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EASTERN STEEL PRODUCTS, Limited

1956 annual report

1956 Annual Report



TRADE MARK

*Reflecting the quality and durability of products fabricated
by your Company is our new trademark. This trademark
is also a tribute to the "Men of Steel"—your
Company's customers—who are the backbone of our business.*

Eastern Steel Products, Limited

EASTERN STEEL PRODUCTS, Limited



	J. M. PRITCHARD, LL.D., <i>Chairman</i> - - - - Westmount, Que.
	C. F. W. BURNS - - - - - Toronto, Ont.
	M. S. HAAS - - - - - Toronto, Ont.
board of directors	A. T. HURTER - - - - - Montreal, Que.
	J. E. LABELLE, Q.C. - - - - - Montreal, Que.
	GORDON McMILLAN, Q.C. - - - - - Toronto, Ont.
	L. B. HOPE - - - - - Toronto, Ont.
	<i>President</i> - - - - - J. M. PRITCHARD, LL.D.
officers	<i>Vice-President</i> - - - - - L. B. HOPE
	<i>Secretary</i> - - - - - N. T. BERRY, Q.C.
	<i>Treasurer</i> - - - - - O. A. LEFRANCOIS
bankers	THE ROYAL BANK OF CANADA
registrars, transfer agents	EASTERN TRUST COMPANY
solicitors	McMILLAN, BINCH, STUART, BERRY, DUNN, CORRIGAN & HOWLAND
auditors	THORNE, MULHOLLAND, HOWSON & McPHERSON
head office	394 SYMINGTON AVENUE - - - - - Toronto, Ontario
	PLANTS AT PRESTON AND MONTREAL

board of directors' report to the shareholders

The Annual Report of your Company for the fiscal year ended November 30th, 1956, is presented herewith including the Consolidated Balance Sheet of the Company and its subsidiaries, The A. B. Ormsby Company, Limited and W. D. Beath & Son Limited, and the related Consolidated Statement of Profit and Loss and Earned Surplus.

During the year under review, we transferred our Symington Avenue Toronto operations to Preston and housed the equipment in a new building, as pictured elsewhere in this report, which will mean lower operating costs and greater efficiency. We are still operating our Pelham Avenue Plant in Toronto as a warehouse, sales and service distribution outlet, also for installation work as required for the Automotive Lines.

During 1956, Sales of the Company were substantially increased over the previous year. Debentures were retired in a principal amount of \$40,000.00, depreciation was provided for in an amount of \$63,754.52, bond interest of \$54,239.32 and bank interest of \$64,933.69, were also expended.

Expansion in industrial building and the growth of Canada as a whole, is expected to continue during 1957. We have added some new profitable products to our lines and discontinued certain items which were not profitable. We, therefore, feel we are in a position to ensure our being able to obtain our share of this growth commensurate with our ability to produce and finance same under current money conditions.

Your Directors wish to express their appreciation of the loyalty and co-operation of the employees of the Company, during this past year.

On behalf of the Board,

J. M. Pritchard
President

E A S T E R N S T E E L P R O D U C T S

Incorporated under the laws of the State of New York

and its subsidiaries THE A. B. ORMSBY COMPANY

assets

consolidated balance sheet

CURRENT ASSETS:

Cash - - - - -	\$ 101,887.27	
Accounts receivable, less allowance for doubtful accounts - - - - -	1,825,881.01	
Inventories as determined by the management and certified to be valued at estimated cost of goods finished and in process and the lower of cost or market for raw materials, etc. - - - - -	2,279,684.07	
Prepaid expenses - - - - -	24,225.92	\$4,231,678.27
FUNDS IN HANDS OF TRUSTEE - - - - -		51,372.41

FIXED ASSETS:

Land, building, plant and equipment valued substantially at cost - - - - -	2,832,567.84	
Less Accumulated allowance for depreciation - - -	1,830,948.22	1,001,619.62

DEFERRED CHARGES:

Debenture issue expenses, less portion amortized - -	23,757.95	
Machine rental paid in advance, etc. - - - - -	27,232.79	
Moving expenses - - - - -	52,136.38	103,127.12

\$5,387,797.42

auditors' report

To the Shareholders of
EASTERN STEEL PRODUCTS, LIMITED.

