

ANNUAL REPORTS

Todd Shipyards Corporation 1953

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# TODD SHIPYARDS CORPORATION

## *Annual Report*

*For Fiscal Year*

*Ended March 31, 1953*



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# TODD SHIPYARDS CORPORATION

ONE BROADWAY • NEW YORK

## *Board of Directors*

JOSEPH HAAG, JR. (1953)  
J. L. LAWDER (1953)  
R. W. BOWES (1954)  
CHARLES F. STRENZ (1954)  
JOHN T. GILBRIDE (1955)  
JOHN D. REILLY, JR. (1955)  
HARRY G. HILL (1956)  
JOHN D. REILLY (1956)

## *Divisions*

|   |  |
|---|--|
| BROOKLYN DIVISION<br><i>Brooklyn 31, New York</i> | LOS ANGELES DIVISION<br><i>San Pedro, California</i>                   |
| HOBOKEN DIVISION<br><i>Hoboken, New Jersey</i>    | SAN FRANCISCO DIVISION<br><i>San Francisco and Alameda, California</i> |
| GALVESTON DIVISION<br><i>Galveston, Texas</i>     | SEATTLE DIVISION<br><i>Seattle 4, Washington</i>                       |
| HOUSTON DIVISION<br><i>Houston, Texas</i>         | COMBUSTION EQUIPMENT DIVISION<br><i>Elmhurst, Queens, N. Y.</i>        |

## *Subsidiaries and Affiliates*

|   |  |
|---|--|
| TODD-JOHNSON DRY DOCKS INC.<br><i>New Orleans 3, Louisiana</i>                                | TODD OIL BURNERS, LIMITED<br><i>London, E. C. 3, England</i>                       |
| TODD ATLANTIC SHIPYARDS<br>CORPORATION<br><i>South Portland 7, Maine</i>                      | LISTER-TODD ENGINEERING<br>CORPORATION, LIMITED<br><i>London, W. C. 2, England</i> |
| UNION INDUSTRIAL Y<br>ASTILLEROS BARRANQUILLA "UNIAL"<br><i>Barranquilla, Colombia, S. A.</i> |  |



# TODD SHIPYARDS CORPORATION

*General Offices: One Broadway, New York 4, New York*

*Telephone: DIcBY 4-6900 • Cable: "ROBIN" New York*

May 27, 1953

## *To the Stockholders:*

There is presented herewith, with the approval of the Board of Directors, the Annual Report of your Company for the fiscal year ended March 31, 1953, including the balance sheet and the statement of income and earned surplus for the year ended upon that date, certified by the independent public accountants of the Corporation.

During the fiscal year just ended, while the volume of business of your Company reflects a slight increase over the previous year, the net earnings decreased. This was due to the increased costs of wages and materials and the generally lower prices obtainable as the result of a highly competitive market for the repair and conversion work available during the year.

Your Company continues in a sound and strong financial position, well prepared to meet today's economic conditions. Its primary business continues to be the repair, maintenance and conversion of ships of all types. Any evaluation of the future prospects for the Company's business must take into consideration the basic factors which affect the volume of work which may be available. Principal of these is the state of the world freight market, which is weakening, and a lessening of shipping activity may be expected. However, of the volume of business available your Company is confident that it will obtain its fair share.



Our staffs of skilled and experienced personnel and our modern shipyard facilities are most complete. They are in constant readiness to perform any type of ship repair, maintenance and conversion work with speed, efficiency and economy.

The splendid cooperation and service of all our employees throughout the year has helped make possible the continued progress of the Company. The Directors and Officers of the Company are also appreciative of the confidence and interest of our stockholders and of our customers.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "John D. Reilly". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

John D. Reilly  
*President*



# TODD SHIPYARDS CORPORATION

*Balance Sheet at March 31, 1953*

## ASSETS

### CURRENT ASSETS:

|  |              |            |
|--|--------------|------------|
| Cash .....   | \$ 8,350,746 |            |
| U. S. Government securities, at cost which approximates market value .....   | 129,642      |            |
| Accounts and notes receivable for completed repair, conversion and other work, less payments on account (less reserve) (Note A):                     |              |            |
| U. S. Government Departments (including amounts unbilled \$629,719) .....  | \$ 2,924,841 |            |
| Other (including amounts unbilled \$1,726,522) .....   | 7,366,705    | 10,291,546 |
| Work in progress on contracts for U. S. Government Departments and on commercial repair and other contracts, less payments on account (Note A) ..... | 6,817,631    |            |
| Accounts receivable from affiliated companies .....  | 479,475      |            |
| Material and supplies, at lower of cost or replacement market .....  | 4,021,482    |            |
| Total current assets .....   | \$30,090,522 |            |

