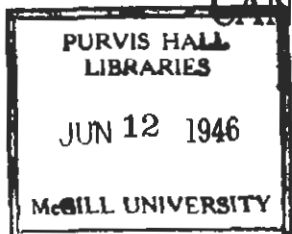


FORTY-SECOND ANNUAL REPORT

DECEMBER 31st, 1945



CANADIAN WESTINGHOUSE COMPANY, LIMITED
HAMILTON - CANADA



CANADIAN WESTINGHOUSE COMPANY, LIMITED

FORTY-SECOND ANNUAL REPORT

DECEMBER 31st, 1945

TO THE SHAREHOLDERS:

The Board of Directors submits herewith the Balance Sheet of the Company as at 31st December, 1945, and the related statements of Profit and Loss and Earned Surplus for the year ended that date, together with the auditors' report thereon.

The net profit for the year amounted to \$1,541,155, or \$2.69 per share, after providing \$1,285,000 for Income and Excess Profits Taxes. Two stock dividends were declared during the year at the rate of one share for every forty shares outstanding, and the shares so issued were valued at \$40.00 each. These stock dividends were equivalent to an annual dividend rate of \$2.00 per share.

The removal of restrictions on the use of electrical goods after the capitulation of Germany and Japan brought about an unprecedented demand for such products. In common with many other manufacturing companies in Canada, we were seriously handicapped in making shipments due to material shortages and delays occasioned by changing from war to peacetime production. It is encouraging to report that in spite of these difficulties, the value of shipments of our regular electrical products was considerably in excess of our pre-war volume. The heavy accumulation of unfilled orders carried forward to the new year, together with the anticipated demand for electrical products during the present reconstruction period, assures a continuation of steady production, provided that we can obtain an adequate supply of raw materials and fabricated parts both from Canada and the United States. While volume of shipments in 1945 was at the same high level as in the previous four years, operating profits have again shown a marked reduction as a result of steadily increasing costs which have not been compensated for by higher selling prices due to price control regulations.

Following the cessation of hostilities, orders for special war products were terminated by the Government, and with but few exceptions, settlement of these contracts has been completed, and the space and equipment used in their production is now being used for our regular products.

Particulars of profits earned on war business were submitted to the Government, and an over-all adjustment of these profits completed with the Department of Reconstruction and Supply. The net cost of this adjustment was charged to the reserve for contingencies.

Hamilton Munitions Limited, a wholly owned subsidiary set up to produce anti-aircraft guns and gun barrels, has ceased operations, and a dividend representing the total profits earned since its inception in 1941 was declared and credited to the earned surplus account of the Company. The plant erected by the Government for the production of anti-aircraft guns and gun barrels by Hamilton Munitions Limited was purchased by us as at 1st June, 1945, and as quickly as possible is being converted for the production of our complete line of household appliances.

During the past year a further contribution of \$300,000 was again made to the Employees' Pension Trust Fund, under which provision is made for the retirement of employees. The entire cost of this pension plan is borne by the Company.

The manpower situation differs materially from that of a year ago, and we are pleased to welcome back from the Armed Forces many of our skilled and experienced employees. Approximately eighteen hundred of our employees enlisted in the Armed Services, and we now regret to report that fifty-seven of these gave their lives in the achievement of victory.

Your Board records with profound sorrow the death on April 20, 1945, of Mr. Paul Judson Myler, Director and former Chairman of the Board of the Company, and its resident head from its inception in 1903 until his retirement. Mr. Myler's service with the Westinghouse interests embraced a span of fifty-eight years and he has left indelibly imprinted upon our organization the virtues of common sense, prudence and fair dealing that were so apparent to all who knew him.

Your Board further records with sorrow, the death on January 19, 1945, of Mr. Charles Nicholas Salvisburg, a valued employee of the Company since 1903 and Treasurer since 1937.

The directors and officers of the Company wish to express their appreciation of the loyal and intelligent services of all employees throughout the year.

By Order of the Board,

JOHN R. READ, Chairman and President.

Hamilton, Canada
February 27th, 1946.

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

BALANCE SHEET

AS AT 31ST DECEMBER, 1945

ASSETS

CURRENT ASSETS:

CASH ON HAND AND IN BANKS - - - - -	\$ 3,818,072.67
INVESTMENT IN GOVERNMENT BONDS AND OTHER MARKET- ABLE SECURITIES, AT COST LESS RESERVE - - - (QUOTED MARKET VALUE \$6,837,462)	6,631,318.80
ACCOUNTS RECEIVABLE LESS RESERVE - - - - -	1,960,609.40
INVENTORIES AS DETERMINED AND CERTIFIED BY THE MAN- AGEMENT AND PRICED AT THE LOWER OF COST OR MARKET - - - - -	7,189,362.95
	\$19,599,363.82

INVESTMENT IN AND ADVANCES TO HAMILTON MUNITIONS LIMITED 324,192.56
PROPERTY AND PLANT:

