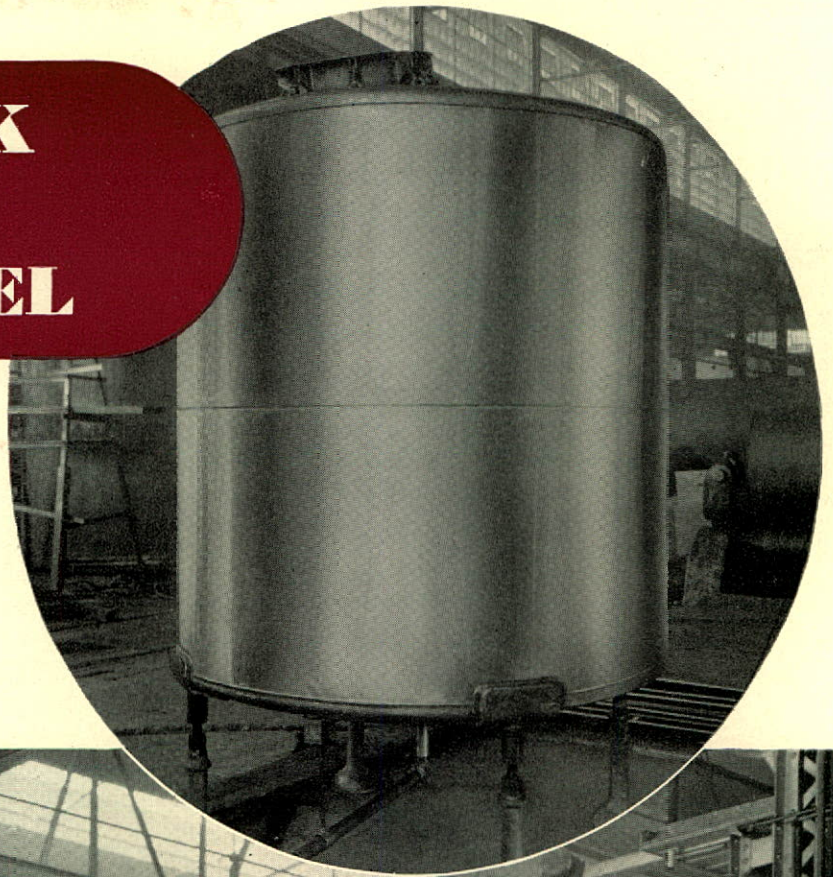
# COPPER WORK and STAINLESS STEEL

*This division is assuming importance in  
your company's operations.*

*Here is a Stainless Steel Tank made in the  
Vickers Shop.*

★ ★ ★

*A general view of the Copper Shop showing  
three copper tanks being fabricated.*



# ANNUAL REPORT OF THE DIRECTORS

*Fiscal Year Ended February 28th, 1947*

## 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 your Company's auditors, covering operations for the fiscal year ended February 28th, 1947.

The past year was, for the Management, one of the most difficult since 1940. Whilst your Company has been free of labour discord, other problems have been prevalent in the way of shortages of essential materials, which feature was further aggravated by the inability of sub-contractors to supply necessary components in quantity and in time. These difficulties made it impossible to maintain our estimated production schedules and, as they continue into the current year, their full impact yet remains to be realized. I trust you will have these conditions in mind when considering the results for the year.

Profits on operations, plus final balance of profits arising out of the Aircraft Division settlement, etc., and including Subsidy Income, amounted to \$1,590,370.97, to which there is to be added the sum of \$75,910.60, being the net of miscellaneous credits and debits as shown in the Profit and Loss Account, resulting in a total of \$1,666,281.57. After deducting depreciation in the amount of \$289,788.57, and Income and Excess Profits Taxes estimated at \$868,892.27, net profit stands at \$507,600.73. The tax figure appears high in relation to Profits and the explanation lies in the fact that the final balance of Aircraft Profits fell subject to tax rates in effect through the Company's year ended February 28th, 1945, the year during which your Company's withdrawal from the Aircraft business took place.

Federal Government's cost audits have now been completed and all outstanding matters pertaining to War contracts have been disposed of.

Net Working Capital at \$3,582,783.50 represents a drop of \$1,933,846.04 from that of a year ago. That is more than offset by the redemption on August 1st last of your Company's First Mortgage 20 year 6% Bonds, of which there was then outstanding \$2,288,000.00. In addition, funds to the extent of \$322,731.46 were advanced to your wholly owned subsidiary—Montreal Dry Docks Limited—to enable it to redeem on the same date its 20 year 6% First Mortgage Bonds of which there was then outstanding \$452,500.00. It will be recalled that your Company was the guarantor of both principal and interest of that issue.

Your Company has, during the past year, been engaged entirely on commercial orders of which, due in part to delays imposed upon production, your Company has on hand sufficient unfilled orders to carry it into 1948.

Whilst Shipbuilding, with its engines, boilers and other equipment, has been the principal item of production, other lines of engineering equipment have been secured and are meeting with reasonable success. Additional lines are being explored, all with the view of utilizing your Company's facilities to the greatest advantage possible in the event that the building of ships and the manufacture of their power plants and other equipment should grow dormant as happened in the pre-war years.

During the war years, the art of Shipbuilding was brought to a high degree of perfection in this Canada of ours, motivated by the force of war and involving substantial expenditure by the Federal Government and, as well, by the Shipyards. It would be lamentable if that development were allowed to once again *grow dormant*.

Competition in all lines is very keen, and it is imperative that every effort be devoted to obtaining the best attainable cost efficiency without lowering the quality of your Company's products.

Your Directors have established a Retirement Income Plan for salaried staff employees, assuring them of a measure of security at the retirement age of 65 years for males and 60 years for females. The amount required to meet past service benefits has been paid by your Company into a Trust Fund. The Plan is co-operative whereby future premiums' cost is shared by the members and your Company.

In my previous report, I mentioned that a plan of reorganization of the Capital structure would be submitted to the Shareholders. This was done at a special meeting held on January 9th, 1947, at which the plan was defeated. Since then, various discussions have been held but no new proposal has yet been evolved.

