

Canadian General Electric Company, Limited

ANNUAL REPORT OF THE BOARD OF DIRECTORS

For the Year Ended 31st December, 1912

DIRECTORS.

W. R. Brock, Hon. President and Chairman of the Board.
Frederic Nicholls, President.
Hon. J. K. Kerr, K.C., Vice-President.
Sir Wm. Mortimer Clark, LL.D., K.C.
Hon. Geo. A. Cox.
A. E. Dymont.
Sir Rodolphe Forget.
Herbert S. Holt.

W. D. Matthews, Vice-President.
Hon. Robert Jaffray.
Sir William Mackenzie.
F. Gordon Osler.
James Ross.

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.
National Trust Co., Montreal. Canadian Bank of Commerce, London, England.

ANNUAL REPORT OF THE DIRECTORS

To be Submitted to the Shareholders at the Annual General Meeting of the Company in Toronto, on Tuesday, 25th March, 1913.

Your Directors submit herewith the Balance Sheet of the Company as upon the 31st day of December, 1912, also statement of Profit and Loss for the year, and Certificate of Messrs. Price, Waterhouse & Company, Chartered Accountants.

The year 1912 has been a period of marked expansion, with undisturbed prosperity and steady development, in every part of the Dominion. Your Company, as evidenced by the Report presented, has participated to the full extent in this increased business, and it is with pleasure that your Directors are able to present a statement showing that the Profits for the year 1912 amounted to \$2,011,719.83.

From this amount has been written off for depreciation the sum of \$456,358.59, and for interest on borrowed capital the sum of \$158,878.16, leaving a balance of \$1,396,483.08. Deducting from this amount Dividends on Preference and Common Stock, at the rate 7% per annum, and a Bonus of 1% on the Common Stock, amounting in all to \$689,871.80, there remains a net balance of \$706,611.28, of which \$700,000.00 has been added to the Reserve Fund, which now stands at \$2,369,531.95. The total of the Reserve Fund added to the balance carried at the credit of Profit and Loss makes a total Surplus of \$3,051,922.58, equal to 30.51% of the par value of the share Capital of the Company, both Common and Preference.

In addition to the Surplus as shown, the value of the Real Estate owned by the Company is greatly in excess of the cost value as it appears on our books.

There is also a Reserve for Depreciation, now amounting to \$1,104,453.86.

During the year important additions have been made to the Company's buildings and plants. At the Peterborough Works a new manufacturing and stores building, 327 feet by 80 feet by three stories, has been erected; a new Office and Warehouse building has been erected in Montreal; a new and complete manufacturing plant has been erected in Toronto for our Architectural Bronze and Iron Works; an addition 100 feet by 62 feet by three stories to the Sunbeam Incandescent Lamp Factory, also in Toronto, has been completed; and an Office and Warehouse building has been erected in Porcupine. Your Directors are pleased to state that the funds required for the greater proportion of the expenditure for real estate, buildings, machinery, and plant, has been provided out of the surplus earnings of the year.

A reference to the Balance Sheet shows that our total Cash and Current Assets amount to over nine million dollars, of which amount over five and one-half million dollars is carried in our Inventory. It should be understood in considering this Asset that it includes the materials for all orders and contracts on hand which were not completed and shipped at the end of the year. Following the usual policy of the Company, this Inventory has been taken at cost price, or the market price, whichever was the lower, plus the actual cost of labor expended on the contracts, and no estimated profit has been taken into account.

Uncompleted Contracts, to the value of about seven million dollars, in various stages of completion, have been carried over to the current year.

The Company owns the real estate and buildings occupied as District Offices and Warehouses in Halifax, N.S.; Montreal, P.Q.; Toronto, Ont. (Head Office); Porcupine, Ont.; Winnipeg, Man.; and Vancouver, B.C., and plans are being prepared for a building in Calgary, Alta., suitable for the Company's requirements. The remaining Branches, or District Offices, are in rented premises, and are located in—Ottawa, Ont.; Cobalt, Ont.; Regina, Sask.; Saskatoon, Sask.; Calgary, Alta.; Edmonton, Alta.; Nelson, B.C.; Victoria, B.C.; and Prince Rupert, B.C.