REAL ESTATE, BUILDINGS, MACHINERY, TOOLS AND EQUIP- MENT AND MAIN OFFICE AND DISTRICT OFFICE PROP- ERTIES—AT COST LESS DEPRECIATION - - - - -	4,933,255.55
PREPAID INSURANCE AND DEFERRED CHARGES - - - - -	201,965.44
REFUNDABLE PORTION OF TAXES ON INCOME (AFTER GIVING EFFECT TO RENEGOTIATION OF WAR CONTRACTS) - - - - -	900,000.00
PATENTS, RIGHTS AND LICENSES - - - - -	1.00
	\$25,958,778.37

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUED CHARGES - - - - -	\$ 1,643,551.22
PROVISION FOR SERVICE GUARANTEES - - - - -	450,000.00
ADVANCE PAYMENTS RECEIVED ON CONTRACTS - - - - -	1,754,741.20
RESERVE FOR TAXES ON INCOME - - - - -	287,998.88
	\$ 4,136,291.30

BALANCE PAYABLE TO DOMINION GOVERNMENT RE PURCHASE OF
BUILDING (SECURED BY REFUNDABLE PORTION OF TAXES) - - 600,000.00
GENERAL RESERVE - - - - - 2,125,000.00

CAPITAL STOCK:

AUTHORIZED — 900,000 SHARES OF NO PAR VALUE - -	
ISSUED — 573,123 SHARES (INCLUDING 27,123 SHARES FROM STOCK DIVIDENDS DECLARED DUR- ING THE YEAR 1945) - - - - -	\$10,184,920.00
EARNED SURPLUS - - - - -	8,912,567.07
	19,097,487.07

\$25,958,778.37

FOR THE DIRECTORS:

GEORGE A. BLACKMORE
A. W. ROBERTSON

CANADIAN WESTINGHOUSE COMPANY, LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST DECEMBER, 1945

NET EARNINGS FROM OPERATIONS AFTER PROVISION FOR DEPRECIATION - - - - -		\$ 3,006,777.27
INCOME FROM INVESTMENTS - - - - -		119,378.19
		<hr/>
		\$ 3,126,155.46
DEDUCT:		
CONTRIBUTION TO EMPLOYEES' PENSION TRUST FUND - -	\$ 300,000.00	
PROVISION FOR TAXES ON INCOME (AFTER DEDUCTING REFUNDABLE PORTION OF \$95,000) - - - - -	1,285,000.00	1,585,000.00
		<hr/>
NET PROFIT FOR YEAR - - - - -		<u>\$ 1,541,155.46</u>

NOTE: INCLUDED IN THE EXPENDITURES FOR THE YEAR ARE:

PROVISION FOR DEPRECIATION - - - - -	\$524,574
DIRECTORS' FEES - - - - -	17,300
EXECUTIVES' REMUNERATION AND LEGAL FEES - - - - -	107,287

STATEMENT OF EARNED SURPLUS

BALANCE AT 31ST DECEMBER, 1944 - - - - -		\$ 8,061,937.61
ADD:		
NET PROFIT FOR YEAR - - - - -	\$ 1,541,155.46	
DIVIDEND RECEIVED FROM HAMILTON MUNITIONS LIMITED -	415,000.00	
		<hr/>
		\$ 1,956,155.46
LESS:		
STOCK DIVIDENDS DECLARED (INCLUDING FRACTIONAL SHARES WITH A VALUE OF \$20,606 NOT YET CONVERTED INTO FULL SHARES) - - - - -	1,105,526.00	850,629.46
		<hr/>
BALANCE AT 31ST DECEMBER, 1945 - - - - -		<u>\$ 8,912,567.07</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, 1945, 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, 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, 1945, 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 dividend received during the year from Hamilton Munitions Limited, a wholly owned subsidiary, exceeded by \$394,156.50 that Company's profits for the year ended 30th June, 1945.

CLARKSON, GORDON, DILWORTH AND NASH,
Chartered Accountants.

Hamilton, Canada
February 16th, 1946

BOARD OF DIRECTORS

JOHN R. READ, CHAIRMAN

GEO. A. BLACKMORE

S. C. McCONAHEY

GEO. H. BUCHER

A. W. ROBERTSON

SIDNEY G. DOWN

ROSCOE SEYBOLD

EXECUTIVE COMMITTEE

GEO. A. BLACKMORE

S. C. McCONAHEY

GEO. H. BUCHER

JOHN R. READ

A. W. ROBERTSON

OFFICERS

JOHN R. READ, CHAIRMAN AND PRESIDENT

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

W. E. SPRAGUE, VICE PRESIDENT
AND SECRETARY

H. A. COOCH, VICE PRESIDENT

JOHN S. MARTIN, TREASURER

E. M. COLES, VICE PRESIDENT

J. M. THOMPSON, 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.