

CANADIAN WESTINGHOUSE COMPANY, LIMITED

TWENTY-FOURTH ANNUAL REPORT

DECEMBER 31ST, 1927

DIRECTORS

H. H. WESTINGHOUSE, CHAIRMAN OF THE BOARD

PAUL J. MYLER, PRESIDENT

L. A. OSBORNE, VICE-PRESIDENT

HON. THOMAS AHEARN, P. C.

F. A. MERRICK, VICE-PRESIDENT

CHARLES A. TERRY

N. S. BRADEN, VICE-PRESIDENT

JOHN F. MILLER

SIR JOHN M. GIBSON, K. C. M. G.

A. L. HUMPHREY

H. U. HART, GENERAL MANAGER AND CHIEF ENGINEER

H. M. BOSTWICK, MANAGER OF SALES

C. H. O. POOK, MANAGER OF WORKS

GEORGE R. KERR, TREASURER

W. E. SPRAGUE, SECRETARY

PRINCIPAL OFFICE AND WORKS, HAMILTON, ONTARIO

SALES OFFICES

MONTREAL, QUE.

TORONTO, ONT.

WINNIPEG, MAN.

HALIFAX, N. S.

OTTAWA, ONT.

CALGARY, ALTA.

VANCOUVER, B. C.

FORT WILLIAM, ONT.

EDMONTON, ALTA.

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CANADIAN WESTINGHOUSE COMPANY, LIMITED

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DECEMBER 31st, 1927

The Directors submit herewith the customary Balance Sheet of the Company at the close of the fiscal year ended December 31st, and a statement of the Profit and Loss Account.

Beginning the year with an unapportioned surplus of \$4,244,993.04, a special dividend of 30% on the Capital Stock, payable in June, was declared, reducing the surplus to \$2,003,123.04. Coincident with the declaration of this dividend, the Shareholders were accorded the privilege of subscribing at par for new shares in the proportion of one new share for five shares then held; the result of this procedure increased the paid-up Capital Stock of the Company to \$9,000,000.00.

The statement shows the current year's earnings from all sources to be \$2,551,188.66, and from this, \$240,000.00 has been written off for general depreciation of property and plant, \$187,000.00 reserved for payment of Dominion taxes for 1927, and \$50,000.00 transferred to the Pension Fund. The Patents, Rights and Licenses Account, heretofore appearing on the statements of the Company at \$500,000.00, has been reduced to the nominal figure of one dollar. Your Directors felt that the assets represented under this heading, although of great value to the Company, might be regarded as being to some extent intangible from the viewpoint that their intrinsic value is not readily determinable.

The regular quarterly dividends, and an extra dividend of 2%, were paid during the year, amounting to \$838,116.00, and with these deductions the carry-over for the year amounts to \$736,073.66, increasing the surplus at credit of Profit and Loss to \$2,739,196.70.

In reviewing the operations of your Company for the year just closed, there are no items of outstanding importance which require special mention. Requirements for equipment for pulp and paper plants and for power developments continued in approximately the same volume as the preceding year, and activity in the several lines of railway equipment was also maintained.

In the Annual Report for 1926, mention was made of unfilled orders carried over for delivery in 1927, and the completion of these orders, coupled with a substantial increase of sales during the year of practically all our lines of manufacture, has resulted in a greater total volume of business for the past year than for the one preceding, with a consequent enhancement of gross and net earnings. Contributing also to this result has been a decided augmentation of our merchandising lines of small apparatus with its inherent increased rapidity of turn-over.

Throughout the year, your Company has been successful in securing a fair proportion of the business offered, this result, we believe, being largely due to the skill of our designing and sales engineering forces in coping with the various intricate technical problems involved, and to the excellent workmanship and quality of materials used in the actual fabrication of our apparatus. Our established record for meeting delivery dates on important installations has also, we believe, been a factor in influencing business in our direction.

All inventories have, as usual, been verified by physical count and priced conservatively at the lower of either cost or market values.

Your Board takes this opportunity of again expressing its appreciation of the loyal and efficient services of both the supervising and operating forces in all Departments throughout the year.