### INVESTMENTS IN AFFILIATED COMPANIES (not consolidated):

|   |              |           |
|---|--------------|-----------|
| Todd-Johnson Dry Docks Inc. (99.23% owned) (Note B) ..... | \$ 1,214,338 |           |
| Other (Note C) .....                                      | 383,249      | 1,597,587 |
| TOOLS, TOOL PARTS, ETC. (at depreciated value) .....      |              | 1,234,255 |

### OTHER ASSETS:

|   |            |           |
|---|------------|-----------|
| Mortgage receivable arising from sale of plant, due in quarterly instalments to December 31, 1958 ..... | \$ 783,125 |           |
| Secured loans to employees, not officers or directors .....   | 160,198    |           |
| Miscellaneous (less reserve) .....  | 577,295    | 1,520,618 |

### FIXED ASSETS, at cost:

|  |              |            |
|--|--------------|------------|
| Plant, dry docks and equipment (including \$8,218,984 emergency facilities fully reserved for) ..... | \$29,630,274 |            |
| Less: Reserve for depreciation .....   | 21,312,796   |            |
|  | \$ 8,317,478 |            |
| Real estate .....  | 3,406,957    | 11,724,435 |

### DEFERRED CHARGES:

|   |              |  |
|---|--------------|--|
| Prepaid insurance premiums, leasehold improvements and other deferred charges ..... | 1,141,125    |  |
|   | \$47,308,542 |  |

## LIABILITIES, CAPITAL STOCK AND SURPLUS

### CURRENT LIABILITIES:

|  |              |
|--|--------------|
| Accounts payable .....   | \$ 2,938,153 |
| Accounts payable and accruals applicable to U. S. Government Departments ..... | 465,432      |
| Accrued payroll and vacation .....   | 1,671,937    |
| Accrued taxes, other than Federal income taxes .....                           | 635,834      |
| Accrued Federal income and excess profits taxes (Note D) .....                 | 2,490,018    |
| Total current liabilities .....  | \$ 8,201,374 |

### CAPITAL STOCK AND SURPLUS:

|   |              |            |
|---|--------------|------------|
| Common stock, \$20 par value:                                       |              |            |
| Authorized and issued—278,902 shares .....                          | \$ 5,578,040 |            |
| Earned surplus, per accompanying statement .....                    | 34,269,141   |            |
|   | \$39,847,181 |            |
| Less: 14,469 shares of common stock held in treasury, at cost ..... | 740,013      | 39,107,168 |

\$47,308,542



# TODD SHIPYARDS CORPORATION

## *Statement of Income and Earned Surplus*

*For the Year Ended March 31, 1953*

|  |              |  |              |
|--|--------------|--|--------------|
| NET CHARGES FOR REPAIR, CONVERSION AND OTHER WORK<br>PERFORMED .....   |              |  | \$78,894,491 |
| OPERATING EXPENSES:  |              |  |              |
| Labor, material and other expenses.....  | \$73,534,106 |  |              |
| Taxes, other than Federal income taxes.....  | 2,078,888    |  |              |
| Depreciation .....   | 717,591      |  |              |
| Contributions to retirement system.....  | 381,648      |  | 76,712,233   |
|  |              |  | <hr/>        |
| INCOME FROM OPERATIONS.....  |              |  | \$ 2,182,258 |
| OTHER INCOME:  |              |  |              |
| Dividends received from affiliates (Notes B and C).....  | \$ 547,312   |  |              |
| Management fees .....  | 24,000       |  |              |
| Interest .....   | 74,438       |  |              |
| Recovery of costs under Government facility contracts<br>(net) .....   | 54,452       |  |              |
| Gain on sale of fixed assets and other property.....   | 89,492       |  |              |
| Miscellaneous—net .....  | 28,793       |  | 818,487      |
|  |              |  | <hr/>        |
|  |              |  | \$ 3,000,745 |
| PROVISION FOR FEDERAL TAXES ON INCOME (reduced by<br>overprovision of approximately \$300,000 for excess profits<br>tax for the previous fiscal year) (Note D) ..... |              |  | 1,030,000    |
|  |              |  | <hr/>        |
| NET INCOME FOR YEAR.....   |              |  | \$ 1,970,745 |
| EARNED SURPLUS, MARCH 31, 1952.....  |              |  | 33,365,800   |
|  |              |  | <hr/>        |
|  |              |  | \$35,336,545 |
| Dividends paid during year—\$4 per share.....  |              |  | 1,067,404    |
|  |              |  | <hr/>        |
| EARNED SURPLUS, MARCH 31, 1953.....  |              |  | \$34,269,141 |
|  |              |  | <hr/> <hr/>  |



