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**CANADIAN
GENERAL  ELECTRIC
COMPANY
LIMITED**

**ANNUAL
REPORT
1949**

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CANADIAN
GENERAL ELECTRIC
COMPANY
LIMITED

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REPORT
1949

CANADIAN GENERAL ELECTRIC COMPANY
LIMITED

STATEMENT OF INCOME AND EARNED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1949

Net sales billed.....		\$103,828,020
Costs, expenses, and other charges, except those shown separately below.....	\$92,860,291	
Depreciation of plant and equipment.....	4,418,123	
Salaries of officials and legal expenses.....	147,309	
Directors' fees.....	8,500	97,434,223
Income from sales.....		\$ 6,393,797
Income from other sources:		
Interest and dividends on investments.....	670,032	
Miscellaneous.....	145,874	
	\$ 815,906	
Less interest and other financial charges...	303,328	512,578
Total income before provision for taxes on income.....		\$ 6,906,375
Provision for estimated taxes on income.....		2,400,000
Net income for the year.....		\$ 4,506,375
Earned surplus as of January 1, 1949.....		20,929,293
		\$ 25,435,668
Dividends on preferred stock.....	94,189	
Dividends on common stock.....	\$ 2,266,140	2,360,329
Earned surplus as of December 31, 1949.....		\$ 23,075,339

NOTE: Under the provisions of Section 61 of the Companies Act (Canada) \$706,300 of the earned surplus as of December 31, 1949, is classified as capital surplus arising from the redemption of preferred stock pending formal reduction of capital.

CANADIAN GENERAL ELE
BALANCE SHEET AS

ASSETS

Current assets:

Cash on hand and in banks	\$	487,584
Government of Canada bonds (market value \$46,125)		45,000
Accounts and notes receivable, less reserve ...		12,707,474
Refundable portion of excess profits tax		464,718
Inventories at not exceeding the lower of cost or market value as determined and certified to by the management, less reserves		29,968,291
		\$43,673,067
Less progress collections on contracts		12,425,599
		\$31,247,468

Other assets:

Investment securities, less reserve (market value \$374,779)	\$	374,779
Securities of subsidiary companies		2,897,057
Prepaid expenses		276,152
		\$ 3,547,988

Fixed assets:

Manufacturing plants, including land, build- ings and machinery; head office and branch office properties; at cost	\$43,668,607	
Less depreciation	21,462,005	
	\$22,206,602	
Patents and franchise	1	
	22,206,603	
Total fixed assets		\$57,002,059

Signed on behalf of the Board:

H. M. TURNER, Director
J. C. MACFARLANE, Director

CTRIG COMPANY, LIMITED
OF DECEMBER 31, 1949

LIABILITIES

Current liabilities:

Accounts payable.....	\$ 5,969,085	
Taxes payable, including provision for estimated taxes on income.....	1,483,565	
Sundry accrued charges.....	2,322,135	
Due to Crown Assets Disposal Corporation (secured by refundable portion of excess profits tax).....	415,271	
Dividend declared on preferred stock.....	19,930	
Dividends declared on common stock.....	1,133,070	
Total current liabilities		\$11,343,056
General reserve		11,547,714

Capital stock:

Special Employees Preferred:

Authorized — 50,000 shares, par value \$50 each (callable at par)	
Issued — 46,000 shares.....	\$ 2,300,000
Less: 14,126 shares redeemed.....	706,300
	\$ 1,593,700

Common:

Authorized and issued — 188,845 shares, par value \$50 each.....	9,442,250
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Total capital stock.....		11,035,950
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Earned surplus as of December 31, 1949 (under the provisions of Section 61 of the Companies Act (Canada) \$706,300 is classified as capital surplus arising from the redemption of preferred stock pending formal reduction of capital).....	23,075,339
	\$57,002,059
	\$57,002,059

The Auditors' report to the Shareholders appears on the following page.

PEAT, MARWICK, MITCHELL & CO.

Chartered Accountants

25 King Street West,
Toronto
March 14, 1950.

To the Shareholders,
Canadian General Electric Company, Limited,
Toronto, Ontario.

We have examined the Balance Sheet of the Canadian General Electric Company, Limited as of December 31, 1949 and the related statement of Income and Earned Surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In accordance with Section 114 of the Companies Act (Dominion) we report that the earnings of subsidiary companies for 1949 are included in income from investments in the attached income statement only to the extent of dividends received; such dividends were not in excess of the Company's share of the aggregate of the profits of all subsidiaries.

Depreciation on fixed assets for the year ended December 31, 1949 has been provided on the basis prescribed in regulations issued in 1949 under the Income Tax Act. The adoption of this basis has resulted in an increase of approximately \$1,000,000 in the provision for depreciation for the year as compared with the provision calculated on the basis used in prior years, and in a reduction of approximately \$600,000 in "Net income for the year" after providing for taxes on income.

We report that, in our opinion, the accompanying Balance Sheet and related statement of Income and Earned Surplus are properly drawn up so as to exhibit, in conformity with generally accepted accounting principles which, except for the change mentioned in the previous paragraph, have been applied on a basis consistent with that of the preceding year; a true and correct view of the state of the Company's affairs as of December 31, 1949, and the results of its operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PEAT, MARWICK, MITCHELL & CO.,
Auditors.

