

**ALUMINUM COMPANY OF CANADA, LIMITED**

**1948**

**FINANCIAL STATEMENTS**

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**ALUMINUM COMPANY OF CANADA, LIMITED**  
**and Subsidiary Companies**

**Consolidated Balance Sheet**  
*31st December 1948*

**ASSETS**

	31st December 1948	31st December 1947
Current Assets:		
Cash in banks and on hand . . . . .	\$ 7,476,822	\$ 7,909,584
Funds set apart for preferred dividend payable 1st March 1949 . . .	141,635	144,220
Dominion of Canada bonds (quoted value \$20,906,094) . . . . .	20,577,838	22,221,979
Accounts and notes receivable, less reserves . . . . .	8,889,370	8,467,741
Accounts receivable from affiliated companies . . . . .	5,589,429	7,018,507
Inventories of aluminum, materials and supplies at cost or under, which is not in excess of market, determined from book and physical inventories, certified by officers of the companies . . . . .	41,692,573	35,277,446
	<u>84,367,667</u>	<u>81,039,477</u>
Refundable portion of excess profits tax (contra) . . . . .	—	560,578
Prepaid expense and deferred charges to operations . . . . .	4,161,043	3,431,074
Indemnity and surety deposits . . . . .	547,090	577,247
Investment in shares of an affiliated company . . . . .	—	3,687,499
Lands, plants, riparian rights, and facilities, at cost . . . . .	345,096,255	334,922,150
	<u>\$434,172,055</u>	<u>\$424,218,025</u>



**ALUMINUM COMPANY OF CANADA, LIMITED**  
**and Subsidiary Companies**

**Consolidated Balance Sheet**

*31st December 1948*

**LIABILITIES**

	31st December 1948	31st December 1947
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities . . . . .	\$ 12,284,692	\$ 12,687,062
Accounts payable to affiliated companies . . . . .	193,125	131,325
Preferred dividend payable 1st March 1949 . . . . .	141,635	144,220
Reserves for income and excess profits taxes . . . . .	9,185,590	6,715,466
	<u>21,805,042</u>	<u>19,678,073</u>
<b>Indebtedness not maturing within one year:</b>		
Aluminum Company of Canada, Ltd.:		
First mortgage 3½% sinking fund bonds, due 1974:		
Series "A"—payable in Canadian currency . . . . .	13,064,000	13,438,000
Series "B"—payable in U.S. currency . . . . .	24,939,000	25,655,000
Second hypothec, securing contractual obligation for annual pay- ments, which may be commuted for . . . . .	11,639,553	12,118,651
3% Redeemable notes, due 1961—payable to the British Govern- ment—interest and \$36,140,000 of principal abatable in certain circumstances as provided in the contracts under which they were issued . . . . .	54,968,185	54,968,185
Indebtedness of subsidiaries (secured on property) . . . . .	3,586,583	4,071,902
	<u>108,197,321</u>	<u>110,251,738</u>
Reserves for amortization, depreciation and depletion of lands, plants and facilities . . . . .	228,555,282	223,832,163
Operating reserves and deferred credits . . . . .	787,802	962,572
Refundable portion of excess profits tax (contra) . . . . .	—	560,578
<b>Capital Stock and Surplus:</b>		
4% Cumulative redeemable sinking fund preferred shares—par \$25—565,504 shares outstanding after purchase for cancellation of 11,200 shares in 1948 . . . . .	14,137,600	14,417,600
Common shares—no par—1,500,000 shares outstanding . . . . .	15,000,000	15,000,000
Capital surplus . . . . .	862,400	582,400
Earned surplus . . . . .	44,826,608	38,932,901
	<u>74,826,608</u>	<u>68,932,901</u>
	<u>\$434,172,055</u>	<u>\$424,218,025</u>

Approved on behalf of the Board,

R. E. POWELL, *Director*

J. A. DULLEA, *Director*



**ALUMINUM COMPANY OF CANADA, LIMITED**  
**and Subsidiary Companies**

**Consolidated Statement of Profit and Loss**  
*For the Year Ending 31st December 1948*

	<u>1948</u>	<u>1947</u>
Profit for the year ending 31st December 1948, after provision for depreciation and depletion (see footnote) but before taking into account the following items.....	\$ 41,903,228	\$ 31,370,905
Add:		
Income from investment.....	83,732	167,464
Interest, etc.....	640,667	781,728
Gain on disposal of surplus equipment.....	97,262	638,867
Gain on sale of marketable securities.....	4,750	77,738
	<u>42,729,639</u>	<u>33,036,702</u>
Deduct:		
Interest on indebtedness not maturing within one year.....	3,204,149	3,253,582
Other interest.....	33,637	17,621
Executive salaries.....	243,829	229,323
Legal fees.....	23,630	41,137
Directors' fees.....	528	311
Provision for Canadian income taxes.....	13,146,648	10,543,210
Provision for foreign income taxes.....	1,294,689	1,076,449
Premium and expense on bonds retired.....	22,358	19,535
Purchase of past service retirement annuities.....	504,585	—
	<u>18,474,053</u>	<u>15,181,168</u>
Profit carried to earned surplus.....	<u>\$ 24,255,586</u>	<u>\$ 17,855,534</u>

NOTE: Provision for depreciation and depletion for the year amounted to \$6,736,193 of which \$5,382,791 was charged to cost of production.