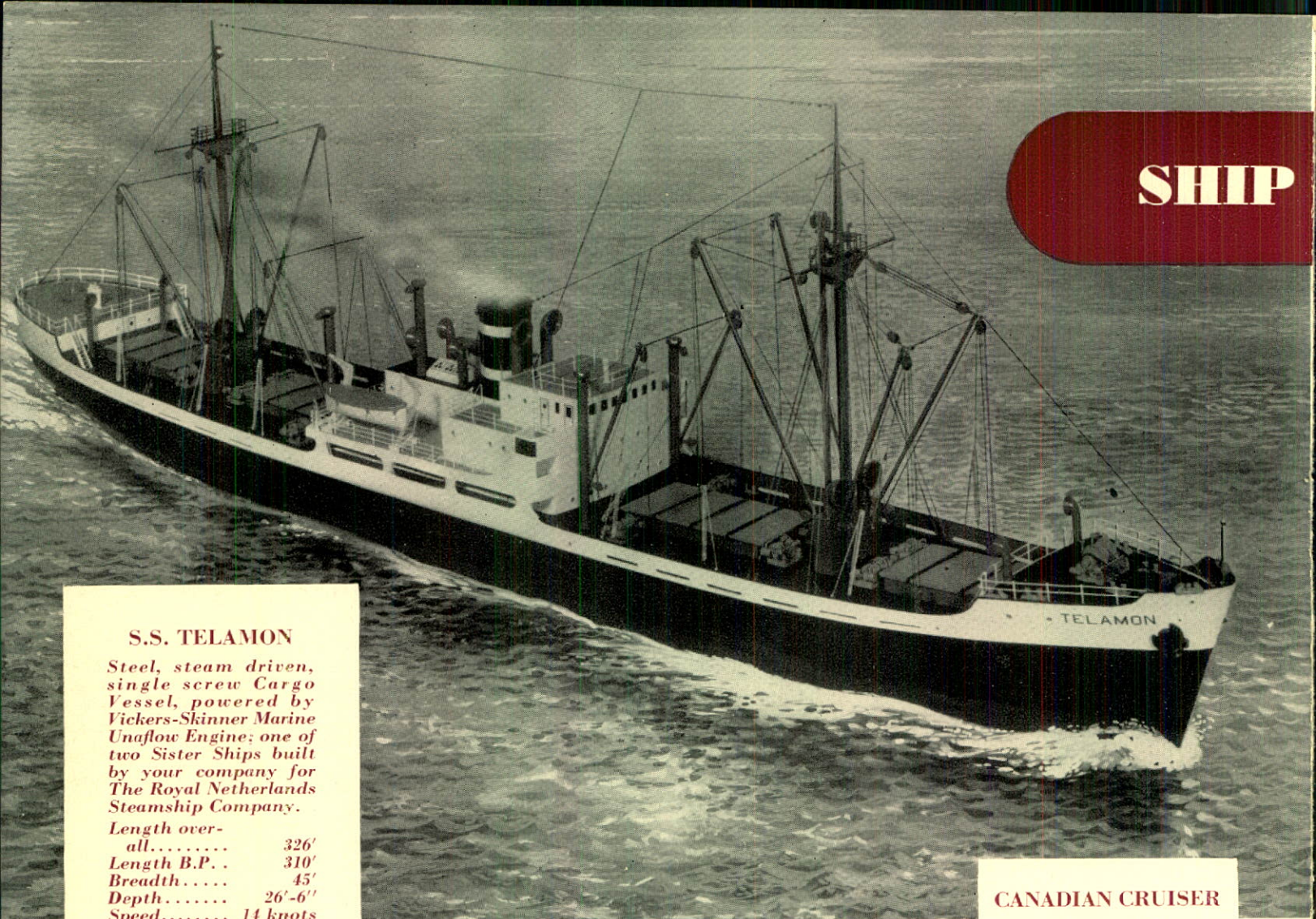
It is my pleasure to record that on May 1st, 1947, a dividend of  $1\frac{3}{4}\%$  was paid to the Preferred Shareholders for the quarter ended April 30th, 1947, which is the first such payment made since October 31st, 1929.

On behalf of the Directors, I express their appreciation of a loyal, efficient and co-operative staff and personnel generally. Without such qualities so freely offered, operating problems under past conditions would have been seriously aggravated.

Respectfully submitted,

J. EDOUARD LABELLE,  
*President.*

Montreal, June 2nd, 1947.



