

ANNUAL REPORT

CANADIAN GENERAL ELECTRIC Co.

LIMITED

1908

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Canadian General Electric Company
Limited

ANNUAL REPORT *of the*
BOARD OF DIRECTORS

FOR THE YEAR ENDED
31ST DECEMBER
1908

DIRECTORS

W. R. BROCK, *President*

H. P. DWIGHT, *First Vice-President*

FREDERIC NICHOLLS . *Second Vice-President and General Manager*

H. G. NICHOLLS . . . *Assistant General Manager and Secretary*

HON. GEO. A. COX

HON. ROBERT JAFFRAY

A. E. DYMENT

HON. J. K. KERR, K.C.

RODOLPHE FORGET

WM. MACKENZIE

HERBERT S. HOLT

W. D. MATTHEWS

JAMES ROSS

SOLICITORS

KERR, DAVIDSON, PATERSON & MCFARLAND

BANKERS

THE CANADIAN BANK OF COMMERCE

STOCK TRANSFER AGENTS

NATIONAL TRUST Co., TORONTO

CANADIAN BANK OF COMMERCE, LONDON, ENGLAND

Annual Report of the Directors

SUBMITTED TO THE SHAREHOLDERS AT THE ANNUAL
GENERAL MEETING, HELD AT THE OFFICES
OF THE COMPANY, IN TORONTO, ON
MONDAY, 29TH MARCH, 1909.

Your Directors have pleasure in submitting to the Shareholders the Balance Sheet of the Company as upon the 31st day of December, 1908, the combined Statement of Profit and Loss for the year, and the Certificate of Messrs. Price, Waterhouse and Company, Chartered Accountants.

The past year has been one of world-wide industrial depression, and this Company, in common with others, has experienced the disadvantages of a material shrinkage in the volume of business offering, and, in view of the prevailing conditions of trade, it is gratifying to your Directors to be able to submit to the Shareholders so satisfactory a Financial Statement.

The Surplus Account shows a Profit somewhat in excess of the preceding year, and this result was obtained on a decreased output. Owing, however, to a policy of rigid economy, operating expenses were proportionately reduced, and, after ample provision for depreciation and the payment of Interest and Dividends, a substantial sum has been carried forward at the credit of Profit and Loss Account, as a result of the year's operations.

In addition to our usual conservative method of taking our Inventory of materials, either at cost or the market price, whichever is the lower, \$146,246.48 has been written off for depreciation, in addition to the year's expenses for renewals, repairs and maintenance, which were charged direct to operating account.

During the year the Company's original issue of Preferred Stock, amounting to \$300,000.00, was retired at par, plus a premium of 5 per cent., and the maturing Bonds of the Northey Manufacturing Company, amounting to \$160,000.00 were paid off.

Current Liabilities have been reduced from \$2,191,266.99 to \$1,093,123.88, as a result of a smaller Inventory of raw materials and finished stock being required for a lesser volume of business, and the Contingent Liability on Notes Receivable discounted has been reduced from \$1,161,616.44 to \$302,518.17.

During the latter part of the year marked cheques to an aggregate amount of \$121,207.00 were required to be deposited with tenders for Government and other Contracts, and are included for Statement purposes in the Company's Bank Account, but this amount should be deducted when estimating the amount due on operating expenses.

Notwithstanding the continued industrial depression, this Company have been fortunate in securing several important Contracts, which, added to current business, will keep us fairly busy during the year. During the past three months we have secured more orders than during the previous six months, and as present indications point to a material improvement in trade conditions, we look forward to the future with more confidence than at any time during the preceding year.

W. R. BROCK,
President.

Certificate of Chartered Accountants

Price, Waterhouse & Co.

Chartered Accountants,

London (England), New York, Philadelphia, Chicago, St. Louis,
Pittsburg, San Francisco, Seattle, Mexico, and Montreal (Canada).

54 WILLIAM STREET, NEW YORK,
16th March, 1909.

*TO THE SHAREHOLDERS of the
CANADIAN GENERAL ELECTRIC COMPANY, Limited.*

We have examined the books and accounts of the Canadian General Electric Company, Limited, and of its subsidiary Companies (the Canada Foundry Company, Limited, and the Industrial Realty Company of Canada, Limited), for the year 1908, and we find that the annexed Consolidated Balance Sheet and Surplus Account are correctly prepared therefrom.

During the year there have been charged to Capital Accounts only expenditures in respect of actual additions, extensions or permanent improvements plus interest during construction. Proper provision has been made for Depreciation of Plant and Equipment.

The Inventories of Raw Material, Supplies, Work in Progress and Manufactured Products have been taken and certified by responsible officials of the Company, and have been checked by us with the Factory records. The valuations have been accurately *made at or below cost price, ample allowance being made in respect of goods that are either obsolete or not readily saleable.*

Reserves have been made for Doubtful Accounts and Notes Receivable and for all ascertainable liabilities.