ANNUAL REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS OF

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

TORONTO, CANADA

MARCH 22, 1950

The directors submit herewith the balance sheet of your Company as of December 31, 1949, and statement of income and earned surplus, certified by the Company's auditors, Peat, Marwick, Mitchell & Co., Chartered Accountants.

Orders received during the year 1949 were \$102,295,294, and sales billed were \$103,828,020. Unfilled orders at the end of the year totaled \$55,742,500. Net income for the year, after deduction of all charges including depreciation, and providing an amount of \$2,400,000 for estimated taxes on income, totaled \$4,506,375 compared with \$5,300,079 in 1948.

Dividends on the special employees preferred shares, at the rate of 5% per annum, amounted to \$94,189. Dividends on the common stock for the year totaled \$2,266,140, being \$12 per share, consisting of the regular quarterly dividends of \$2 per share and an extra dividend of \$4 per share. Total dividends for 1949 were \$2,360,329, and the sum of \$2,146,046 was added to earned surplus, making the balance in that account \$23,075,339 at December 31, 1949.

Current assets amounted to \$31,247,468, while current liabilities totaled \$11,343,056, the excess of current assets over current liabilities, or working capital, being \$19,904,412, a decrease of \$1,380,350.

Fixed assets, at cost, totaled \$43,668,607, an increase of \$3,463,776. Capital expenditures during 1949 amounted to \$5,970,954, while assets dismantled or sold totaled \$2,507,178, the major portion of which represented facilities sold to a subsidiary company.

The issued capital stock shows a decrease of \$582,600 due to the redemption of an additional 11,652 shares of special employees preferred stock.

The sum of \$1,300,000 was paid by the Company into the Pension Trust in 1949, making a total of \$7,330,000 paid into the Trust by the Company. As at December 31, 1949, there were 210 individuals receiving pensions and disability allowances. During 1949 payments amounted to \$201,806, and the total of such payments to December 31, 1949, amounted to \$1,670,414.

Messrs. Robert A. Bryce and Hugh G. Hilton have been elected directors of the Company in the place of Mr. R. S. McLaughlin, resigned, and Mr. G. Harrison Smith, deceased.

Respectfully submitted for the Board of Directors,

H. M. TURNER, President.

CANADIAN GENERAL ELECTRIC COMPANY
LIMITED

BOARD OF DIRECTORS

A. E. ARSCOTT - - - - Toronto, Ont.
R. A. BRYCE - - - - Toronto, Ont.
H. G. HILTON - - - - Hamilton, Ont.
L. L. LANG - - - - Kitchener, Ont.
G. C. LEITCH - - - - Toronto, Ont.
J. C. MACFARLANE, K.C. - Toronto, Ont.
HON. F. B. McCURDY - - - Halifax, N.S.
PHILIP D. REED - - - - New York, N.Y.
H. M. TURNER - - - - Toronto, Ont.
CHARLES E. WILSON - - - New York, N.Y.

EXECUTIVE OFFICERS

H. M. TURNER, President

Vice-Presidents

J. C. MACFARLANE, K.C.

K. J. CORKERY

Comptroller

Treasurer

C. E. HIPPI

B. Y. HADDY

Secretary

W. H. NESBITT

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

HEAD OFFICE

212-218 KING STREET WEST, TORONTO, ONT.

SALES OFFICES

ST. JOHN'S, Nfld.	TIMMINS, ONT.
HALIFAX, N.S.	SUDBURY, ONT.
SYDNEY, N.S.	FORT WILLIAM, ONT.
SAINT JOHN, N.B.	WINNIPEG, MAN.
CHICOUTIMI, QUE.	BRANDON, MAN.
QUEBEC, QUE.	REGINA, SASK.
TROIS RIVIERES, QUE.	SASKATOON, SASK.
MONTREAL, QUE.	CALGARY, ALTA.
SHERBROOKE, QUE.	EDMONTON, ALTA.
OTTAWA, ONT.	LETHBRIDGE, ALTA.
TORONTO, ONT.	PRINCE GEORGE, B.C.
HAMILTON, ONT.	TRAIL, B.C.
LONDON, ONT.	KELOWNA, B.C.
WINDSOR, ONT.	VANCOUVER, B.C.
NEW LISKEARD, ONT.	VICTORIA, B.C.

MANUFACTURING PLANTS

PETERBOROUGH WORKS	PETERBOROUGH, ONT.
DAVENPORT WORKS	TORONTO, ONT.
WARD STREET WORKS	TORONTO, ONT.
LAMP WORKS	TORONTO, ONT.
VACUUM TUBE WORKS	TORONTO, ONT.
ROYCE WORKS	TORONTO, ONT.
CARBOLOY WORKS	TORONTO, ONT.
BARRIE WORKS	BARRIE, ONT.
OAKVILLE WORKS	OAKVILLE, ONT.
COBOURG WORKS	COBOURG, ONT.
MONTREAL WORKS	MONTREAL, QUE.
QUEBEC WORKS	QUEBEC, QUE.