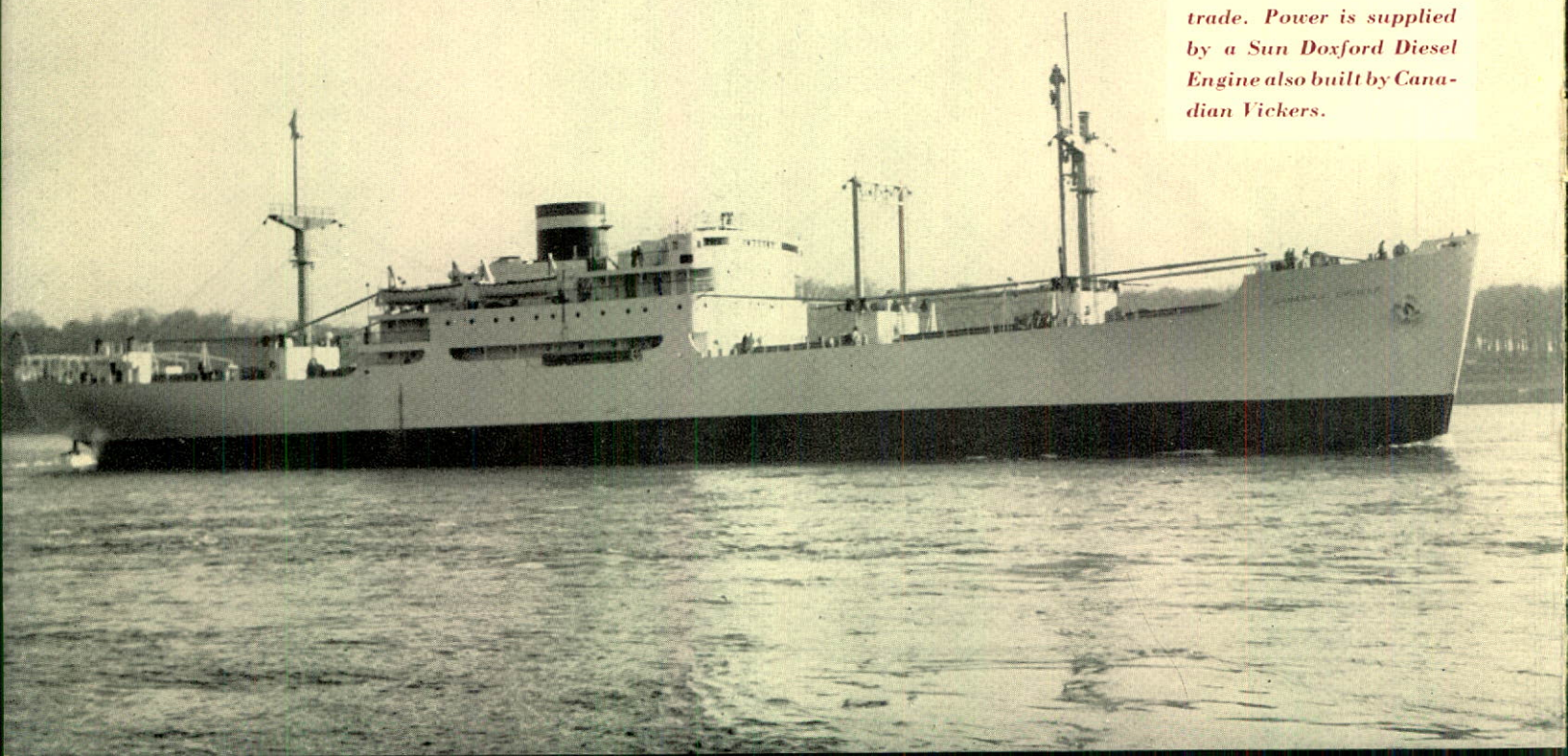
**S.S. TELAMON**

*Steel, steam driven, single screw Cargo Vessel, powered by Vickers-Skinner Marine Unaflo Engine; one of two Sister Ships built by your company for The Royal Netherlands Steamship Company.*

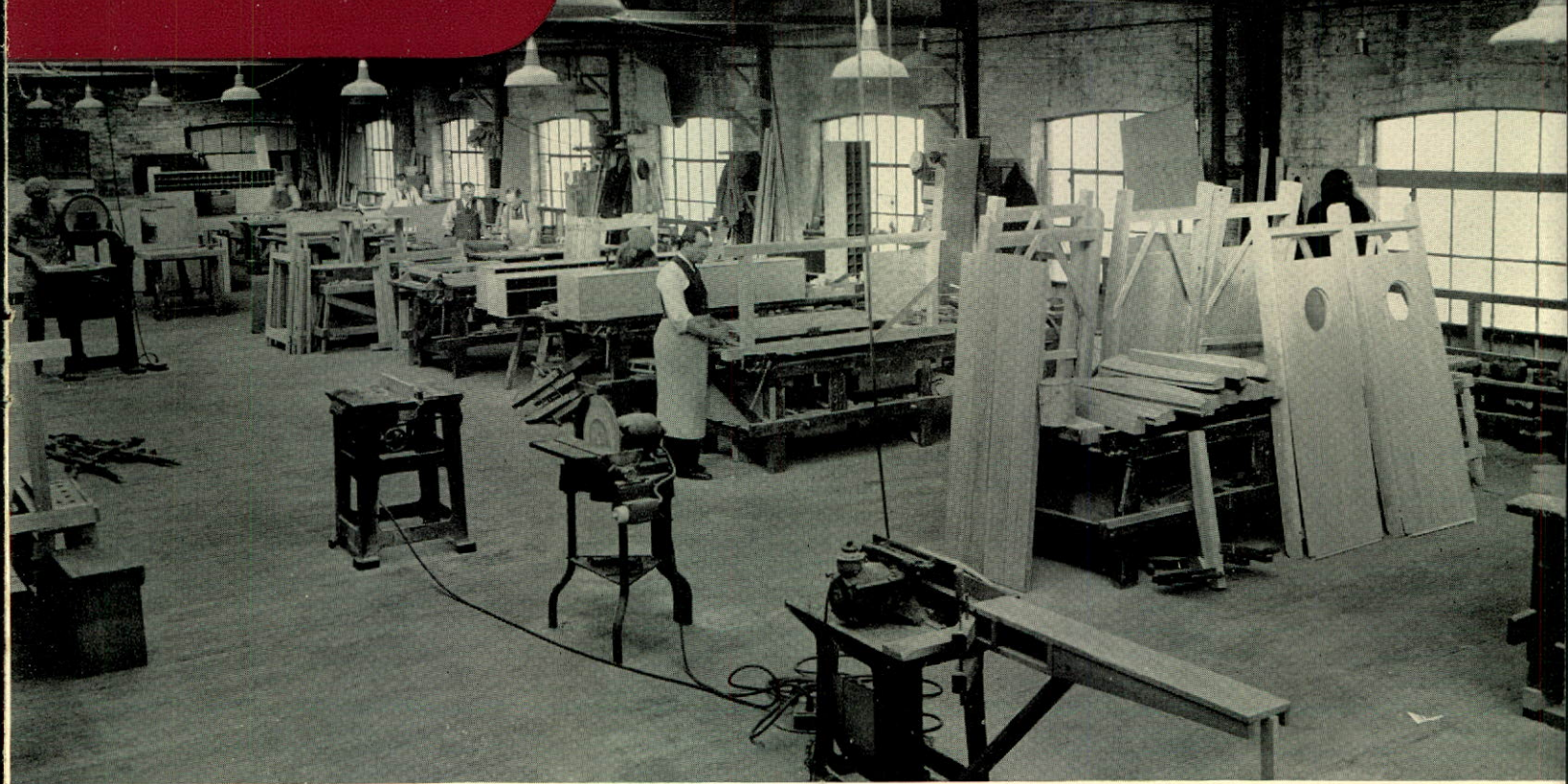
*Length over-  
all..... 326'  
Length B.P. . . 310'  
Breadth..... 45'  
Depth..... 26'-6"  
Speed..... 14 knots  
Deadweight..3,000 tons*

**CANADIAN CRUISER**

*On her trial run down the St. Lawrence. A combination Cargo and passenger vessel built by your Company for Canadian National Steamships, to be used in the West Indies trade. Power is supplied by a Sun Doxford Diesel Engine also built by Canadian Vickers.*

