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Eastern Steel

Products, Limited

nineteen fifty-five

annual

report



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EASTERN STEEL

Products, Limited

annual report

for the year

nineteen fifty-five

EASTERN STEEL *Products, Limited*

board of directors

J. M. PRITCHARD, LL.D., *Chairman* - - - - Westmount, Que.
C. F. W. BURNS - - - - - Toronto, Ont.
M. S. HAAS - - - - - Toronto, Ont.
A. T. HURTER - - - - - Montreal, Que.
J. E. LABELLE, Q.C. - - - - - Montreal, Que.
GORDON McMILLAN, Q.C. - - - - - Toronto, Ont.
L. B. HOPE - - - - - Toronto, Ont.

officers

President - - - - - J. M. PRITCHARD, LL.D.
Vice-President - - - - - A. T. HURTER
Secretary - - - - - N. T. BERRY, Q.C.
Treasurer - - - - - L. B. HOPE

bankers

THE ROYAL BANK OF CANADA

registrars, transfer agents

EASTERN TRUST COMPANY

solicitors

McMILLAN, BINCH, WILKINSON, STUART, BERRY & DUNN

auditors

THORNE, MULHOLLAND, HOWSON & McPHERSON

head office

394 SYMINGTON AVENUE - - - - - Toronto, Ontario.

PLANTS AT PRESTON, TORONTO AND MONTREAL

board of directors' report to the shareholders



The Annual Report of your Company for the fiscal year ended November 30th, 1955, 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 Statements of Profit and Loss and Earned Surplus.

On November 11th, 1955, a letter was forwarded to you as an interim report outlining what had been done up to that date. We are pleased to advise earnings for the last three months of last year were \$56,200.00, and the first three months of this year are showing continued satisfactory profits. The volume of business on hand, together with current bookings, indicates a continuance of this position.

Satisfactory progress is being shown in the building extension in Preston. It is expected to have this completed by July, 1956.

During the year \$40,000.00 principal amount of debentures was retired. Fixed assets, including the Montreal building, were disposed of in an amount of \$234,486.55 and new assets including land in Montreal were acquired in an amount of \$147,077.38. Debenture interest in an amount of \$55,644.00 and depreciation of \$41,183.19 were also provided for.

The year 1956 is expected to continue to reflect the steady growth of Canada, which has been experienced during the past few years. Our present Company formation should ensure that we obtain our share of this growth.

The loyalty and co-operation of the officers and employees of the Company as shown to your Directors during the difficult re-organization period is appreciated.

On behalf of the Board,

J. M. Pritchard,
President

EASTERN STEEL P

Incorporated under

A N D I T S S U B S I D I A R I E S T H E A . B . O R M S B Y C O M P

Consolidated Balance

assets

CURRENT ASSETS:

| | | |
|--|---------------|----------------|
| Cash on hand and in banks - - - - - | \$ 139,894.43 | |
| Accounts receivable, less allowance for doubtful accounts - | 1,306,308.21 | |
| Inventories as determined by the management and certified to be valued at estimated cost for goods finished and in process and the lower of cost or market for raw materials, etc. | 1,909,142.55 | |
| Prepaid expenses - - - - - | 28,339.22 | \$3,383,684.41 |

| | |
|-------------------------------------|------------|
| FUNDS IN HANDS OF TRUSTEE - - - - - | 200,000.00 |
|-------------------------------------|------------|

FIXED ASSETS:

| | | |
|---|--------------|------------|
| Land, building, plant and equipment valued substantially at cost - - - - - | 2,678,770.23 | |
| Less Accumulated allowance for depreciation - - - - - | 1,863,687.15 | 815,083.08 |

DEFERRED CHARGES:

| | | |
|--|-----------|-----------|
| Debenture issue expenses, less portion amortized - - - - | 26,457.95 | |
| Machine rental paid in advance, etc. - - - - - | 25,888.89 | 52,346.84 |

