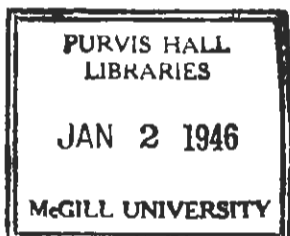


THIRTY-EIGHTH ANNUAL REPORT

DECEMBER 31st, 1941



CANADIAN WESTINGHOUSE COMPANY, LIMITED
HAMILTON - - CANADA



CANADIAN WESTINGHOUSE COMPANY, LIMITED

THIRTY-EIGHTH ANNUAL REPORT

DECEMBER 31st, 1941

The Board of Directors submits the customary certified Balance Sheet of the Company at the close of the fiscal year ended December 31st, 1941, and a statement of the Profit and Loss and Earned Surplus Accounts.

After providing for all taxes on profits; a further contribution of \$100,000 to the Employees' Pension Trust Fund; and the transfer of \$250,000 to General Reserve for the purpose of post-war rehabilitation, the statement shows net earnings for the year under review of \$1,418,312.16. From this sum, dividends of \$1,092,000 were paid, leaving a net balance carried forward to Earned Surplus Account of \$326,312.16.

At the outset of the war, your Company placed at the disposal of the Government its existing manufacturing facilities suitable for the production of munitions, leaving it to them to suggest what particular war activities we should undertake. A large number of contracts were subsequently placed with the Company for widely varying types of munitions, all of them very exacting in their specifications and some of them very intricate and complex; so much so that in addition to using our existing facilities for these purposes, it also became necessary to erect new buildings, extend old ones and install a very great amount of tool equipment specially adapted for the production of these devices. On some of these contracts production has been in full swing during the past year and on the remainder the preparatory phase is now over. We therefore confidently expect that in 1942 our production of munitions will be of even greater value to the Allied cause.

In order to segregate the execution of certain war contracts which are largely financed by the Government, from our general business, we incorporated during the year a wholly owned subsidiary company known as Hamilton Munitions Limited. The investment in this Company, and the advances to 31st December, 1941, are shown on the Balance Sheet in the amount of \$450,413.50.

Mention was made last year of the doubtful future of our business in the merchandise field; and it is now evident that throughout the remainder of the war restrictions on the manufacture of domestic appliances will become more and more stringent; with the result that it is highly improbable that this particular feature of our business will play any important part in our activities for some time to come.

Sales in the Air Brake Department were considerably in excess of those for the preceding year, but a large proportion of this business was booked for 1942 delivery. The material produced by this Department is vital for the operation of our railways.

Due to the very heavy demand for electrical products for war purposes, and the large output for the Government of special munitions, our shipments during 1941 were the largest in the history of the Company.

Your directors desire to bring to the notice of the Shareholders the very loyal and conscientious efforts of all our factory workers throughout the year. They have responded with alacrity to the various exigencies that arose, which compelled them to work overtime and at irregular hours and often at tasks other than their normal ones. We cannot commend too strongly the patriotism they have shown in doing what it was necessary to require of them.

A word of praise is also due the clerical and executive forces in our various offices for their zeal in dealing with the vast amount of additional work placed before them, and their patience under the many perplexities that confronted them during the year.

By Order of the Board,

PAUL J. MYLER, Chairman;

JOHN R. READ, President.

Hamilton, Canada

February 25th, 1942.

CANADIAN WESTINGHOUSE COMPANY, LIMITED
(INCORPORATED UNDER THE DOMINION COMPANIES ACT)

BALANCE SHEET

As at 31st DECEMBER, 1941

ASSETS

CURRENT ASSETS:

CASH ON HAND AND IN BANKS - - - - -	\$ 2,492,381.33
INVESTMENT IN GOVERNMENT BONDS AND OTHER MARKET- ABLE SECURITIES, AT COST - - - - - (QUOTED MARKET VALUE \$5,497,500)	5,437,286.25
ACCOUNTS RECEIVABLE LESS RESERVE - - - - -	2,701,291.15
INVENTORIES OF MATERIALS AND PRODUCTS FINISHED AND IN PROCESS AS DETERMINED AND CERTIFIED BY THE MANAGEMENT AND VALUED AT THE LOWER OF COST OR MARKET - - - - -	8,750,577.75

\$19,381,536.48

INVESTMENT IN AND ADVANCES TO HAMILTON MUNITIONS LIMITED

450,413.50

PROPERTY AND PLANT:

REAL ESTATE, BUILDINGS, MACHINERY, TOOLS AND EQUIP- MENT AND MAIN OFFICE AND DISTRICT OFFICE PROPER- TIES—AT COST LESS DEPRECIATION - - - - -	5,766,508.47
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PREPAID INSURANCE AND DEFERRED CHARGES - - - - -	232,451.91
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PATENTS, RIGHTS AND LICENSES - - - - -	1.00
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\$25,830,911.36

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUED CHARGES - - - - -	\$ 2,216,944.88
PROVISION FOR SERVICE GUARANTEES - - - - -	81,000.00
ADVANCE PAYMENTS RECEIVED ON CONTRACTS - - - - -	3,192,561.23
RESERVE FOR TAXES ON INCOME - - - - -	3,725,943.97

\$ 9,216,450.08
650,000.00

GENERAL RESERVE - - - - -

CAPITAL STOCK:

AUTHORIZED — 900,000 SHARES OF NO PAR VALUE - - -		
ISSUED — 546,000 SHARES OF NO PAR VALUE - - -	\$ 9,100,000.00	
EARNED SURPLUS - - - - -	6,864,461.28	15,964,461.28

\$25,830,911.36

FOR THE DIRECTORS:

PAUL J. MYLER,
JOHN R. READ.

