

ANNUAL REPORTS

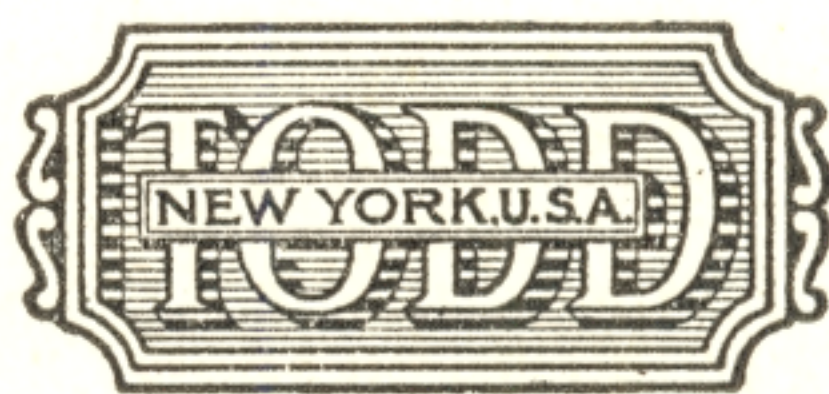
Todd Shipyards Corporation 1951
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Annual Report

TODD SHIPYARDS CORPORATION

For Fiscal Year

Ended March 31, 1951



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TODD SHIPYARDS CORPORATION

ONE BROADWAY • NEW YORK

Board of Directors

WILLIAM A. MALONEY (1951)

FRANCIS J. GILBRIDE (1951)

E. P. ENFER (1952)

JOHN D. REILLY (1952)

JOSEPH HAAG, JR. (1953)

J. L. LAWDER (1953)

F. D. HESLEY (1954)

CHARLES F. STRENZ (1954)

Divisions

BROOKLYN DIVISION

Brooklyn 31, New York

GALVESTON DIVISION

Galveston, Texas

MOBILE DIVISION

Mobile, Alabama

SAN FRANCISCO DIVISION

San Francisco and Alameda, California

HOBOKEN DIVISION

Hoboken, New Jersey

HOUSTON DIVISION

Houston, Texas

LOS ANGELES DIVISION

San Pedro, California

SEATTLE DIVISION

Seattle 4, Washington

COMBUSTION EQUIPMENT DIVISION

81-16 45th Avenue

Elmhurst, Queens, N. Y.

Subsidiaries and Affiliates

TODD-JOHNSON DRY DOCKS INC.

New Orleans 3, Louisiana

TODD ATLANTIC SHIPYARDS

CORPORATION

South Portland 7, Maine

TODD-BATH IRON
SHIPBUILDING CORPORATION

South Portland 7, Maine

UNION INDUSTRIAL Y

ASTILLEROS BARRANQUILLA "UNIAL"

Barranquilla, Colombia, S. A.

TODD OIL BURNERS, LIMITED

London, E. C. 3, England

LISTER-TODD ENGINEERING
CORPORATION, LIMITED

London, W. C. 2, England

TODD SHIPYARDS CORPORATION

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

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

May 25, 1951

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, 1951, including the balance sheet and statement of income and earned surplus for the year ended upon that date, certified by the independent public accountants of the Corporation.

Your Company enjoyed a substantial increase in business during the past year, the major portion of which developed during the second half of our fiscal year. This was due in part to the increased work available on ships withdrawn from the reserve fleets in connection with the United Nations' defense of South Korea and other United States commitments in the world-wide emergency.

The Company continues to enjoy excellent customer relationship with private owners and operators of American and foreign flag ships, as well as with the Military Sea Transportation Service, the Maritime Administration, the United States Navy and other Government departments and agencies.

The earnings for the period were satisfactory, and your Company continues in a strong financial condition.

The business of the Company during normal times is devoted primarily to the repair, maintenance and conversion of ships and floating equipment of every type. In periods of national emergency the Company has been required by the Government to expand its organization to meet the demands made upon it for increased repair loads and to participate in Government programs of new vessel construction. During World War II the Company built over a thousand vessels of all classes. Although there is no immediate prospect of large scale new vessel

construction programs, the Company is constantly alert to possible activity in new vessel construction and is maintaining continuous studies in this field in order to be prepared should such programs materialize in the future.