Your Directors desire to express their great regret at the death of Mr. H. P. Dwight, who had been a Vice-President of the Company since its inception. Mr. W. D. Matthews, a Director since the organization of the Company, was elected to the vacancy created, and on the election of Mr. Frederic Nicholls as President, the Hon. J. K. Kerr, K.C., also a Director since the organization of the Company, was elected to the Vice-Presidency vacated by Mr. Nicholls, and Mr. F. Gordon Osler was elected a Director to fill the vacancy on the Board created by the death of Mr. H. P. Dwight. Your Directors desire to express their pleasure at the acceptance of the office of Honorary President and Chairman of the Board by Mr. W. R. Brock, who had been President of the Company since its inception.

FREDERIC NICHOLLS,
President.

CERTIFICATE OF CHARTERED ACCOUNTANTS

Jarvis Building, Toronto, March 8th, 1913.

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 1912, 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 saleable.

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, 1912, and that the Surplus Account shows the correct result of the operations for the year.

PRICE, WATERHOUSE & CO.

CANADIAN GENERAL ELECTRIC CO., LIMITED, AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, 31st DECEMBER, 1912

| ASSETS. | | LIABILITIES. | |
|--|-----------------|---|-----------------|
| Capital Assets— | | Capital Liabilities— | |
| Real Estate, Buildings, etc., at Toronto, Peterboro, Bridgeburg, Montreal, Branch Offices, Power Plant at Nassau, and Canadian Sunbeam Lamp Company, Limited | \$4,884,018.36 | Capital Stock, Common | \$8,000,000.00 |
| Machinery and Tools | 2,542,368.19 | Capital Stock, Preferred | 2,000,000.00 |
| Patterns and Drawings | 565,126.73 | | \$10,000,000.00 |
| Patents and Contracts | 503,761.42 | Mortgage Obligations on properties purchased | 510,567.63 |
| Total Capital Assets | \$8,495,274.70 | Bonds— | |
| | | Six per cent. Twenty Year First Mortgage Gold Bonds, Canadian Sunbeam Lamp Company, Limited | 395,000.00 |
| | | Total Capital Liabilities | \$10,905,567.63 |
| Current Assets— | | Current Liabilities— | |
| Inventory of Raw Material, Supplies, Work in Progress and Finished Materials including expenditures on Contracts (less collections on account) | \$5,515,768.31 | Bank Advances | \$1,653,744.77 |
| Accounts Receivable (less reserve for doubtful debts) | 3,766,750.32 | Accounts Payable | 1,449,855.41 |
| Investments | 233,119.00 | | 3,103,599.48 |
| Notes Receivable | 54,627.98 | Reserve for Depreciation | 1,104,453.86 |
| Cash | 74,562.57 | Surplus, per Account Annexed— | |
| Deferred Charges | 9,644,828.18 | Reserve | \$2,369,531.95 |
| | 25,440.67 | Profit and Loss Balance | 682,390.63 |
| | \$18,165,543.55 | (Contingent Liability on Notes Receivable Discounted \$292,000.00) | 3,051,922.58 |
| | | | \$18,165,543.55 |

We have audited the above Balance Sheet, and certify that it is properly drawn up, and in our opinion shows the true financial position of the Company, on 31st December, 1912.
PRICE, WATERHOUSE & CO.,
Chartered Accountants.
LYNDHURST OGDEN,
Auditor.

CONSOLIDATED SURPLUS ACCOUNT

| | |
|---|----------------|
| Profit for the year ended 31st December, 1912, before providing for Depreciation and Interest on borrowed capital | \$2,011,719.83 |
| Less— | |
| Reserved for Depreciation of Buildings, Machinery and Patterns, etc. | \$456,358.59 |
| Interest | 158,878.16 |
| | 615,236.75 |
| Net Profit for the Year | \$1,396,483.08 |
| Less—Dividends and Common Stock Bonus Paid | 689,871.80 |
| Surplus for the Year | \$706,611.28 |
| Add— | |
| Undivided Profits as at 31st December, 1911 | 675,779.35 |
| | \$1,382,390.63 |
| Deduct— | |
| Amount transferred to Reserve | 700,000.00 |
| Balance at Credit of Profit and Loss Account | \$682,390.63 |
| Reserve, after including the above amount of \$700,000.00 | 2,369,531.95 |
| Surplus per Balance Sheet | \$3,051,922.58 |