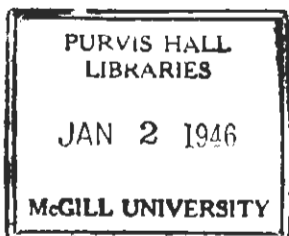


FORTIETH ANNUAL REPORT

DECEMBER 31st, 1943



CANADIAN WESTINGHOUSE COMPANY, LIMITED
HAMILTON - - CANADA



CANADIAN WESTINGHOUSE COMPANY, LIMITED

FORTIETH ANNUAL REPORT

DECEMBER 31st, 1943

The Board of Directors submits herewith the Balance Sheet of the Company as at 31st December, 1943, and the related statements of Profit and Loss and Earned Surplus Accounts for the year ended that date, together with the auditors' report thereon.

After providing for all taxes on profits, including the refundable portion of Excess Profits which has been transferred to the general reserve for post-war rehabilitation, and a contribution of \$300,000 to the Employees' Pension Trust Fund, the net profit for the year was \$1,440,615.15, which is equivalent to \$2.64 per share. From this sum, dividends of \$1,092,000.00 were paid at the rate of \$2.00 per share, leaving a net balance carried forward to Earned Surplus Account of \$348,615.15.

There was a marked reduction in orders received for electrical equipment during the year 1943 compared with the three previous years. However, due to the exceptionally large carry-over of unfilled orders with which the year commenced, actual shipments were about equal to those of 1942 in which year a record for shipments of electrical equipment was established. The year 1943 marked the completion in Canada of practically all major construction of plants and other facilities required for the production of war materials, and as far as can now be foreseen no substantial demand for capital equipment will exist in Canada for the balance of the war. This, taken in conjunction with the severe restrictions controlling the production of normal peacetime products, accounts for the reduction in orders received for electrical equipment during 1943.

In contrast to the position of the electrical division there was an unusually large volume of orders placed during the year for air brake equipment, and this demand is expected to extend throughout the coming year. While actual shipments greatly exceeded those of the previous year they were considerably in arrears of orders received, and a very substantial carry-over of unfilled orders is available for 1944.

With the production of electrical products for both industrial purposes and civilian uses restricted to only essential war requirements, manufacturing facilities normally used for these are now devoted largely to the production of special war products. Many of these articles are of an unusually intricate and complicated nature requiring the highest degree of technical and manufacturing skill. They include electronic equipment for radar, anti-aircraft guns for the Army, bomb sights and carriers for the Air Force, and various devices of a secret nature for the Navy. Due to the constantly shifting needs of the Services, the designs and requirements for these products are constantly changing and in some instances necessitate drastic alterations overnight in production programs. It is expected that this condition will continue for the duration of the war.

Maintaining present output of war products still requires the all-out effort of your Company and must be given precedence over all other activities. However, where possible, plans are being developed to cope with the many problems which must be faced in converting to peacetime production. Important changes in plant layout will be required, particularly for the manufacture of household appliances, before production of these can be resumed. Every effort will be made to speed the production of normal products, once government restrictions have been removed, in order to assure maximum employment during the reconversion period.

The manpower situation continues to be acute although the volume of enlistments has declined somewhat. A number of men have been drafted but most of those considered essential have been retained on deferment. Since the outbreak of hostilities over 1200 employees have entered the Services, many of whom have seen action abroad on the fighting fronts.

The directors and officers of the Company wish to take this opportunity of expressing their deep appreciation to all employees for their unselfish and devoted efforts throughout the year, without which the Company's outstanding record of achievement in production and performance during 1943 could not have been accomplished.

By Order of the Board,

PAUL J. MYLER, Chairman;

JOHN R. READ, President.

Hamilton, Canada
February 24th, 1944.

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

BALANCE SHEET

As at 31st DECEMBER, 1943

ASSETS

CURRENT ASSETS:

CASH ON HAND AND IN BANKS - - - - -	\$ 2,693,727.36
INVESTMENT IN GOVERNMENT BONDS AND OTHER MARKET- ABLE SECURITIES, AT BOOK VALUE - - - - - (QUOTED MARKET VALUE \$6,024,173)	5,897,148.00
ACCOUNTS RECEIVABLE LESS RESERVE - - - - -	1,960,721.17
EXPENDITURES RECOVERABLE ON WAR CONTRACTS - -	2,750,959.09
INVENTORIES AS DETERMINED AND CERTIFIED BY THE MAN- AGEMENT AND PRICED AT THE LOWER OF COST OR MARKET - - - - -	7,863,860.92