We have verified the Cash, the Investments and the Bank Balances by actual inspection or by properly certified statements.

WE CERTIFY that the annexed Balance Sheet is properly drawn up so as to show the true position of the Company at December 31st, 1908, and that the Surplus Account shows the correct result of the operations for the year.

PRICE, WATERHOUSE & CO.

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED
AND SUBSIDIARY COMPANIES.

CONSOLIDATED BALANCE SHEET, 31ST DECEMBER, 1908.

ASSETS.	LIABILITIES.
CAPITAL ASSETS—	
Patents and Contracts	\$ 415,512.54
Real Estate, Buildings, etc., at Toronto, Peterboro, Montreal, Branches, and Power Plant at Nassau	3,506,231.11
Machinery and Tools	1,602,875.51
Patterns and Drawings	299,791.89
	\$5,824,410.95
INVESTMENTS	213,467.00
CURRENT ASSETS—	
Cash	\$ 10,601.70
Accounts Receivable (less Reserve for doubtful debts)	1,867,496.05
Notes Receivable	42,949.17
Inventory of Raw Material, Supplies, Work in Progress and Finished Materials	1,832,757.81
Expenditure on Contracts (less collections on account)	209,248.21
	\$3,963,052.94
DISCOUNT AND INSURANCE UNEXPIRED	11,334.12
	\$10,012,265.02
CAPITAL LIABILITIES—	
Capital Stock, Common	\$ 4,700,000.00
Capital Stock, Preferred	2,000,000.00
	\$6,700,000.00
Mortgages	275,218.84
CURRENT LIABILITIES—	
Bank Advances	\$ 738,035.38
Accounts Payable	355,088.50
	\$1,093,123.88
RESERVE FOR DEPRECIATION	129,129.00
SURPLUS—	
Reserve	\$1,669,531.95
Profit and Loss Balance per account annexed	145,231.35
	\$1,814,763.30
(Contingent Liability on Notes Receivable, discounted \$302,518.17)	
	\$10,612,265.02

We have audited the above Balance Sheet and certify that it is properly drawn up, so as to show the true financial position of the Company, on 31st December, 1908.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

CONSOLIDATED SURPLUS ACCOUNT

PROFIT FOR THE YEAR ENDED 31ST DECEMBER, 1908.		
(Before providing for Depreciation and Interest on borrowed Capital).....		\$753,088.12
LESS—		
Depreciation of Buildings, Machinery, Patterns, etc	\$146,246.48	
Interest	96,474.12	
	242,720.60	
LESS Dividends Paid.....		510,367.52
		439,042.30
		71,325.22
ADD—		
Undivided Profits as at 31st December, 1907.....		73,906.13
Balance at Credit of Profit and Loss Account.....		145,231.35
Reserve Fund, as at 31st December, 1907.....	1,689,762.43	
Less Premium paid on Redemption of old issue of Preferred Stock, and balance of Commission and Expenses of new issue of Preferred Stock	20,230.48	1,669,531.95
Surplus, per Balance Sheet... ..		\$1,814,763.30

Certified to be correct,

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

LYNDHURST OGDEN,
Auditor.

16th March, 1909.

DIVIDENDS.

The following table sets forth the Dividends that have been paid on the Common Stock of the Company since 1893. For the year 1896 no Dividend was paid, owing to the revision of the contract with the General Electric Company, under which they surrendered a portion of the Common Stock at that time held by them in exchange for a lesser quantity of Preferred Stock—

1893.....	6%.....	\$ 85,641.41
1894.....	6%.....	87,768.53
1895.....	6%.....	87,982.29
1897.....	6%.....	71,330.57
1898.....	8%.....	81,000.00
1899.....	10%.....	108,000.00
1900.....	10%.....	127,623.07
1901.....	10%.....	166,750.00
1902.....	10%.....	213,739.22
1903.....	10%.....	269,277 98
1904.....	10%.....	284,890.00
1905.....	10%.....	335,499.11
1906.....	10%.....	484,690.14
1907.....	10%.....	488,000.00
1908.....	7%.....	<u>439,042.30</u>

Total.....\$3,331,234.62

SURPLUS.

Surplus at 31st December, 1908..... \$1,814,763.30

GENERAL OFFICES

COR. KING AND SIMCOE STREETS, TORONTO, ONT.

DISTRICT OFFICES

MONTREAL, QUE. HALIFAX, N.S. OTTAWA, ONT. COBALT, ONT.

WINNIPEG, MAN. VANCOUVER, B.C.

ROSSLAND, B.C.

FACTORIES

CANADIAN GENERAL ELECTRIC CO., LIMITED,

PETERBORO, ONT.

CANADA FOUNDRY Co., LIMITED,

TORONTO, ONT.

ORNAMENTAL IRON DEPT.,

TORONTO, ONT.