\$4,451,114.33

RODUCTS, LIMITED

the laws of Canada

A N Y, L I M I T E D A N D W. D. B E A T H & S O N L I M I T E D

Sheet-November 30, 1955

liabilities

CURRENT LIABILITIES:

| | | |
|--|----------------|----------------|
| Bank loan (secured) - - - - - | \$1,000,000.00 | |
| Outstanding cheques - - - - - | 393,082.87 | |
| Accounts payable and accrued liabilities - - - - - | 626,216.71 | |
| Sales and other taxes withheld or accrued - - - - - | 38,446.96 | |
| Debenture principal maturing April 1, 1956 - - - - - | 40,000.00 | \$2,097,746.54 |

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

| | | |
|---|--------------|--------------|
| Maturing \$40,000 in 1956, \$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 | 1,400,000.00 | |
| Less Payment due April 1, 1956 shown above - - - - - | 40,000.00 | 1,360,000.00 |

CAPITAL STOCK AND SURPLUS:

Capital stock:

| | | |
|--|--------------|-----------------------|
| Authorized, 400,000 shares of no par value | | |
| Issued, 288,144 shares - - - - - | 990,532.11 | |
| Earned surplus - - - - - | \$520,978.76 | |
| Less Goodwill - - - - - | 518,143.08 | 993,367.79 |
| | | <u>\$4,451,114.33</u> |

Approved on behalf of the Board.

J. M. PRITCHARD, Director.

GORDON McMILLAN, Director.

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EASTERN STEEL PRODUCTS, LIMITED

AND ITS SUBSIDIARIES THE A. B. ORMSBY COMPANY, LIMITED AND W. D. BEATH & SON LIMITED

Consolidated Statement of Profit and Loss

Year ended November 30, 1955

| | |
|--|----------------------------|
| Net operating debit for year including directors' fees, \$3,600.00, executive salaries and legal fees, \$58,033.18, and all other expenses except the undermentioned items - - - - - | \$163,915.84 |
| <i>Add:</i> | |
| Allowance for depreciation - - - - - | \$41,183.19 |
| Debenture interest - - - - - | 55,644.00 |
| | <u>96,827.19</u> |
| | 260,743.03 |
| <i>Deduct</i> Non-recurring profit - - - - - | <u>97,862.31</u> |
| NET DEFICIT FOR YEAR CARRIED TO EARNED SURPLUS - - - - - | <u><u>\$162,880.72</u></u> |

Consolidated Statement of Earned Surplus

Year ended November 30, 1955

| | |
|--|----------------------------|
| Balance at November 30, 1954 - - - - - | \$683,859.48 |
| <i>Deduct</i> Net deficit for year - - - - - | <u>162,880.72</u> |
| BALANCE AT NOVEMBER 30, 1955 - - - - - | <u><u>\$520,978.76</u></u> |

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, 1955 and the consolidated statements of profit and loss 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.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of profit and loss 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, 1955 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.

THORNE, MULHOLLAND, HOWSON & MCPHERSON
Chartered Accountants

TORONTO, CANADA,
February 28, 1956.



general management

President - - - - - J. M. PRITCHARD, LL.D.

Vice-President and Assistant General Manager - - - - - L. B. HOPE

accounting

Assistant Controller - - - - - T. A. MacDONALD

Assistant Treasurer - - - - - O. A. LeFRANCOIS

advertising

Manager - - - - - R. H. WILLCOX

purchasing

Manager - - - - - S. BURNS

personnel

Director - - - - - G. H. BARRABLE

Central division

Vice-President - - - - - R. P. FISHER

Preston

General Sales Manager - - - - - C. A. MURPHY

Sales Manager, Structures Division - - - - - W. B. DENYES

Works Manager - - - - - H. KAISER

Toronto

General Sales Manager - - - - - T. P. GREGOR

Sales Manager, Automotive Division - - - - - R. E. BATES

Sales Manager, Contract Division - - - - - A. R. DERBY

Works Manager - - - - - A. T. BARTLETT

Eastern division

(Montreal)

Vice-President - - - - - J. T. WILSON

Sales Manager, Custom-Contract Division - - - - - A. C. KIRBY

Sales Manager, Automotive Division - - - - - G. H. LINTAULT

Sales Manager, Builders' Supplies Division - - - - - C. A. M. HOLBROOK

Works Manager - - - - - F. B. KRAFT