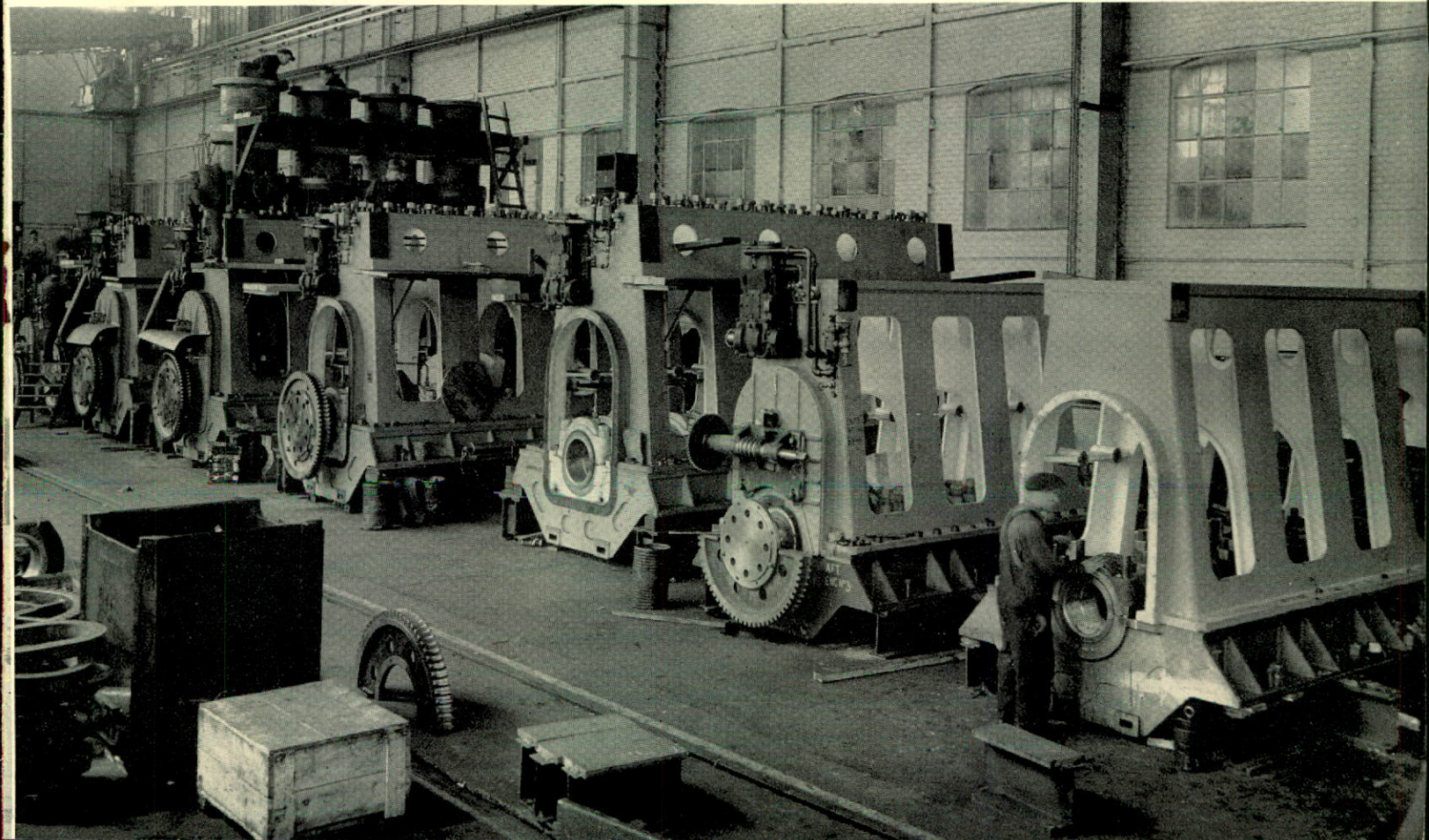


# BUILDING



*A section of our Joiners Shop, where the cabinet work for ships is completed, polished and made ready for installation.* ↗

*A portion of the Engine Shop showing several of the famous Vickers-Skinner Unaflow Marine Engines in various stages of construction.* ↘



# BALANCE SHEET AS AT 28th FEBRUARY, 1947

WITH COMPARATIVE FIGURES FOR THE PREVIOUS YEAR

## ASSETS

CURRENT ASSETS:	As at February 28th, 1947	As at February 28th, 1946
Cash on Hand and in Bank.....	\$ 1,458,248.67	\$ 1,762,129.02
Dominion of Canada Bonds (at Market Value).....	1,283,588.23	595,000.00
Accounts Receivable (less Reserve).....	1,298,386.38	6,618,029.94
Due by wholly owned Subsidiary Company Current Account.....	18,014.45	19,137.31
Work in Progress at cost plus estimated profit.....	\$19,283,262.95	
Less amounts invoiced.....	18,875,034.84	
	408,228.11	\$ 673,650.77
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 lower of cost or market (less Reserve).....	1,333,664.06	497,679.03
	1,741,892.17	1,171,329.80
Funds in hands of Trustees for Bondholders.....		4,000.00
Department of Public Works, Subsidy accrued.....	16,153.96	16,153.96
	5,816,283.86	10,185,780.03
<b>TOTAL CURRENT ASSETS.....</b>		
Dominion of Canada Bonds, Prepayment in Trust on Contracts, per Contra.....	1,263,805.00	
Employees Victory Loan and Canada Savings Bond Trust Funds, per Contra.....	156,414.18	262,623.17
Amount due under agreement from Subscribers to Capital Stock allotted.....		45,000.00
<b>DEFERRED CHARGES:</b>		
Prepaid Taxes, Insurance and other Expenditures made on account of future business.....	126,398.84	80,783.71
<b>INVESTMENT IN AND ADVANCES TO wholly owned Subsidiary Company—</b>		
Investment.....	1.00	1.00
Advances.....	543,982.71	512,531.99
Funds provided towards redemption of that Company's Bonds on 1st August, 1946.....	322,731.46	
	866,715.17	512,532.99
<b>OTHER INVESTMENTS:</b>		
Bonds of the Company purchased for Sinking Fund (at par).....		15,000.00
Sundry at Nominal Value.....		2.00
		15,002.00
<b>REFUNDABLE PORTION OF EXCESS PROFITS TAXES—(estimated).....</b>	749,131.79	691,729.76
<b>FIXED ASSETS:</b>		
Real Estate, Buildings, Floating Dock, Plant and Equipment.....	8,566,948.15	8,527,035.22
Leasehold.....	600,000.00	600,000.00
As per valuation of Coverdale & Colpitts dated 30th September, 1927 with subsequent additions at cost, less retirements.....	9,166,948.15	9,127,035.22
Less: Depreciation Reserve.....	6,082,815.79	5,794,649.89
	3,084,132.36	3,332,385.33
	\$12,062,881.20	\$15,125,836.99

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the Books and Accounts of your Company for the Year ended 28th February, 1947, and have obtained all the information and explanations required by us. The liabilities in connection with Income and Excess Profits Taxes are subject to final determination by the taxing authorities. Subject to the foregoing, the above Balance Sheet in our opinion is properly drawn up so as to exhibit a true and correct view 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, 9th May, 1947.