# TODD SHIPYARDS CORPORATION

## *Notes to Financial Statements*

NOTE A: Repair and conversion contracts which were completed at March 31, 1953 are included in accounts receivable at estimated cash realization value. Contracts which were not completed at March 31, 1953 are carried in work in progress at the lower of cost, or estimated final realizable value reduced by the estimated additional costs to completion.

NOTE B: At March 31, 1953 the balance sheet of Todd-Johnson Dry Docks Inc., 99.23% owned, indicated that the Corporation's equity exceeded the investment by \$1,545,054, a net increase during the year of \$271,423. Dividends of \$198,461, paid out of current earnings, were received by the Corporation during the year.

NOTE C: Included in other investments in affiliated companies, not consolidated, is \$221,500 applicable to Todd Atlantic Shipyards Corporation, a 50% owned company formerly engaged in shipbuilding and ship repair activities. At March 31, 1953 the unaudited balance sheet of this company indicated equity of \$693,801 in excess of the investment. A dividend of \$332,250, paid out of prior years' earnings for the most part, was received by the Corporation during the year.

NOTE D: Federal income tax returns are filed on a calendar year basis. The operating results for the three months ended March 31, 1952 indicated that the Corporation would be liable for excess profits tax for that period of approximately \$400,000. However, the operating results for the entire calendar year resulted in a provision for excess profits tax which was considerably less and credit has been taken in the accounts for the excess amount provided in the three months ended March 31, 1952. It is anticipated that the final settlement of Federal income taxes for all open years will not result in any material liability over the amounts provided.

NOTE E: A portion of the profits for the current and prior years arose from work performed under contracts with U. S. Government Departments, which contracts are subject to the provisions of applicable law with respect to renegotiation. It is estimated that the amount, if any, of profits which may be refundable to the Government in renegotiation proceedings under such contracts will not materially affect net income as reported or the Corporation's financial position.



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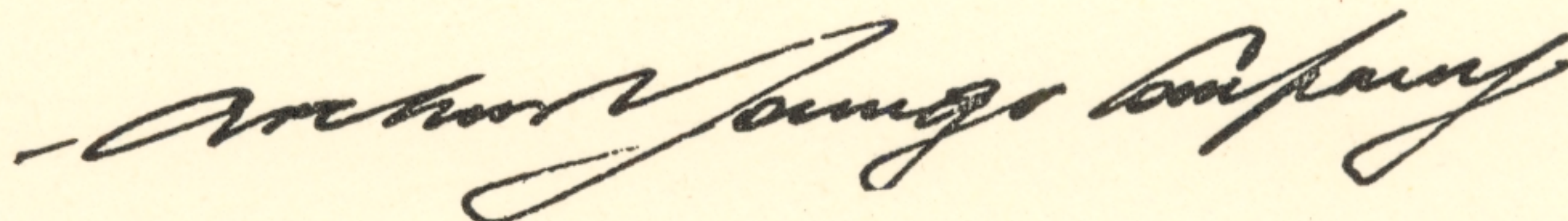
ARTHUR YOUNG & COMPANY  
ACCOUNTANTS AND AUDITORS  
165 BROADWAY  
NEW YORK 6, N.Y.

PHILADELPHIA  
PITTSBURGH  
SAN FRANCISCO  
TOLEDO  
TULSA  
WICHITA  
—  
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ENGLAND  
FRANCE  
VENEZUELA

The Board of Directors and Stockholders,  
Todd Shipyards Corporation

We have examined the balance sheet of Todd Shipyards Corporation at March 31, 1953 and the related statement of income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. It was not practicable to confirm receivables from U. S. Government Departments, as to the substantial accuracy of which we satisfied ourselves by other auditing procedures.

In our opinion, the accompanying balance sheet and statement of income and earned surplus present fairly the financial position of Todd Shipyards Corporation at March 31, 1953 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



New York, N. Y.  
May 18, 1953