CANADIAN WESTINGHOUSE COMPANY, LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1941

NET EARNINGS FROM OPERATIONS BEFORE PROVISION FOR DEPRECIATION - - - - -		\$ 5,686,546.27
INTEREST ON INVESTMENTS - - - - -		168,434.94
PROFIT ON SALE OF INVESTMENTS - - - - -		30,763.50
		<u>\$ 5,885,744.71</u>
DEDUCT:		
DEPRECIATION OF PROPERTY AND PLANT - - - - -	\$ 667,432.55	
CONTRIBUTION TO EMPLOYEES' PENSION TRUST FUND - -	100,000.00	
PROVISION FOR DOMINION AND PROVINCIAL TAXES ON INCOME	3,450,000.00	
PROVISION FOR POST-WAR REHABILITATION TRANSFERRED TO GENERAL RESERVE - - - - -	250,000.00	4,467,432.55
		<u>\$ 1,418,312.16</u>
NET PROFIT FOR YEAR - - - - -		<u><u>\$ 1,418,312.16</u></u>

NOTE: Included in the expenditures for the year are Directors' Fees of \$23,000 and Executives' Remuneration and Legal Fees of \$118,733.

GENERAL RESERVE

BALANCE AT 1ST JANUARY, 1941 - - - - -	\$ 400,000.00
PROVISION FOR POST-WAR REHABILITATION - - - - -	250,000.00
	<u>\$ 650,000.00</u>
BALANCE AT 31ST DECEMBER, 1941 - - - - -	<u><u>\$ 650,000.00</u></u>

EARNED SURPLUS ACCOUNT

BALANCE AT 1ST JANUARY, 1941 - - - - -		\$ 6,538,149.12
ADD NET PROFIT FOR YEAR - - - - -	\$ 1,418,312.16	
LESS DIVIDENDS PAID - - - - -	1,092,000.00	328,312.16
		<u>\$ 6,864,461.28</u>
BALANCE AT 31ST DECEMBER, 1941 - - - - -		<u><u>\$ 6,864,461.28</u></u>

AUDITORS' REPORT

TO THE SHAREHOLDERS, CANADIAN WESTINGHOUSE COMPANY, LIMITED:

We have made an examination of the accompanying balance sheet of Canadian Westinghouse Company Limited as at 31st December, 1941, and of the statements of profit and loss and surplus for the year ending on that date. In connection therewith we made a test audit of the accounting records of the company and obtained all the information and explanations we required from its officers and employees; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of all the transactions.

We report that in our opinion, based upon such examination, the accompanying balance sheet and related statements of profit and loss and surplus have been drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st December, 1941, and of the results of its operations for the year, according to the best of our information and the explanations given us and as shown by the books.

In accordance with Section 114 of the Dominion Companies Act we report that the profits of Hamilton Munitions Limited, a wholly owned subsidiary, from its incorporation on 4th June, 1941, to 31st December, 1941, have not been included in the attached accounts.

CLARKSON, GORDON, DILWORTH AND NASH,
Chartered Accountants.

Hamilton, Canada
23rd February, 1942.

BOARD OF DIRECTORS

PAUL J. MYLER, CHAIRMAN

GEO. A. BLACKMORE

S. C. McCONAHEY

N. S. BRADEN

F. A. MERRICK

GEO. H. BUCHER

JOHN R. READ

SIDNEY G. DOWN

A. W. ROBERTSON

RALPH KELLY

EXECUTIVE COMMITTEE

GEO. A. BLACKMORE

JOHN R. READ

F. A. MERRICK

A. W. ROBERTSON

PAUL J. MYLER

OFFICERS

PAUL J. MYLER, CHAIRMAN

H. A. COOCH, VICE PRESIDENT

N. S. BRADEN, VICE CHAIRMAN

C. H. MITCHELL, VICE PRESIDENT AND MANAGER
OF WORKS

JOHN R. READ, PRESIDENT

E. M. COLES, VICE PRESIDENT

F. A. MERRICK, VICE PRESIDENT

W. E. SPRAGUE, VICE PRESIDENT AND SECRETARY

C. N. SALVISBURG, TREASURER

JOHN S. MARTIN, COMPTROLLER

EXECUTIVE OFFICES - HAMILTON, CANADA

CANADIAN WESTINGHOUSE COMPANY, LIMITED

PRINCIPAL OFFICE AND WORKS, HAMILTON, ONTARIO

SALES OFFICES

MONTREAL, QUE.

HALIFAX, N. S.

WINNIPEG, MAN.

VANCOUVER, B. C.

TRAIL, B.C.

TORONTO, ONT.

OTTAWA, ONT.

LONDON, ONT.

SWASTIKA, ONT.

FORT WILLIAM, ONT.

CALGARY, ALTA.

EDMONTON, ALTA.

REGINA, SASK.

SASKATOON, SASK.