

Amalgamated Electric Corporation, Limited

Montreal, Canada



Annual Report
1939

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AMALGAMATED ELECTRIC CORPORATION,
LIMITED

and

Subsidiary Companies

BENJAMIN ELECTRIC MANUFACTURING COMPANY
of CANADA LIMITED

BULL DOG ELECTRIC PRODUCTS of CANADA LIMITED

CANADIAN CUTLER-HAMMER LIMITED

LANGLEY ELECTRIC MANUFACTURING COMPANY,
LIMITED

LANGLEY ELECTRICAL COMPANY LIMITED

LANGLEY MANUFACTURING COMPANY LIMITED

PLANTS AND WAREHOUSES AT:

TORONTO

MONTREAL

WINNIPEG

CALGARY

VANCOUVER

EXECUTIVE OFFICES:

ROOM 1600

1050 BEAVER HALL HILL

MONTREAL, QUEBEC



AMALGAMATED ELECTRIC CORPORATION, LIMITED

MONTREAL, 6th February, 1940.

TO THE SHAREHOLDERS:

Your Directors submit herewith the Eleventh Annual Report and Consolidated Statements of Account for the year ended 31st December, 1939.

RESULTS OF OPERATIONS:

The Net Profit for the year, after providing for depreciation and income taxes, amounted to \$56,515, as compared with a Net Profit of \$44,416 in 1938.

PLANT:

Worn out machinery was replaced during the year, resulting in expenditures amounting to \$65,376 (as compared with \$19,381 during the previous year) while equipment scrapped amounted to \$17,431, thus resulting in a net increase of \$47,945.

Depreciation amounting to \$37,344 was provided during the year on plant and equipment.

As heretofore, the cost of the necessary repairs to the Company's plants was charged to maintenance expense.

INVENTORIES:

The Company's inventories, in accordance with its usual practice, have been valued at cost or market, whichever was lower, the necessary provision being made for unusable and unsaleable material.

FINANCIAL:

The net working capital of the Company at 31st December, 1939, is approximately the same as at the end of the preceding year (after increased plant expenditure as above

referred to and purchases of Preferred stock for redemption), as shown by the following comparison:

	31st December, 1939	31st December, 1938
Current Assets . .	\$719,019	\$687,939
Current Liabilities	94,247	64,575
Net Working Capital	\$624,772	\$623,364

Current Assets include Cash on Hand and on Deposit amounting to \$227,705. The Current Assets are equivalent to approximately eight times the Current Liabilities.

CAPITAL STRUCTURE:

In accordance with views expressed at the last Annual Meeting, steps were taken to re-organize the capital structure of the Company in accordance with the plan submitted to the Shareholders, by which the former Preferred Shareholders received four (4) shares of new Common stock for each then existing share of Preferred stock, and the former Common Shareholders received one (1) share of new Common stock for each five (5) then existing shares of Common stock. The approval of the Shareholders at a special meeting having been obtained, and the necessary legal steps (including the securing of Supplementary Letters Patent) having been taken, this re-organization was consummated. The effect of the re-organization is indicated in the accompanying financial reports.

EMPLOYEES:

Your Directors desire to place on record their appreciation of the continued loyal and efficient service rendered by the employees during the year.

PROSPECTS:

Further development throughout the year has taken place in new products and in the marketing of the Company's products generally. As far as can be determined under existing conditions, it is expected that continued improvement should result in the ensuing year.

By Order of the Board,

P. F. SISE,
President.

AMALGAMATED ELECTRIC

AND

SUBSIDIARY

Consolidated Balance Sheet

ASSETS

CAPITAL ASSETS:

Real Estate, Buildings, Plant and Equipment at cost	\$744,941
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CURRENT ASSETS:

Inventories of Raw Material, Goods in Process, Finished Stock, etc. (*)	\$369,392	
Accounts Receivable (less Reserve for Doubtful Accounts)	119,922	
Dominion of Canada Bonds	2,000	
Cash on Hand and on Deposit	227,705	719,019

PREPAID EXPENSES:

Unexpired Insurance, Prepaid Taxes, etc.	2,932
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GOODWILL AND PATENTS	1
	<u>\$1,466,893</u>

(*) Based on periodic Physical Inventories, adjusted for operations to 31st December, 1939, and valued at cost or market, whichever was lower.

Approved on behalf of the Board:

P. F. SISE	} Directors
W. L. BAYER	

C CORPORATION, LIMITED
D
COMPANIES

as at 31st December, 1939

LIABILITIES

CAPITAL STOCK:

Common Stock — without nominal or par value:

Authorized — 100,000 Shares

Issued and Paid-up — 84,420 Shares \$844,200

(All in accordance with Supplementary Letters

Patent dated 22nd August, 1939).