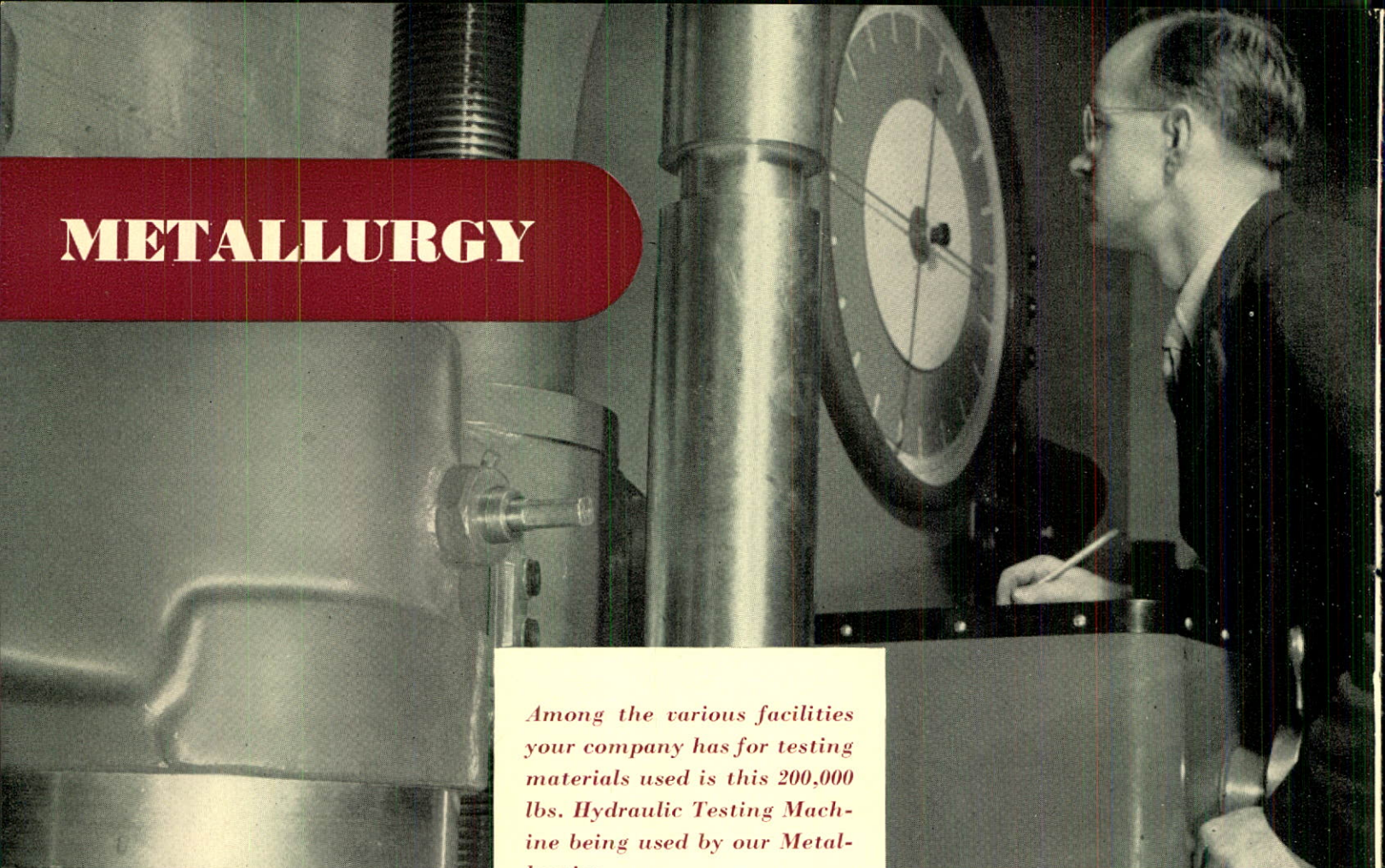
## LIABILITIES

	As at February 28th, 1947	As at February 28th, 1946
<b>CURRENT LIABILITIES:</b>		
Accounts Payable, including provision for Contracts adjustment.....	\$ 1,785,864.84	\$ 2,673,607.99
Sundry Taxes Payable.....	92,970.68	251,388.85
Reserve for Income and Excess Profits Taxes (estimated).....	354,664.84	1,744,153.65
<b>TOTAL CURRENT LIABILITIES</b> .....	<u>2,233,500.36</u>	<u>4,669,150.49</u>
Liability in respect of Prepayment in Trust on Contracts, per Contra.....	1,263,805.00	
Employees Victory Loan and Canada Savings Bond Trust Funds, per Contra.....	156,414.18	262,623.17
Reserve for Advances to wholly owned Subsidiary Company.....	835,263.45	965,031.99
<b>RESERVES:</b>		
Miscellaneous.....	446,811.42	447,036.42
<b>BONDED INDEBTEDNESS:</b>		
First Mortgage 20 Year 6% Bonds Series "A" (due 1st August, 1947)		
Authorized.....	<u>\$ 5,000,000.00</u>	
Issued.....	\$ 2,750,000.00	\$ 2,750,000.00
Less redeemed 28th February, 1946.....	<u>462,000.00</u>	<u>462,000.00</u>
Balance called for redemption, 1st August, 1946.....	<u>\$ 2,288,000.00</u>	Nil
		2,288,000.00
<b>CAPITAL STOCK:</b>		
<b>7% Cumulative Redeemable Preferred Stock:</b>		
Authorized 50,000 Shares of \$100 each.....	<u>\$ 5,000,000.00</u>	
Issued 20,000 Shares of \$100 each.....	2,000,000.00	2,000,000.00
Dividends paid to 31st October, 1929		
On 20th March, 1947, a Dividend of 1 $\frac{3}{4}$ % on the Cumulative Redeemable Preferred Stock was declared applicable to the Quarter 1st February, 1947, to 30th April, 1947.		
<b>Common Stock—No Par Value</b>		
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.....	<u>1,962,955.00</u>	<u>1,387,265.16</u>
	6,377,955.00	5,802,265.16
<b>DEFERRED SURPLUS:</b>		
Refundable Portion of Excess Profits Taxes— (estimated).....	749,131.79	691,729.76
	<u>\$12,062,881.20</u>	<u>\$15,125,836.99</u>

Approved on behalf of the Board of Directors,

J. EDOUARD LABELLE, K.C.  
J. McL. STEPHEN

# METALLURGY



*Among the various facilities your company has for testing materials used is this 200,000 lbs. Hydraulic Testing Machine being used by our Metallurgist.*