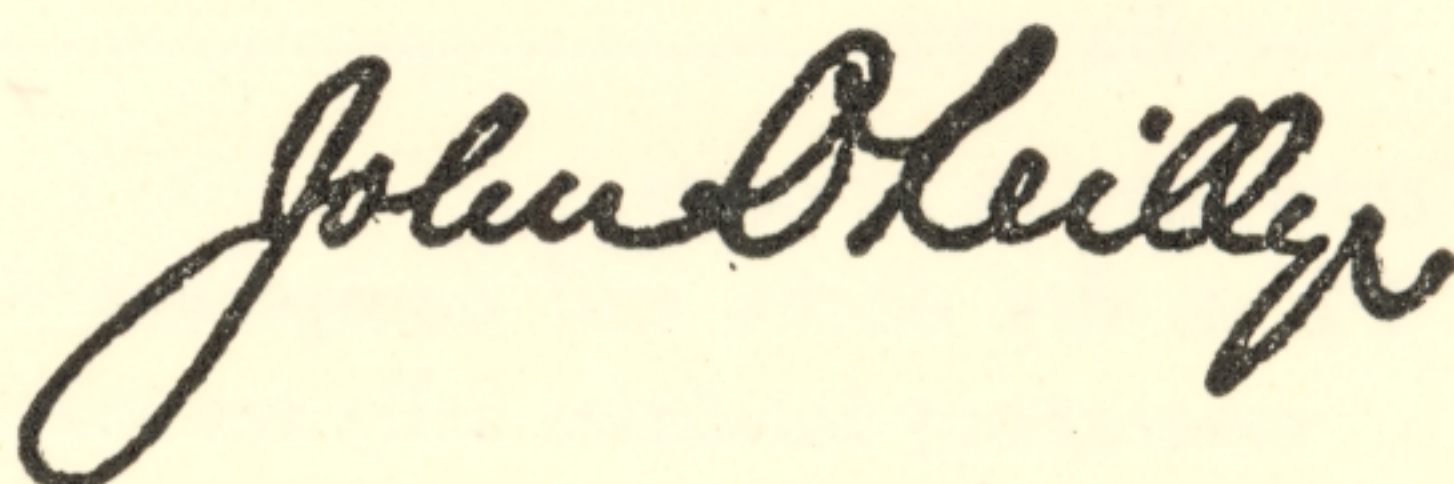
Our shipyards are in excellent physical condition and equipped with the most modern facilities for fast, efficient ship repair work of every description. There were more ships of all classes in operation this fiscal year than there were operating last year, and if the number of ships in operation continues to increase we are confident that the Company will obtain its fair share of the increased repair volume which will therefore become available.

We are continuing to expand our service so as to perform work for other than marine industries, and the Combustion Equipment Division continues to win wide acceptance for its oil, gas and combination burners and other Todd products.

Even with a substantial volume of business available for the Company it cannot be foretold to what extent future earnings will be affected by rising costs of taxes, wages and materials. Obviously these expenses will be greater than for the year just ended.

Your confidence and continued support is appreciated. We know that you join with the officers and Board of Directors in acknowledging the cooperation and efficiency of the Todd organization at all levels.

Respectfully submitted,

A handwritten signature in dark ink, reading "John D. Reilly". The signature is written in a cursive style with a large, sweeping initial "J" and a stylized "R".

John D. Reilly
President

TODD SHIPYARDS CORPORATION

Balance Sheet at March 31, 1951

ASSETS

CURRENT ASSETS:

Cash	\$ 6,940,130
Marketable securities, at cost:	
U. S. Treasury and Savings Bonds (market value—\$138,398)	129,642
Accounts and notes receivable for completed repair, conversion, reactivation and other work, less payments on account (less reserve) (Note A):	
U. S. Government Departments (including amounts unbilled—\$1,407,005)	\$ 3,966,895
Other (including amounts unbilled—\$2,476,400)	9,372,025
Work in progress on contracts for U. S. Government Departments and on commercial repair and other contracts, less payments on account (Note A)	1,984,723
Accounts receivable from affiliated companies	217,149
Materials and supplies, at lower of cost or replacement market	3,211,364
Total current assets	\$25,821,928

INVESTMENTS IN AFFILIATED COMPANIES (not consolidated):

Todd-Johnson Dry Docks Inc. (84.62% owned) (Note B) \$	788,445
Other, at cost (Note C)	448,349

TOOLS, TOOL PARTS, ETC. (at depreciated value)	1,129,004
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OTHER ASSETS:

Mortgage receivable arising from sale of plant due in quarterly installments to December 31, 1958	\$ 848,750
Miscellaneous	262,631

FIXED ASSETS, at cost:

Plant, dry docks and equipment (including \$8,314,955 emergency facilities fully reserved for)	\$31,029,973
Less: Reserve for depreciation	21,876,655
	\$ 9,153,318
Real estate	3,575,447

DEFERRED CHARGES:

Prepaid insurance premiums, leasehold improvements and other deferred charges	718,269
	\$42,746,141

LIABILITIES, CAPITAL STOCK AND SURPLUS

CURRENT LIABILITIES:

Accounts payable	\$ 1,982,252
Accounts payable and accruals applicable to U. S. Government Departments	465,327
Accrued payroll and vacation pay	1,084,706
Accrued taxes, other than Federal income taxes	458,623
Accrued Federal income and excess profits taxes (Note D)	1,381,681
Total current liabilities	\$ 5,372,589

CAPITAL STOCK AND SURPLUS:

Common stock, \$20 par value:	
Authorized and issued—278,902 shares	\$ 5,578,040
Earned surplus, per accompanying statement	31,855,362
	\$37,433,402
Less: 1,556 shares of common stock held in treasury, at cost	59,850
	37,373,552

\$42,746,141

TODD SHIPYARDS CORPORATION

Statement of Income and Earned Surplus

For the Year Ended March 31, 1951

NET CHARGES FOR REPAIR, CONVERSION, REACTIVATION AND OTHER WORK PERFORMED		\$46,029,323
OPERATING EXPENSES:		
Labor, material and other expenses.....	\$40,373,422	
Taxes, other than Federal income taxes.....	1,459,674	
Depreciation	793,060	
Contributions to retirement system (Note F)	395,497	43,021,653
PROFIT FROM OPERATIONS		\$ 3,007,670
OTHER INCOME:		
Management fees (including \$49,000 applicable to prior years)	\$ 81,148	
Net income from properties leased to others.....	92,510	
Interest, including amount accrued on tax refund claims	146,754	
Recoveries of costs disallowed on World War II ship- building contracts	160,728	
Miscellaneous—net (including \$33,968 dividends received from affiliates—other)	33,599	514,739
		\$ 3,522,409
PROVISION FOR FEDERAL INCOME TAXES:		
Normal tax and surtax.....	\$ 1,285,000	
Excess profits tax	165,000	1,450,000
NET INCOME FOR YEAR (Note E)		\$ 2,072,409
EARNED SURPLUS, MARCH 31, 1950.....		30,338,360
		\$32,410,769
Dividends paid during year—\$2 per share.....		555,407
EARNED SURPLUS, MARCH 31, 1951.....		<u>\$31,855,362</u>

TODD SHIPYARDS CORPORATION

Notes to Financial Statements

NOTE A: Repair and conversion contracts which were completed at March 31, 1951 are included in accounts receivable at estimated cash realization value. Contracts which were not completed at March 31, 1951 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, 1951 the balance sheet of Todd-Johnson Dry Docks Inc., 84.62% owned, (which did not pay any dividends during the year) indicated that the Corporation's equity exceeded the investment by \$1,737,284, a net increase during the year of \$187,553.

NOTE C: Included in other investments in affiliated companies, not consolidated, is \$221,600 applicable to two 50% owned companies, formerly engaged in shipbuilding and ship repair activities, namely, Todd Atlantic Shipyards Corporation and Todd-Bath Iron Shipbuilding Corporation. At March 31, 1951 the unaudited balance sheets of these companies indicated equity of \$1,342,756 in excess of the investments. No dividends were paid by either company during the year and the net income accruing to the Corporation's investment amounted to \$4,477.

NOTE D: Federal income tax returns are filed on a calendar year basis. The provision for excess profits tax is in respect of operations for the three months ended March 31, 1951 for which period taxes have been calculated at rates presently in effect. Such provision is subject to reduction or elimination should the operations for the nine months ending December 31, 1951 result in taxable profits in an amount less than the excess profits credit applicable to that nine months. 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 arose from work performed under contracts for United States Government Departments which contracts are subject to the provisions of applicable law with respect to renegotiation. As no determination is possible at this time as to what effect, if any, such renegotiation may have upon the net income of the Company, no provision therefor has been made in the accounts.

NOTE F: The accrued liability to the retirement system at March 31, 1951 in respect of past services, if continued on the present plan, is estimated at \$460,000, all of which is contributable by the Corporation.

NEW YORK
CHICAGO
BOSTON
DALLAS
DETROIT
HOUSTON
KANSAS CITY
LOS ANGELES
MILWAUKEE
PHILADELPHIA
PITTSBURGH
SAN FRANCISCO
TOLEDO
TULSA
WICHITA

ARTHUR YOUNG & COMPANY

ACCOUNTANTS AND AUDITORS


165 BROADWAY
NEW YORK 6, N. Y.

CANADA
ENGLAND
FRANCE
VENEZUELA

To the Board of Directors and Stockholders
Todd Shipyards Corporation:

We have examined the balance sheet of Todd Shipyards Corporation at March 31, 1951 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, subject to adjustment, if any, of profits under contracts with U. S. Government Departments (see Note E), the accompanying balance sheet and statement of income and earned surplus present fairly the financial position of Todd Shipyards Corporation at March 31, 1951 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 21, 1951