

CANADIAN GENERAL ELECTRIC CO., LIMITED

Head Office: TORONTO

Annual Report of the Board of Directors for the Year Ended 31st December, 1911

DIRECTORS: W. R. BROCK, President; H. P. DWIGHT, Vice-President; FREDERIC NICHOLLS, Vice-President and General Manager; SIR WM. MORTIMER CLARK, LL.D., K.C.; A. E. DYMENT, SIR RODOLPHE FORGET, HERBERT S. HOLT, HON. J. K. KERR, K.C.; W. D. MATTHEWS, HON. GEORGE A. COX, HON. ROBERT JAFFRAY, JAMES ROSS, SIR WILLIAM MACKENZIE.

SECRETARY AND ASSISTANT GENERAL MANAGER: J. J. ASHWORTH.

SOLICITORS: KERR, DAVIDSON, PATERSON & MCFARLAND.

BANKERS: THE BANK OF MONTREAL; THE CANADIAN BANK OF COMMERCE.

STOCK TRANSFER AGENTS: NATIONAL TRUST CO., TORONTO; CANADIAN BANK OF COMMERCE, LONDON, ENG.

ANNUAL REPORT OF THE DIRECTORS.

To be Submitted to the Shareholders at the Annual General Meeting of the Company in Toronto, on Thursday, 25th April, 1912.

Your Directors submit herewith a Consolidated Balance Sheet of the Company as upon the 31st day of December, 1911, a combined statement of Profit and Loss for the year, and the Certificate of Messrs. Price, Waterhouse & Company, Chartered Accountants.

Your Directors draw attention to the very prosperous year just past, the profits, which amounted to \$1,405,889.70, being the largest in the history of the Company, our recent additions to plant and equipment having permitted of our manufacturing in greater volume without materially increasing overhead expense account.

A reference to the Balance Sheet will show that from the above amount we have written off for depreciation the sum of \$353,721.63, and have paid in interest on borrowed capital the sum of \$162,422.66, leaving a balance of \$889,745.41. Deducting from this amount Dividends on Preference and Common Stock at the rate of 7 per cent. per annum, amounting to \$525,109.37, there remains a net balance of \$364,636.04, which has been carried to the credit of Profit and Loss. This sum added to the balance to the credit of that account at the end of the previous year makes a present balance of \$675,779.35, which, together with the Reserve Fund of \$1,669,531.95, makes a total surplus of \$2,345,311.30.

The volume of business transacted being much larger than in previous years, our Current Liabilities have necessarily increased, in order to take care of work in progress, but against these Current Liabilities our Current Assets amount to \$7,926,840.96.

During the year the Company acquired the property and assets of the Sunbeam Incandescent Lamp Company, of Toronto, and contracts have been let for additions to the buildings and equipment which will double the capacity of this plant. A new Stores

Building at our Peterborough Works, 325 feet by 80 feet, is being erected at the present time, and plans have been accepted for the erection of a new plant in Toronto for our Ornamental Iron, Bronze, and Art Metal Department, the growth of which has surpassed our expectations. With the above extensions and additions our manufacturing facilities will enable us to materially increase our production.

As mentioned in previous Reports, the Real Estate owned by the Company is carried on our books at a valuation far below market values, the appreciation being conservatively estimated at upwards of half a million dollars. It was proposed to write this up to more nearly its present price, but your Directors have decided to allow this asset to continue to remain on the books at the present low valuation.

Following the usual policy of the Company, the Inventory has been taken at cost price, or the market price, whichever was the lower, and ample deductions have been made for depreciation, and any obsolete stock written down to scrap value.

It will be seen from the notice calling a Special General Meeting of Shareholders, which accompanies this Report, that your Directors have passed a By-law providing for increasing the authorized Capital Stock of the Company to Twelve Million Dollars, of which increase shares to the par value of One Million, Nine Hundred Thousand Dollars will be offered to all holders of Ordinary Shares of record on 20th April, 1912. The growth of our business renders this policy advisable, and the only extra charge to the Company will be the difference between the rate of Dividend paid to the Shareholders and the rate of interest paid to our Bankers.

W. R. BROCK, President.

CERTIFICATE OF CHARTERED ACCOUNTANTS.

A. Lowes Dickinson
G. O. May
G. R. Webster
W. E. Seatree
A. B. Brodie

C. J. Marr
J. E. Sterrett
R. O. Berger

D. McK. McClelland

Cable Address "PRICEWATER," Toronto.