★ ★ ★

## HEAT TREATING DEPARTMENT

*where metals are tempered to the desired hardness.*





**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED  
28th FEBRUARY, 1947**

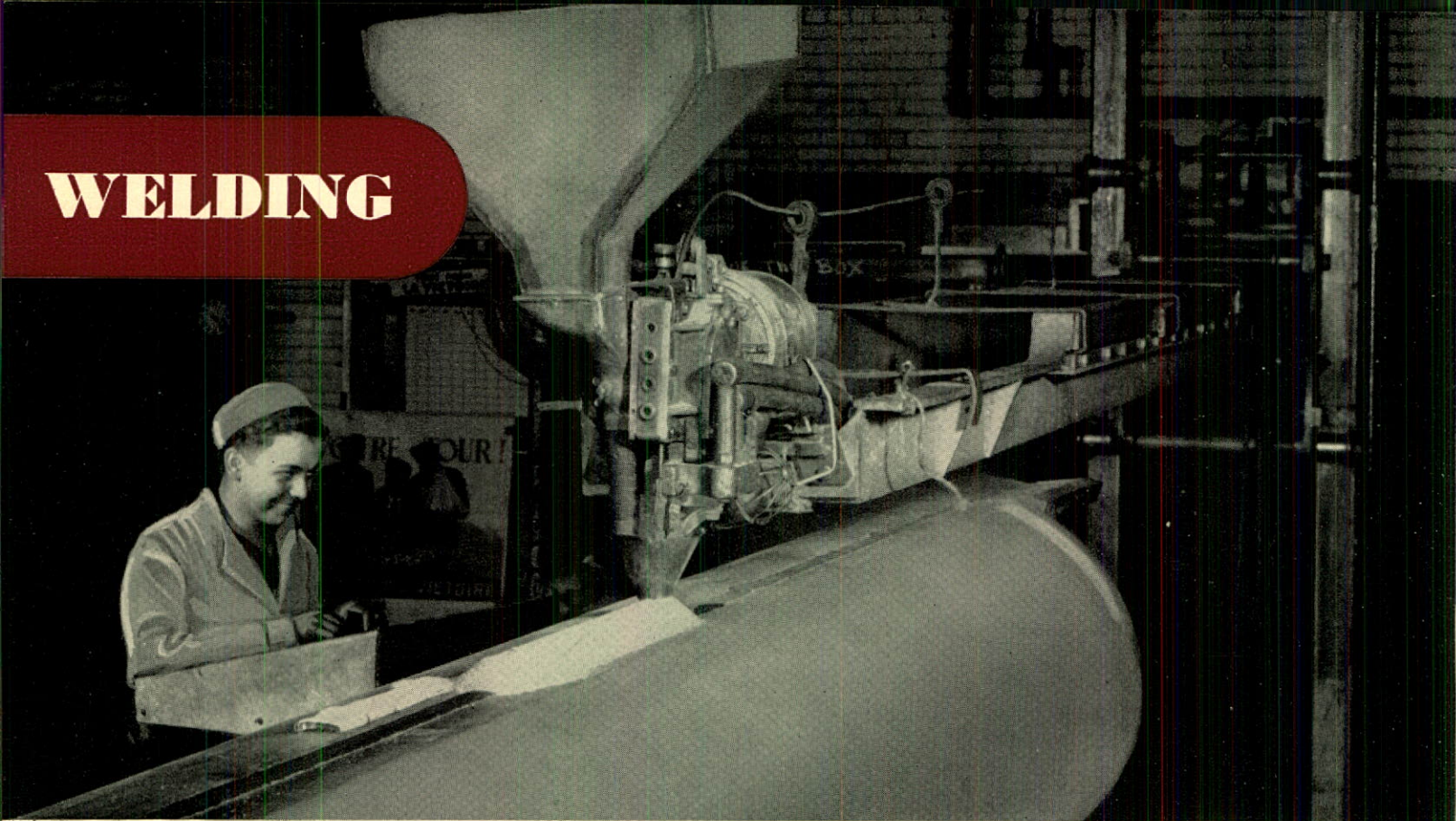
(With comparative figures for the previous year)

	As at February 28th, 1947	As at February 28th, 1946
Operating Profit for Year ended 28th February, 1947, before taking into account the items shown below, plus final profits arising out of Aircraft Division Settlement, etc.....	\$1,485,370.97	
Subsidy Income.....	105,000.00	
	1,590,370.97	\$2,751,583.65
<i>Less:</i> Bond Interest.....	\$ 60,926.85	\$ 155,052.42
Depreciation.....	289,788.57	175,438.07
Directors' Fees.....	2,625.00	1,450.00
Provision for Income and Excess Profits and Corporation Taxes (estimated).....	868,892.27	1,389,281.42
	1,222,232.69	1,721,221.91
	368,138.28	1,030,361.74
<i>Add:</i> Interest earned and Income from Investments..	140,285.61	37,981.34
Profit on Disposal of Capital Assets.....	135.61	620.56
Profit on Realization of Investment.....	140,421.22	27,005.40
	508,559.50	65,607.30
<i>Less:</i> Net loss on Valuation and Realization of Invest- ments.....	958.77	1,480.00
<b>NET PROFIT FOR YEAR.....</b>	<b>\$ 507,600.73</b>	<b>\$1,094,489.04</b>
Remuneration of Executive Officers and Legal Advisers of the Company included in Operating Expenses.....	\$ 43,259.93	\$ 51,282.22