Your Board records with profound sorrow the death on June 14, 1927, of General Guy E. Tripp, a Director of the Company since 1912. General Tripp's long experience in the public utility field and his close association with the conduct of other Westinghouse enterprises combined to make his counsel and advice of great value to your Board.

Mr. A. L. Humphrey, President of the Westinghouse Air Brake Company, Pittsburgh, Pa., was elected a Director of the Company to fill the vacancy on the Board.

By Order of the Board,

H. H. WESTINGHOUSE,
Chairman.

PAUL J. MYLER,
President.

ABSTRACT OF FINANCIAL STATEMENT

FOR FISCAL YEAR ENDED DECEMBER 31ST, 1927

GENERAL BALANCE SHEET

ASSETS:—			
CASH	- - - - -	\$2,008,078.54	
INVESTMENTS, GOVERNMENT BONDS, ETC.	- - - - -	1,937,382.88	
ACCOUNTS AND BILLS RECEIVABLE	- - - - -	2,224,530.30	
PROPERTY AND PLANT:—			
Real Estate; Buildings; Machinery; Tools and Equipment; Main Office and District Office Properties	- - - - -	5,257,612.51	
INVENTORY OF MATERIALS AND PRODUCTS ON HAND INCLUDING WORK IN PROCESS, LESS COLLECTIONS ON ACCOUNT	- - - - -	2,517,119.12	
INSURANCE UNEXPIRED AND TAXES PAID IN ADVANCE	- - - - -	25,306.14	
PATENTS, RIGHTS AND LICENSES	- - - - -	1.00	<u>\$13,970,030.49</u>
LIABILITIES:—			
CAPITAL STOCK			
Authorized	- - - - - \$10,000,000.00		
Issued	- - - - -	\$9,000,000.00	
CURRENT ACCOUNTS PAYABLE	- - - - -	772,764.64	
DIVIDEND NO. 94 PAYABLE JANUARY 1ST, 1928	- - - - -	360,000.00	
CONTRACTS IN PROGRESS	- - - - -	311,069.15	
RESERVE FOR DEPRECIATION	- - - - -	600,000.00	
PROVISION FOR DOMINION TAXES, 1927	- - - - -	187,000.00	
PROFIT AND LOSS ACCOUNT	- - - - -	2,739,196.70	<u>\$13,970,030.49</u>

PROFIT AND LOSS ACCOUNT

BALANCE BROUGHT FORWARD JANUARY 1ST, 1927	- - - - -	\$ 4,244,993.04	
DIVIDEND PAID JUNE 20TH, 1927, OUT OF ACCUMULATED EARNINGS	- - - - -	2,241,870.00	
			<u>2,003,123.04</u>
EARNINGS FROM ALL SOURCES FOR YEAR ENDED DECEMBER			
31st, 1927, INCLUDING ROYALTIES AND INVESTMENTS	- \$2,551,188.66		
Written off for Depreciation	- - \$240,000.00		
For Dominion Taxes 1927	- - 187,000.00		
To Pension Fund	- - 50,000.00		
Patents, Rights and Licenses	- - 499,999.00	976,999.00	
NET EARNINGS	- - - - -	1,574,189.66	
LESS DIVIDENDS, 1927	- - - - -	838,116.00	736,073.66
BALANCE CARRIED FORWARD JANUARY 1ST, 1928	- - - - -	- - - - -	<u>\$ 2,739,196.70</u>

F. A. MERRICK,
Vice-President

N. S. BRADEN,
Vice-President

AUDITOR'S CERTIFICATE

I certify that I have audited the books and accounts of the Company for the year ended December 31, 1927, have verified the cash and securities belonging to the Company and have been furnished with vouchers for all expenditures. I have obtained all necessary information and explanations, and the above statement, in my opinion, sets forth correctly the condition of the Company's affairs at the above date, according to the best of my information and the explanations given me, and agrees with the books of the Company.

Hamilton, Canada, February 15th, 1928

C. S. SCOTT, F.C.A.,
of C. S. Scott & Co.,
Auditor