PRICE, WATERHOUSE & CO.

Chartered Accountants in England and Wales.

London, Eng.
Montreal.
Toronto.
New York.
Chicago.
Philadelphia.
Boston.
San Francisco.
St. Louis.
Pittsburg.
Seattle.
Mexico, D.F.

Jarvis Building, Toronto, March 5th, 1912.

To the Shareholders of the Canadian General Electric Company, Limited:

We have examined the books and accounts of the Canadian General Electric Company, Limited, and of its subsidiary Companies, for the year 1911, and find that the annexed Consolidated Balance Sheet and Surplus Account are correctly prepared therefrom.

During the year there have been charged to Capital Accounts only expenditures in respect of actual additions, extensions or permanent improvements. Sufficient provision has been made for Depreciation of Plant and Equipment.

The Inventories of Raw Material, Supplies, Work in Progress and Manufactured Products have been taken and certified by responsible officials of the Company, and have

been compared by us with the factory records. The valuations have been accurately made at or below cost price, sufficient allowance being made in respect of goods that are either obsolete or not readily salable.

Reserves have been made for Doubtful Accounts and Notes Receivable and for all ascertainable liabilities.

We have verified the Cash, the Investments and the Bank Balances by actual inspection or by properly certified statements.

We certify that the annexed Balance Sheet is properly drawn up so as to show the true position of the Company at December 31st, 1911, and that the Surplus Account shows the correct result of the operations for the year.

PRICE, WATERHOUSE & CO.

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

And Subsidiary Companies.

Consolidated Balance Sheet, 31st December, 1911.

ASSETS.		LIABILITIES.	
Capital Assets—		Capital Liabilities—	
Patents and Contracts	\$ 497,314 32	Capital Stock, Common	\$5,640,000 00
Real Estate, Buildings, etc., at Toronto, Peterborough, Bridgeburg, Montreal, Branch Offices, Power Plant at Nassau, and Canadian Sunbeam Lamp Company, Limited	4,339,884 05	Capital Stock, Preferred	2,000,000 00
Machinery and Tools	2,252,669 96		\$ 7,640,000 00
Patterns and Drawings	486,901 97	Mortgages	534,032 52
Total Capital Assets	\$7,576,770 30		
Current Assets—		Bonds—	
Inventory of Raw Material, Supplies, Work in Progress and Finished Materials, including expenditure on Contracts (less collections on account)	\$4,061,678 96	Six per cent. Twenty Year First Mortgage Gold Bonds, Canadian Sunbeam Lamp Co., Limited	350,000 00
Accounts Receivable (less Reserve for doubtful debts)	3,502,932 35		
Investments	225,956 00	Current Liabilities—	
Notes Receivable	41,572 69	Bank Advances	\$2,768,111 26
Cash	94,700 96	Accounts Payable	1,179,734 51
	7,926,840 96		3,947,845 77
Deferred Charges	18,642 05	Reserve for Depreciation	
	\$15,522,253 31	Surplus—	
		Reserve	\$1,669,531 95
		Profit and Loss Balance, per account annexed	675,779 35
			2,345,311 30
		(Contingent Liability on Notes Receivable Discounted, \$75,000.00).	
			\$15,522,253 31

We have audited the above Balance Sheet and certify that it is properly drawn up, so as to show the true financial position of the Company, on 31st December, 1911.
PRICE, WATERHOUSE & CO.,
Chartered Accountants.

LYNDHURST OGDEN,
Auditor.

CONSOLIDATED SURPLUS ACCOUNT

Profit for the year ended 31st December, 1911, before providing for Depreciation and Interest on borrowed capital	\$1,405,889 70
Less—Reserved for Depreciation of Buildings, Machinery and Patterns, etc.	\$353,721 63
Interest	162,422 66
	516,144 29
Net Profit for Year	889,745 41
Less—Dividends Paid	525,109 37
	\$364,636 04
Add—Undivided Profits as at 31st December, 1910	311,143 31
Balance at Credit of Profit and Loss Account	\$ 675,779 35
Reserve Fund as at 31st December, 1910	1,669,531 95
Surplus per Balance Sheet	\$2,345,311 30

PRICE, WATERHOUSE & CO., Chartered Accountants.
5th March, 1912.

Certified to be correct,

LYNDHURST OGDEN, Auditor.