We have examined the consolidated balance sheet of Eastern Steel Products, Limited and its subsidiaries, The A. B. Ormsby Company, Limited and W. D. Beath & Son Limited, as at November 30, 1956 and the consolidated statements of income and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

P R O D U C T S , L I M I T E D

the laws of Canada

SONY, LIMITED and W. D. BEATH & SON LIMITED

November 30, 1956

Liabilities

CURRENT LIABILITIES:

Bank loan (secured) - - - - -	\$1,300,000.00	
Outstanding cheques - - - - -	280,579.39	
Accounts payable and accrued liabilities - - - - -	1,183,555.51	
Sales and other taxes withheld or accrued - - - - -	65,626.48	
Debenture principal maturing April 1, 1957 - - - - -	50,000.00	\$2,879,761.38

FIRST SECURED DEBENTURES, SERIES "A" AND "B":

Maturing \$50,000 annually 1957 to 1961 and \$1,110,000 in 1966. Sinking fund payments of \$65,000 to be made annually from 1962 to 1965 inclusive. Interest at varying rates from 3½% to 4% depending on maturity - - - - -	1,360,000.00	
Less Payment due April 1, 1957 shown above - - - - -	50,000.00	1,310,000.00

CAPITAL STOCK AND EARNED SURPLUS:

Capital stock:		
Authorized, 400,000 shares of no par value		
Issued, 288,144 shares - - - - -	990,532.11	
Earned surplus - - - - -	\$725,647.01	
Less Goodwill - - - - -	518,143.08	207,503.93
		1,198,036.04
		<u>\$5,387,797.42</u>

Approved on behalf of the Board.

J. M. PRITCHARD, *Director*

GORDON McMILLAN, *Director*

In our opinion, the above consolidated balance sheet and accompanying consolidated statements of income and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the companies as at November 30, 1956 and the results of their operations for the year ended on that date, according to the best of our information and the explanations given us and as shown by the books of the companies.

Toronto, Canada,
February 15, 1957.

THORNE, MULHOLLAND, HOWSON & MCPHERSON
Chartered Accountants

EASTERN STEEL PRODUCTS, Limited

and its subsidiaries, THE A. B. ORMSBY COMPANY, LIMITED and W. D. BEATH & SON LIMITED

consolidated statement of income

Year ended November 30, 1956

Income for the year after directors' fees \$4,200.00, executive salaries and legal fees of \$40,182.92 and all other expenses except the under-mentioned items - - - - -	\$300,960.44
Add Profit on sale of fixed assets - - - - -	21,701.65
	<hr/>
	322,662.09
 Deduct:	
Allowance for depreciation - - - - -	\$63,754.52
Debenture interest - - - - -	54,239.32
	<hr/>
NET INCOME FOR YEAR CARRIED TO EARNED SURPLUS - - -	\$204,668.25
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consolidated statement of earned surplus

Year ended November 30, 1956

Balance at November 30, 1955 - - - - -	\$520,978.76
Net income for year - - - - -	204,668.25
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BALANCE AT NOVEMBER 30, 1956 - - - - -	\$725,647.01
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EASTERN STEEL PRODUCTS, Limited

general management

President - - - - - J. M. PRITCHARD, LL.D.
Vice-President and General Manager - - - - - L. B. HOPE

accounting

Treasurer - - - - - O. A. LEFRANCOIS
Assistant Controller - - - - - T. A. MacDONALD

