SEVENTH ANNUAL REPORT
OF THE
CANADIAN LOCOMOTIVE
COMPANY, LIMITED

Balance Sheet at 30th June, 1918

CAPITAL AND LIABILITIES.

Capital Stock:—		
Authorized 35,000 shares of $100 each....$3,500,000.00		
Issued in:		
15,000 7% Cumulative Preference Shares, fully paid	$1,500,000.00	
20,000 Ordinary Shares, fully paid	2,000,000.00	
		$3,500,000.00
First Mortgage 6% Forty-Year Gold Sinking Fund Bonds, due 1st July, 1951:—		
Authorized	$2,000,000.00	
Whereof issued		1,500,000.00
Current Liabilities:—		
Trade Accounts Payable, wages and other charges accrued and due	$936,370.06	
Bond Interest accrued Coupon No. 14 (paid 1st July, 1918)	45,000.00	
Dividend No. 26 on Preference Shares for three months to date (paid 1st July, 1918)	26,250.00	
Dividend No. 4 on Common Shares for three months to date (paid 1st July, 1918)	30,000.00	
		1,037,620.06
Reserves:—		
General Depreciation	$450,000.00	
Amortization of expenditure on Munition Equipment	65,000.00	
Special Replacements	165,000.00	
Sinking Fund	47,907.08	
		727,907.08
Profit and Loss Account:—		
Balance at credit thereof		929,417.00
		$7,694,944.14

ASSETS.

Fixed Assets:—		
Real Estate, Buildings, Plant and Equipment, including Goodwill ($2,722,006.24):		
Balance, 1st July, 1917	$5,495,071.86	
Additions during year	60,234.01	
	$5,555,305.87	
Less: Sales and Deductions	63,756.52	
		$5,491,549.35
Sinking Fund Investment Account:—		
$33,500.00 Company's First Mortgage Gold Bonds purchased and held by Trustees, cost	$ 31,791.59	
Cash in hands of Trustees, including July, 1918, coupon.	1,115.49	
Cash payable to Trustees on or before 1st July, 1918	15,000.00	
		47,907.08
Investment in Dominion of Canada 5½% Victory Bonds, par value $250,000, cost	$247,769.88	
Add: Interest accrued thereon to date	1,145.84	
	$248,915.72	
Current Assets:—		
Work-in-Progress, at cost, less cash received on account thereof	$496,885.40	
Materials and Supplies, at cost	390,663.17	
Trade Accounts Receivable, less Reserve for Bad Debts.	415,238.96	
Officials' & Employees' Balances, including balance of amount due from latter for Victory Bonds purchased on their behalf	29,733.06	
Cash in Banks and on hand	567,006.08	
		2,148,442.39
Deferred Charges to Operations		7,045.32
		$7,694,944.14

J. J. HARTY, President and Director.
F. G. WALLACE, Director.

AUDITORS' REPORT AND CERTIFICATE.

To the Shareholders of the Canadian Locomotive Company, Limited, Kingston, Ontario:

In accordance with Section 94B of The Companies Act Amendment Act 1917 (Dominion) we report to the Shareholders of the Canadian Locomotive Company, Limited, that we have examined the books and accounts for the year ended 30th June, 1918, and that we have obtained all the information and explanations we have required.

We hereby certify that the above Balance Sheet at 30th June, 1918, is, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 30th June, 1918, according to the best of our information and the explanations given to us, and as shown by the books of the Company at that date.

Toronto, 21st August, 1918.

GEORGE A. TOUCHE & COMPANY, Chartered Accountants, Auditors.

To the Shareholders

Your Directors submit herewith statement of Assets and Liabilities and Profit and Loss Account as at the 30th of June, 1918.

Profit from Operations for year ended 30th June, 1918, after charging Business Profits War Tax and all other charges except Bond Interest and Depreciation			$669,916.18
Add:			
Interest from Investments			8,020.84
			$677,937.02
Deduct:			
Interest on First Mortgage Bonds		$ 90,000.00	
Provision for Special Replacements		25,000.00	
Provision for Depreciation		100,000.00	
			215,000.00
			$462,937.02
(Add: Adjusted Balance at credit 1st July, 1917, brought forward.			706,479.98
			$1,169,417.00
Balance appropriated as under:—			
Sinking Fund provision		$ 15,000.00	
Dividends for year:—			
On Preference Shares, Nos. 23 to 26 inclusive	$105,000.00		
On Common Shares, Nos. 1 to 4 inclusive	120,000.00		
		225,000.00	
			240,000.00
Balance at credit 30th June, 1918, carried forward, per Balance Sheet			$929,417.00

We have taken the sum of $125,000 from our Profits and added $100,000 to Depreciation Reserve Account, and $25,000 for Special Replacement Account, both being the same appropriations in amount as in the previous year.

Following the precedent of reviewing the profits year by year commenced in 1917, we again repeat it:—

For the year ending 30th June, 1912	$326,380.43
" " " " " " 1913	396,886.02
" " " " " " 1914	342,057.25
" " " " " " 1915	134,613.89
" " " " " " 1916	574,211.78
" " " " " " 1917	721,254.90
" " " " " " 1918	677,937.02

which, you will observe, makes an aggregate sum of............$3,173,341.29 or an average net earning of $453,334.47 per annum.

Again we have to record our appreciation of the loyalty shown us by our employees, who have supported the efforts of our management in the most satisfactory manner.

The prospects for the coming year are of the brightest. We have contracts in hand that will keep our shops fully occupied for many months to come, all taken at satisfactory prices, and unless something occurs in the matter of supplies, material, or something unforeseen, our next year's statement should be as satisfactory.

Yours faithfully,
ÆMILIUS JARVIS,
Chairman of the Board.