\$21,166,416.54

INVESTMENT IN AND ADVANCES TO HAMILTON MUNITIONS LIMITED \$ 101,128.57

PROPERTY AND PLANT:

REAL ESTATE, BUILDINGS, MACHINERY, TOOLS AND EQUIP- MENT AND MAIN OFFICE AND DISTRICT OFFICE PROPER- TIES—AT COST LESS DEPRECIATION - - - - -	4,470,788.61
PREPAID INSURANCE AND DEFERRED CHARGES - - - - -	223,910.49
POST-WAR REFUND UNDER THE EXCESS PROFITS TAX ACT - -	1,175,000.00
PATENTS, RIGHTS AND LICENSES - - - - -	1.00

\$27,137,245.21

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUED CHARGES - - - - -	\$ 2,187,510.14
PROVISION FOR SERVICE GUARANTEES - - - - -	450,000.00
ADVANCE PAYMENTS RECEIVED ON CONTRACTS - - - - -	3,170,776.23
RESERVE FOR TAXES ON INCOME AND FOR CONTINGENCIES -	2,745,162.40

\$ 8,553,448.77

GENERAL RESERVE - - - - - 1,825,000.00

CAPITAL STOCK:

AUTHORIZED — 900,000 SHARES OF NO PAR VALUE - -		
ISSUED — 546,000 SHARES OF NO PAR VALUE - -	\$ 9,100,000.00	
EARNED SURPLUS - - - - -	7,658,796.44	16,758,796.44

\$27,137,245.21

FOR THE DIRECTORS:

PAUL J. MYLER,
JOHN R. READ.

CANADIAN WESTINGHOUSE COMPANY, LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1943

NET EARNINGS FROM OPERATIONS AFTER PROVISION FOR DEPRECIATION - - - - -		\$ 6,190,510.06
INCOME FROM INVESTMENTS - - - - -		100,105.09
		<u>\$ 6,290,615.15</u>
DEDUCT:		
CONTRIBUTION TO EMPLOYEES' PENSION TRUST FUND - -	\$ 300,000.00	
PROVISION FOR TAXES ON INCOME, INCLUDING REFUNDABLE PORTION OF EXCESS PROFITS OF \$700,000 TRANSFERRED TO GENERAL RESERVE FOR POST-WAR REHABILITATION - - - - -	4,550,000.00	4,850,000.00
NET PROFIT FOR YEAR - - - - -		<u>\$ 1,440,615.15</u>
NOTE: INCLUDED IN THE EXPENDITURES FOR THE YEAR ARE:		
PROVISION FOR DEPRECIATION - - - - -	\$1,201,679	
DIRECTORS' FEES - - - - -	23,000	
EXECUTIVES' REMUNERATION AND LEGAL FEES - - - - -	126,811	

GENERAL RESERVE

BALANCE AT 31ST DECEMBER, 1942 - - - - -	\$ 1,125,000.00
PROVISION FOR POST-WAR REHABILITATION REPRESENTED BY REFUNDABLE PORTION OF EXCESS PROFITS - - - - -	700,000.00
BALANCE AT 31ST DECEMBER, 1943 - - - - -	<u>\$ 1,825,000.00</u>

EARNED SURPLUS ACCOUNT

BALANCE AT 31ST DECEMBER, 1942 - - - - -	\$ 7,310,181.29
ADD NET PROFIT FOR YEAR - - - - -	\$ 1,440,615.15
LESS DIVIDENDS PAID - - - - -	1,092,000.00
BALANCE AT 31ST DECEMBER, 1943 - - - - -	<u>\$ 7,658,796.44</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the accompanying Balance Sheet of Canadian Westinghouse Company Limited as at 31st December, 1943, 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, 1943, 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 for the year of Hamilton Munitions Limited, a wholly owned subsidiary, have not been included in the attached accounts.

CLARKSON, GORDON, DILWORTH AND NASH,
Chartered Accountants.

Hamilton, Canada
18th February, 1944.

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

ROSCOE SEYBOLD

EXECUTIVE COMMITTEE

GEO. A. BLACKMORE	PAUL J. MYLER
F. A. MERRICK	JOHN R. READ
S. C. McCONAHEY	A. W. ROBERTSON

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	C. N. SALVISBURG, TREASURER
W. E. SPRAGUE, VICE PRESIDENT AND SECRETARY	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.

CALGARY, ALTA.

EDMONTON, ALTA.

REGINA, SASK.

SASKATOON, SASK.

FORT WILLIAM, ONT.