personnel advertising

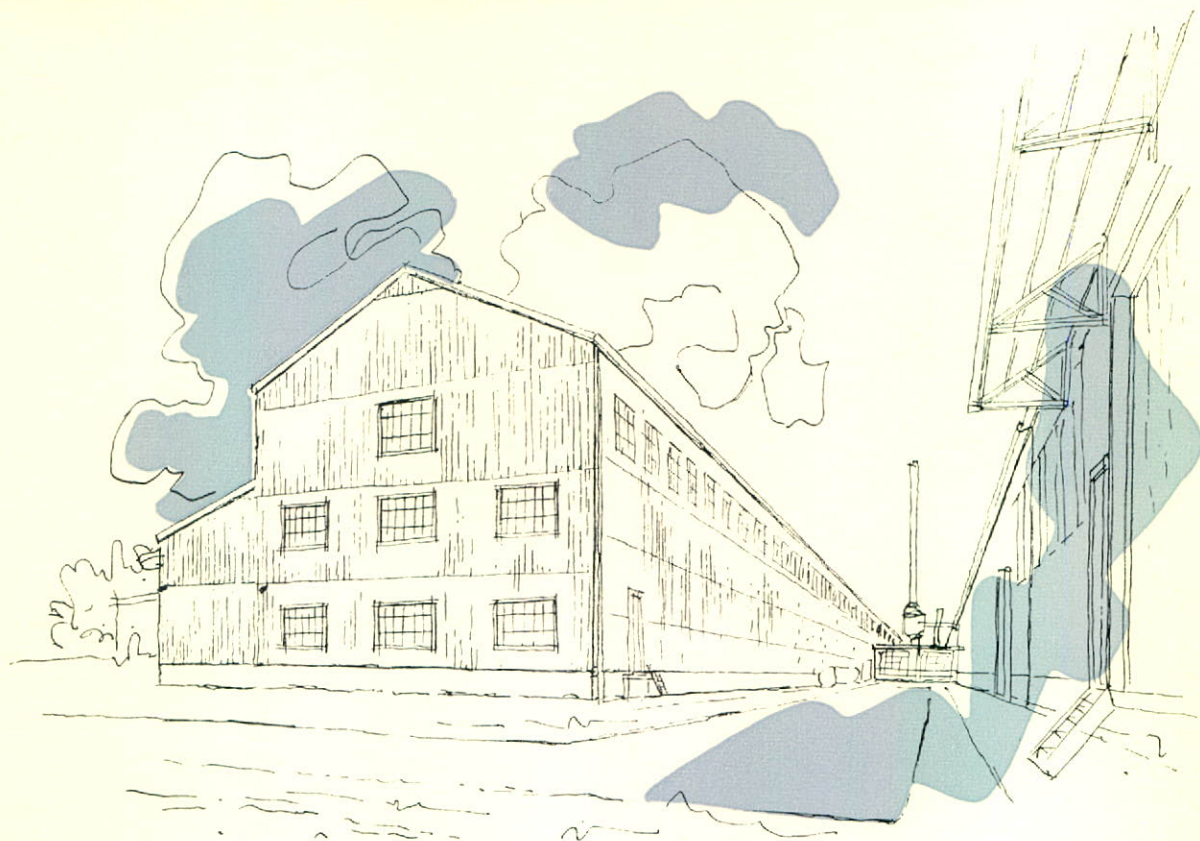
Director - - - - - G. H. BARRABLE
Manager - - - - - J. P. WALLACE

central division

Vice-President - - - - - R. P. FISHER
Division Sales Manager - - - - - T. P. GREGOR
Sales Manager, Contract-Custom Department - - - - C. C. MAPLE
Sales Manager, Automotive Department - - - - - R. E. BATES
Sales Manager, Builders' Supplies Department - - - C. A. MURPHY
Sales Manager, Structures Department - - - - - W. B. DENYES
Works Manager - - - - - T. B. DANNIELS

eastern division

Vice-President - - - - - J. T. WILSON
Division Sales Manager - - - - - K. A. HOVINGTON
Sales Manager, Contract-Custom Department - - - - A. C. KIRBY
Sales Manager, Automotive Department - - - - - G. H. LINTAULT
Sales Manager, Builders' Supplies Department - - - F. C. KIMPTON
Works Manager - - - - - J. C. LANIEL



**new
preston
addition**

The new addition to our Preston operations, shown above, is symbolic of your Company's growth and expansion on the eve of 60 years of business activity. This metal-clad building, which was designed and built by our own staff, is one type of structure that your Company sells to industrialists throughout Canada. The main production bay, over 500 feet long and 60 feet wide, has a crane clearance of 21 feet which will handle fabricated products of up to 20 tons in weight.

This new addition contains the presses, brakes and other heavy equipment used in fabrication of all our products, and also houses the complete assembly operation of some product lines, such as snow plows, dump bodies and transformer tanks.