CURRENT LIABILITIES:

Accounts Payable and Accrued Charges	\$78,986	
Provision for Taxes	15,261	94,247
RESERVES FOR DEPRECIATION		332,897
CAPITAL SURPLUS		139,034
EARNED SURPLUS		56,515
		<u>\$1,466,893</u>

AUDITOR'S REPORT TO THE SHAREHOLDERS

MONTREAL, 26th January, 1940.

We have examined the books and accounts of Amalgamated Electric Corporation, Limited, and its Subsidiary Companies as at 31st December, 1939, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Consolidated Balance Sheet and relative Consolidated Statements of Profit and Earned Surplus, and Capital Surplus are properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

WM. CARSWELL, C.A.,
Treasurer.

MCDONALD, CURRIE & Co.,
Chartered Accountants.

AMALGAMATED ELECTRIC CORPORATION, LIMITED
AND
SUBSIDIARY COMPANIES

*Consolidated Statement of Profit and Earned Surplus
For the Year Ended 31st December, 1939*

OPERATING PROFIT FOR YEAR—before charging Executive Salaries and Legal Fees and before providing for Depreciation and Income Taxes		\$127,801
DEDUCT—Executive Salaries	\$22,490	
Legal Fees(*)	1,008	23,498
PROFIT FOR YEAR before providing for Depreciation and Income Taxes		104,303
DEDUCT—Provision for Depreciation	37,344	
Provision for Income Taxes	13,663	51,007
PROFIT FROM OPERATIONS		53,296
ADD— Miscellaneous Income		3,219
NET PROFIT FOR YEAR (being Earned Surplus as at 31st December, 1939)		\$56,515

(*) Excludes \$2,835 paid for Legal Fees in connection with the Capital Re-organization—charged to Capital Surplus.

NOTE: No Directors' Fees have been paid or charged during the year.

*Consolidated Statement of Capital Surplus
For the Year Ended 31st December, 1939*

BALANCE AT CREDIT AS AT 31ST DECEMBER, 1938	\$58,633
ADD —Discount on Preferred Shares purchased for cancellation and reduction of Capital to date of re-organization	26,477
Net adjustment on Capital Re-organization including elimination of Deficit as at 31st December, 1938	53,924
BALANCE AT CREDIT AS AT 31ST DECEMBER, 1939	\$139,034

AMALGAMATED ELECTRIC CORPORATION, LIMITED

DIRECTORS

WILLIAM L. BAYER	RICHARD O. JOHNSON
WILLIAM CARSWELL	STANLEY LANGLEY
AUBREY H. ELDER	M. P. MURPHY
HOMER M. JAQUAYS	M. K. PIKE

PAUL F. SISE

OFFICERS

WILLIAM L. BAYER	Chairman of the Board
PAUL F. SISE	President
M. P. MURPHY	Vice-President and Managing Director
WILLIAM CARSWELL	Secretary-Treasurer

STANLEY LANGLEY	General Production Manager
A. V. ARMSTRONG	General Sales Manager

Solicitors

WAINWRIGHT, ELDER & McDUGALL—Montreal
BLAKE, LASH, ANGLIN & CASSELS—Toronto

Transfer Agents

MONTREAL TRUST COMPANY—Montreal

Registrar

THE ROYAL TRUST COMPANY—Montreal



The Symbol of Satisfaction

ELECTRICAL SUPPLIES, ETC.

APARTMENT MAIL BOXES.

BOXES—Outlet; Switch.

CUTOOTS.

FIXTURES—Porcelain Enamel Reflectors; Vapor-Proof; Commercial Fixtures; Glazed Porcelain; Dust-Proof; Explosion-Proof.

FLOODLIGHTING.

LAMPS—Bed; Desk; Portable.

LIGHTING—Commercial; Cove; Portrait; Show Case; Spot; Theatre; Industrial; Porcelain Equipment.

LIGHTING CONTROL—Theatre.

PANELBOARDS—Branch Circuit and Light and Power Distribution.

PLUGS—Attachment.

RADIO OUTLETS.

RECEPTACLES—Flush; Surface; Sign; Fixture.

REFLECTORS—Porcelain Enamel; Aluminum.

ROSETTES.

SERVICE STATION FLOODLIGHTING.

SHEET METAL WORK.

SIGNALS—Industrial.

SOCKETS—Brass Shell; Porcelain; Rubber; Candle; Weatherproof; Extensions; Reducers.

SPINNINGS.

STAMPINGS.

SWITCHBOARDS—Light and Power.

SWITCHPLATES—Brass; Steel; Bakelite.

SWITCHES—Canopy; Door; Externally Operated; Fixture; Flush; Knife; Pendant; Appliance; Surface; Time; Safety; Industrial; Service.

THEATRE SWITCHBOARDS.

WIRING DEVICES.

BULL DOG PRODUCTS—Panelboards; Switchboards; Safety Switches; Industrial Breakers; Wiring Trough; Wireways; Busways.

CUTLER-HAMMER PRODUCTS—Motor Control.