**ALUMINUM COMPANY OF CANADA, LIMITED**  
**and Subsidiary Companies**

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**Consolidated Statement of Surplus**  
*For the Year Ending 31st December 1948*

**EARNED SURPLUS**

	1948	1947
Earned surplus—beginning of year . . . . .	\$ 38,932,901	\$ 37,176,933
Adjustments applicable to prior years (net) . . . . .	—	121,523
Refundable portion of excess profits tax . . . . .	493,598	—
	<u>39,426,499</u>	<u>37,298,456</u>
Profit for the year . . . . .	24,255,586	17,855,534
	<u>63,682,085</u>	<u>55,153,990</u>
Dividends:		
Preferred, including dividend payable 1st March 1949 . . . . .	569,755	588,128
Common . . . . .	18,000,000	15,000,000
Appropriation for the purchase for cancellation of 11,200 preferred shares . . . . .	285,722	632,961
	<u>18,855,477</u>	<u>16,221,089</u>
Earned surplus—end of year . . . . .	<u>\$ 44,826,608</u>	<u>\$ 38,932,901</u>

**CAPITAL SURPLUS**

Capital surplus—beginning of year . . . . .	\$ 582,400	\$ —
Par value of 11,200 preferred shares purchased in 1948 for cancellation	280,000	582,400
Capital surplus—end of year . . . . .	<u>\$ 862,400</u>	<u>\$ 582,400</u>



## AUDITORS' REPORT

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TO THE SHAREHOLDERS OF ALUMINUM COMPANY OF CANADA, LIMITED:

We have examined the consolidated balance sheet of Aluminum Company of Canada, Limited and its subsidiary companies as at 31st December 1948, and the related consolidated statements of profit and loss and surplus. Our examination of Aluminum Company of Canada, Limited and its Canadian subsidiaries included such tests of the accounting records and other supporting evidence and such other procedures as we deemed appropriate, including a review of the reports of the company's internal auditors. We were furnished by other independent accountants with audited financial statements of those subsidiaries operating outside Canada whose records were not examined by us. We have received all the information and explanations we have required.

The accounts of subsidiary companies, other than Canadian companies, included in the consolidated balance sheet and the related statement of profit and loss are translated into Canadian dollars at official rates of exchange current at 31st December 1948, except that fixed assets are at rates determined at dates of acquisition.

The surpluses of the individual companies included in the consolidation are subject to such restrictions as to distribution as may be imposed by regulatory bodies of the countries in which the companies are carrying on operations.

On the above basis, we report that, in our opinion, the accompanying consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the combined state of affairs of Aluminum Company of Canada, Limited and its subsidiary companies as at 31st December 1948, and that the related statements of profit and loss and surplus present fairly the results of the combined operations of the companies for the year ending on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies examined by us and the audited financial statements furnished by other independent accountants.

PRICE, WATERHOUSE & CO.,  
Auditors.

Montreal, 15th March 1949.



ALUMINUM COMPANY OF CANADA, LIMITED  
MONTREAL, QUE., CANADA

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DIRECTORS

R. E. POWELL

President, Saguenay Power Company, Ltd.  
Montreal

NATHANAEL V. DAVIS

President, Aluminium Limited  
Montreal

E. J. MEJIA

President, Aluminium Fiduciaries Limited  
Montreal

J. A. DULLEA

President, Aluminium Secretariat Limited  
Montreal

J. ALEX PRUD'HOMME, K.C.

Geoffrion & Prud'homme  
Montreal

PAUL LaROQUE

Secretary, Aluminium Secretariat Limited  
Montreal

H. H. RICHARDSON

President, Aluminium Laboratories Limited  
Montreal

E. G. MacDOWELL

President, Aluminium Union Limited  
Montreal

N. E. RUSSELL

President, Aluminum Goods Limited  
Toronto

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R. E. POWELL, *President*

J. ALEX PRUD'HOMME, K.C., *Vice-President*

A. W. WHITAKER, Jr., *Vice-President and General Manager*

FRASER W. BRUCE, *Vice-President and General Sales Manager*

PAUL S. WHITE, *Vice-President, Secretary and Treasurer*

J. B. WHITE, *Vice-President and Director of Personnel*

McNEELY DuBOSE, *Vice-President*



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