**SURPLUS ACCOUNT AS AT 28th FEBRUARY, 1947**

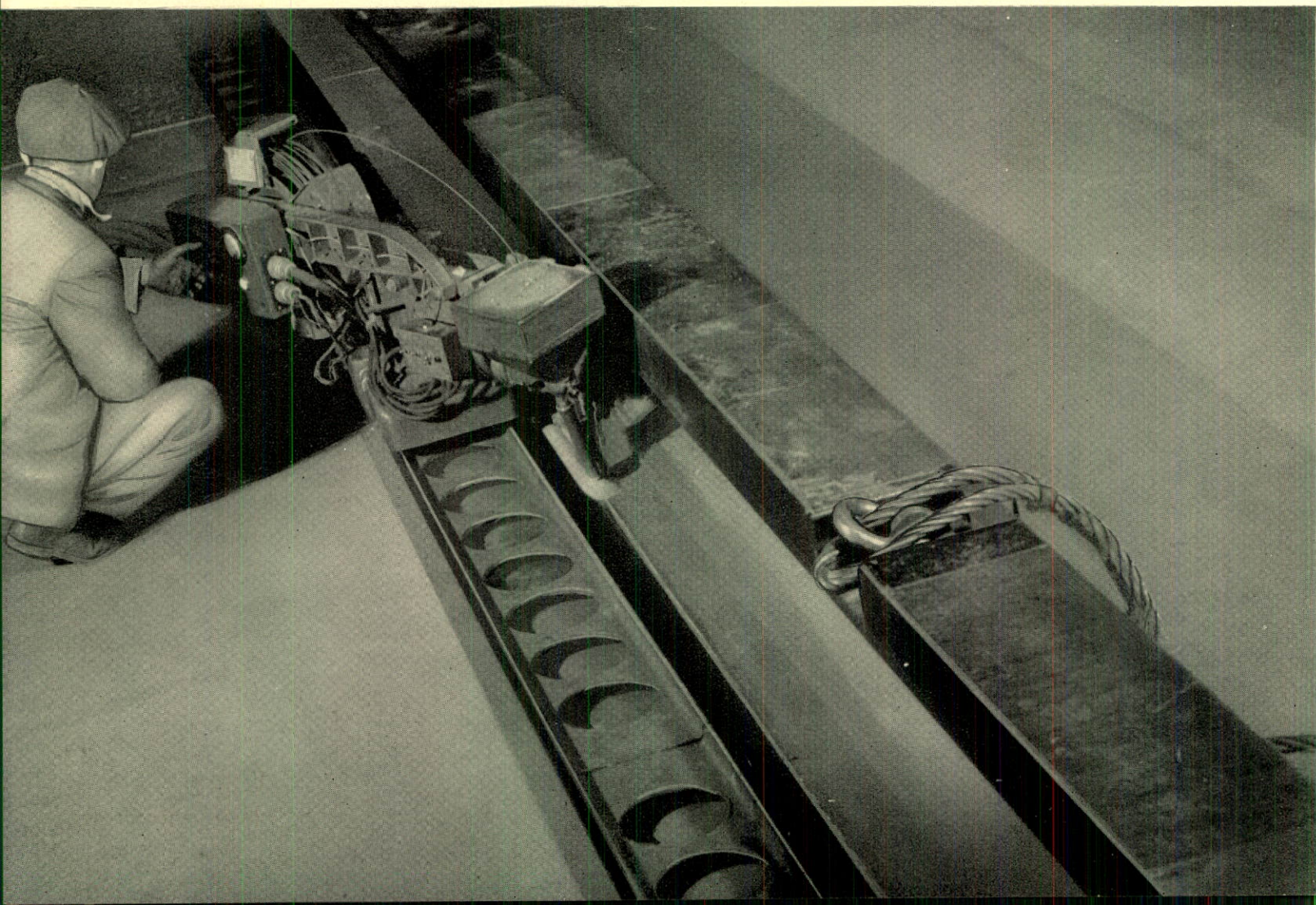
Balance as at 28th February, 1946.....	\$1,387,265.16
Add amount applicable to prior years (Net).....	68,089.11
	1,455,354.27
<i>Add:</i> Net Profit for Year to 28th February, 1947.....	507,600.73
As per Balance Sheet.....	\$1,962,955.00

# WELDING

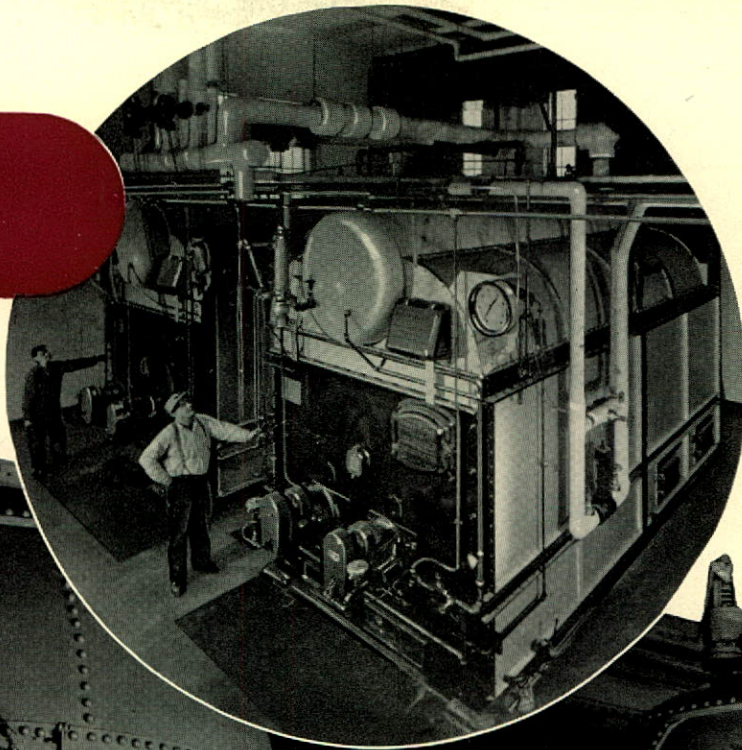


Here a boiler drum for high pressure work is being welded. After welding, the drum will be X-Rayed and photographed to check the uniformity of the weld. ➤

➤ Welding Steel Plate. With this automatic Union-Melt Welding Machine we are able to make up large steel surfaces from limited sized plates. Here the machine is shown in operation.

