



CANADIAN GENERAL ELECTRIC COMPANY

LIMITED

DIRECTORS

W. R. BROCK, Hon. President and Chairman of the Board.
 LT.-COL. THE HON. FREDERIC NICHOLLS, President. W. D. MATTHEWS, Vice-President. A. E. DYMENT, Vice-President.
 SIR WILLIAM MORTIMER CLARK, LL.D., K.C.
 H. C. COX SIR RODOLPHE FORGET
 COL. THE HON. SIR J. S. HENDRIE, C.V.O. SIR HERBERT HOLT
 SIR WILLIAM MACKENZIE F. G. OSLER J. K. L. ROSS

ANNUAL REPORT OF THE DIRECTORS

Submitted to the Shareholders at the Annual General Meeting of the Company in Toronto, on Wednesday, March 21st, 1917.

Your Directors submit herewith the Balance Sheet of the Company as upon the 31st day of December, 1916, also Statement of Profit and Loss for the year, and Certificate of Messrs. Price, Waterhouse & Company, Chartered Accountants.

An examination of the Statement of Profit and Loss will show that a gross profit of \$2,225,912.19 was earned, which is in excess of any previous year in the history of the Company. The sum of \$408,887.73 has been reserved for depreciation of buildings, machinery and patterns, and in addition a further sum of \$631,603.50 has been reserved for the amortization of munitions plants and equipment, leaving a net profit of \$1,185,420.96. From this amount the sum of \$779,843.90 has been paid in dividends, leaving a surplus for the year of \$405,577.06. This surplus added to last year's balance at the credit of Profit and Loss Account makes a total at the credit of that account of \$1,112,696.09. From this total the sum of \$500,000.00 has been transferred to Reserve, bringing the amount to the credit of Reserve Account to \$3,500,000.00 and leaving a balance of \$612,696.09 to the credit of Profit and Loss.

Your Directors are pleased to be able to report that during the year the mortgage indebtedness on properties purchased has been reduced from \$1,367,751.25 to the sum of \$413,813.90 thus reducing our fixed charges to a nominal amount. Our total Liquid Assets, including Cash on Hand, Accounts Receivable, Inventory and Investments, amount to \$8,340,013.79 and a reference to our Balance Sheet will show that our Reserve for Depreciation now amounts to \$2,920,948.07, and our Surplus, including Reserve Account and the balance at the credit of Profit and Loss, to \$4,112,696.09.

Following the usual policy of the Company our Inventory has been taken at or below cost, and sufficient allowance has been made in respect to any goods considered to be either obsolete or not readily saleable.

It will also be noticed that the item of Patents, Contracts and Good Will is carried in our Assets at the nominal sum of \$1.00.

Our sales of machinery and supplies show a very gratifying increase over the preceding year, and from present indications the situation should continue to improve. At the present time there are approximately five thousand employees on the Pay Rolls of the Company at its various plants and offices, but the scarcity of labour is our principal difficulty in the way of further increasing production.

The detachment of twenty-five electrical and mechanical engineers contributed by the Company for service during the continuance of the war has been, and will be, continuously maintained, and in addition thereto generous contributions have been made to the Canadian Patriotic Fund, Red Cross Society, and other deserving war time funds, and recently a sum of \$500,000.00 has been invested in the Canadian War Loan.

Immediately after the outbreak of war all branches of business suffered so materially that your Directors were confronted with two alternatives:—either to discharge a large proportion of the staff, or to retain as many as possible in the employment of the Company, the staff themselves co-operating by accepting a reduction of 20% on their salaries until such time as conditions improved. Since that date the Company has experienced the benefit of improved business, and therefore has repaid to those still in the employ of the Company the total amount deducted during the time the reduction was in force, the sum involved amounting to \$130,000.00.

Your Directors desire to express their great regret at the death of the late Honourable J. K. Kerr, K.C., a Vice-President of the Company. The late Senator Kerr was a charter member of the Company, having been one of its original Directors, and had rendered valuable services to the Company for over twenty-five years.

The vacant Vice-Presidency has been filled by the election of Mr. A. E. Dymont to that office.

FREDERIC NICHOLLS,
President.

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, 31st DECEMBER, 1916

ASSETS		LIABILITIES	
CAPITAL ASSETS—		CAPITAL STOCK—	
Land, Buildings, etc., at Toronto, Peterboro, Bridgeburg, Stratford, Montreal, Branch Offices, and Power Plant at Nassau	\$ 6,372,559.68	Common—Authorized.....	\$10,000,000.00
Machinery and Tools.....	4,168,648.40	Issued.....	\$8,000,000.00
Patterns and Drawings.....	733,990.69	Preferred—Authorized and Issued.....	2,000,000.00
Patents, Contracts and Goodwill.....	1.00		\$10,000,000.00
Total Capital Assets.....	\$11,275,199.77	MORTGAGE OBLIGATIONS ON PROPERTIES PURCHASED.....	
CURRENT ASSETS—			413,813.90
Inventory of Raw Material, Supplies, Work in Progress and Finished Materials, including expenditures on Contracts (less collections on account).....	\$4,079,455.21	WAR TAX AND CONTINGENT LIABILITIES.....	
Accounts Receivable (less reserve for doubtful debts).....	3,487,103.64		480,221.82
Investments.....	165,277.24	CURRENT ACCOUNTS PAYABLE.....	
Cash on hand and in Banks.....	\$49,798.76		1,407,533.68
Prepaid Insurance Premiums, etc.....	58,378.94	DIVIDEND ON COMMON STOCK, paid 1st January, 1917.....	
Total Current Assets.....	\$8,340,013.79		220,000.00
	\$19,615,213.56	RESERVE FOR DEPRECIATION.....	
			2,920,948.07
		SURPLUS, per Account Annexed—Reserve.....	
			\$3,500,000.00
		Profit and Loss Balance.....	
			612,696.09
			\$4,112,696.09

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, 1916.

PRICE, WATERHOUSE & CO., Chartered Accountants.

CONSOLIDATED SURPLUS ACCOUNT

Profit for the year ended 31st December, 1916, before providing for Depreciation.....	\$2,225,912.19
Less—	
Reserved for Depreciation of Permanent Plants.....	\$408,887.73
Reserved for amortization of Munitions Plants and Equipment.....	631,603.50
	1,040,491.23
Net Profit for the Year.....	\$1,185,420.96
Less—Dividends Paid.....	779,843.90
Surplus for the Year.....	\$ 405,577.06
Add—	
Undivided Profits as at 31st December, 1915.....	707,119.03
Deduct—	
Amount transferred to Reserve.....	\$1,112,696.09
Balance at Credit of Profit and Loss Account.....	\$ 500,000.00
Reserve, after including the above amount of \$500,000.00.....	\$ 612,696.09
Surplus per Balance Sheet.....	\$3,500,000.00
	\$4,112,696.09