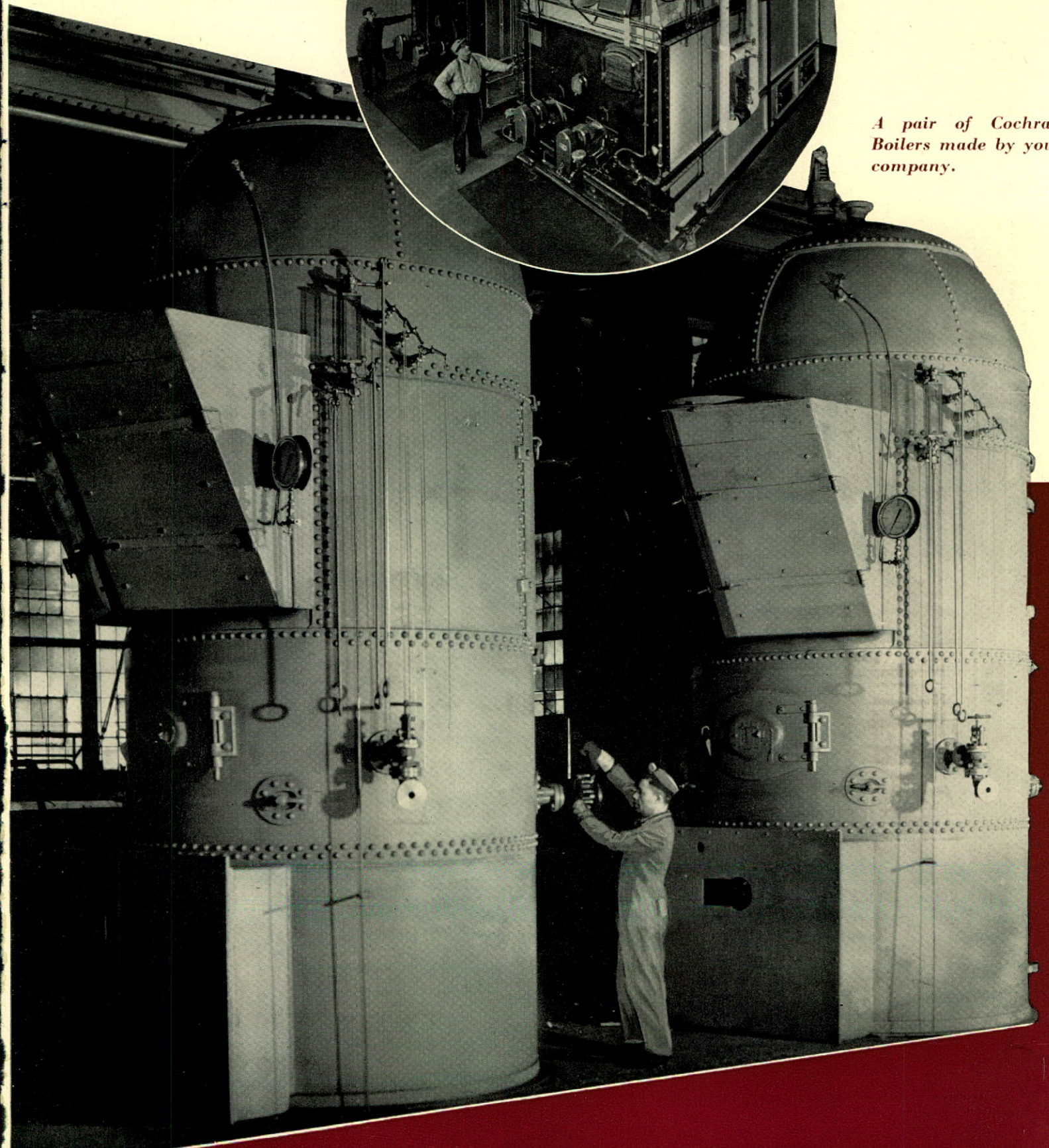


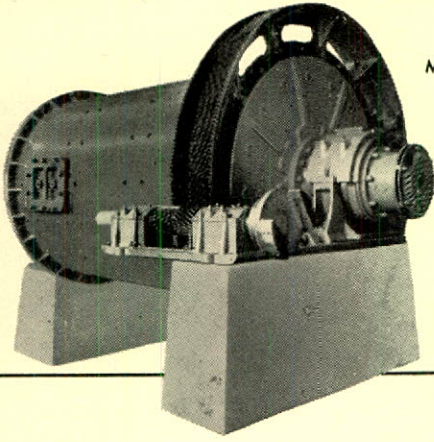
# BOILERS



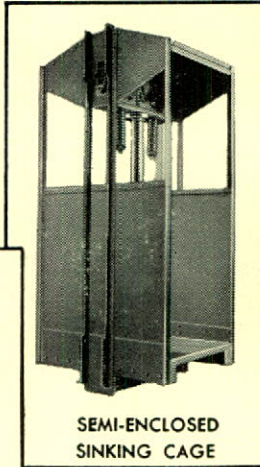
*A battery of Vickers-Keeler Boilers made and installed by your company.*

*A pair of Cochran Boilers made by your company.*

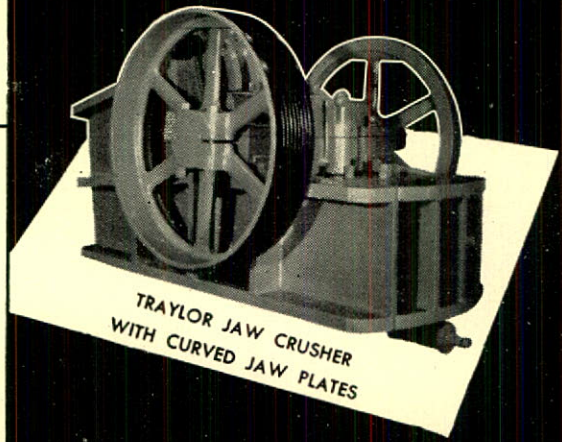




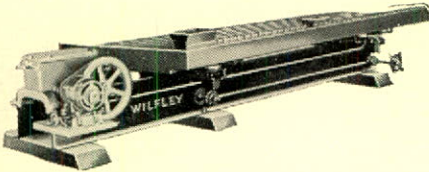
MARCY BALL MILL



SEMI-ENCLOSED  
SINKING CAGE



TRAYLOR JAW CRUSHER  
WITH CURVED JAW PLATES



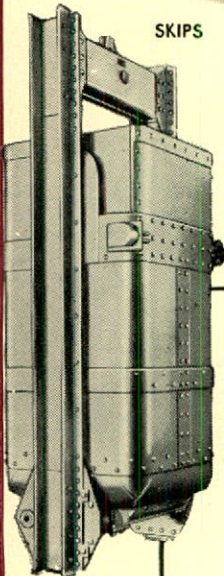
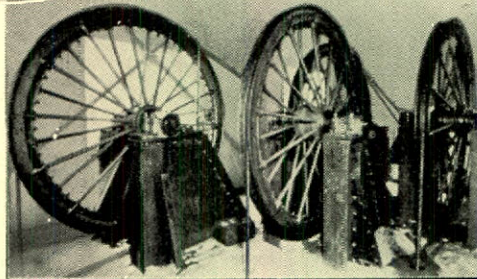
WILFLEY CONCENTRATING TABLE

*Canadian Mines  
Operate*

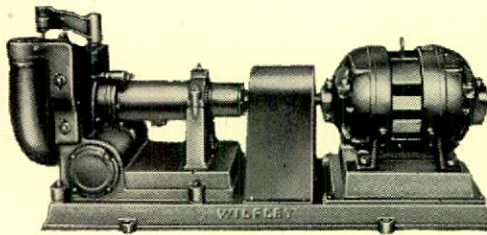


LOHED DUMP  
MINE CAR

HEAD SHEAVE



SKIPS



WILFLEY SAND PUMP

WITH  
**VICKERS**  
MINING  
EQUIPMENT

CANADIAN  LIMITED  
**VICKERS**

HEAD OFFICE - MONTREAL  
Representatives in principal cities







