

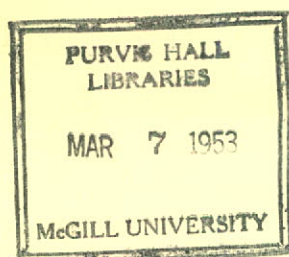
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Stock

1952



Eastern Steel Products
Limited

ANNUAL REPORT





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

BOARD OF DIRECTORS - - - - - *Page Two*

REPORT TO THE SHAREHOLDERS - - - - - *Page Three*

FINANCIAL STATEMENT - - - - - *Pages Four-Six*

OPERATING MANAGEMENT - - - - - *Page Seven*

...metal fabricators since 1897

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

L I M I T E D

BOARD OF DIRECTORS

C. F. W. BURNS	- - - - -	Toronto, Ont.
A. K. CAMERON	- - - - -	Westmount, Que.
A. B. DAVIDSON	- - - - -	Toronto, Ont.
M. S. HAAS	- - - - -	Toronto, Ont.
J. E. LABELLE, Q.C.	- - - - -	Montreal, Que.
F. J. MADELY	- - - - -	Toronto, Ont.
GORDON McMILLAN, Q.C.	- - - - -	Toronto, Ont.
LT.-COL. W. E. PHILLIPS, C.B.E., D.S.O., M.C.	- - - - -	Toronto, Ont.
J. M. PRITCHARD	- - - - -	Westmount, Que.

OFFICERS

<i>Chairman of the Board</i>	- - - - -	A. K. CAMERON
<i>President</i>	- - - - -	A. B. DAVIDSON
<i>Vice-President</i>	- - - - -	J. M. PRITCHARD
<i>General Manager</i>	- - - - -	F. J. MADELY
<i>Secretary</i>	- - - - -	N. T. BERRY
<i>Treasurer</i>	- - - - -	D. G. SCOTT

BANKERS

THE BANK OF NOVA SCOTIA

REGISTRARS, TRANSFER AGENTS

EASTERN TRUST COMPANY

SOLICITORS

McMILLAN, BINCH, WILKINSON, STUART, BERRY & WRIGHT

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, 1952, is presented herewith, including the Consolidated Balance Sheet of Eastern Steel Products Limited and its subsidiaries, The A. B. Ormsby Company Limited and W. D. Beath and Son Limited, and the related Consolidated Statement of Profit and Loss and Earned Surplus.

The net operating profit for the year, after all operating charges, but before provision for income tax was \$305,070.59, as against a corresponding figure for last year of \$248,967.82. After setting aside \$160,000.00 for the payment of income tax, as compared with a provision of \$128,000.00 for this purpose in 1951, the final net profit transferred to earned surplus was \$145,070.59, or an improvement over last year of \$24,102.77. Sales volume was considerably increased over the previous year.

The increase in working capital during the year was \$166,598.15, the total working capital of the Company at November 30th, 1952, amounting to \$2,290,218.73. During the year \$40,000.00 principal amount of debentures was retired, and \$73,490.36 was expended on additional fixed assets. The earned surplus at November 30th, 1952, amounted to \$1,182,493.71, as compared with \$1,037,423.12 at the end of the previous fiscal year.

Your Directors are pleased to report their appreciation of the loyalty and co-operation of the officers and employees of the Company.

On behalf of the Board,

A. B. DAVIDSON,
President.

E A S T E R N S T E L I M

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 Sheet

A S S E T S

CURRENT ASSETS:

Accounts receivable, less reserve for doubtful accounts - - -	\$1,423,025.83	
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.	2,423,988.64	
Prepaid expenses - - - - -	37,700.10	
	<u> </u>	\$3,884,714.57

FIXED ASSETS:

Land, buildings, plant and equipment at depreciated appraised value as per appraisals by Industrial Valuation Company, Limited in 1946, plus subsequent additions at cost less disposals	\$3,468,880.90	
Less Subsequent reserve for depreciation - - - - -	393,586.03	
	<u> </u>	3,075,294.87

DEFERRED CHARGES:

Debenture issue expenses, less portion amortized - - - - -	34,557.95
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\$6,994,567.39

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Eastern Steel Products, Limited and its subsidiaries The A. B. Ormsby Company for the year ended on that date and have obtained all the information and explanations we have required. Our opinion is based on the information as we considered necessary in the circumstances.

In our opinion the above consolidated balance sheet and the accompanying consolidated statement of profit and loss and earned surplus for the year ended on that date, according to the best of our information and belief, are correct.

TORONTO, CANADA, February 10, 1953.

EL PRODUCTS

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ANY, LIMITED AND W. D. BEATH & SON LIMITED

Sheet - November 30, 1952

LIABILITIES

CURRENT LIABILITIES:

Bank loan and overdraft (secured) - - - - -	\$ 989,740.24	
Accounts payable and accrued liabilities - - - - -	423,293.67	
Provision for taxes on income - - - - -	94,271.71	
Other taxes withheld or accrued - - - - -	47,190.22	
Debenture principal maturing April 1, 1953 - - - - -	40,000.00	
		\$1,594,495.84

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

Maturing \$40,000.00 annually 1953 to 1956, \$50,000.00 annually 1957 to 1961 and \$1,110,000.00 in 1966. Sinking fund payments of \$65,000.00 to be made annually from 1962 to 1965 inclusive. Interest at varying rates from 3¼% to 4% depending on maturity - - - - -	\$1,520,000.00	
Less Payment due April 1, 1953 shown above - - - - -	40,000.00	
		1,480,000.00

EXCESS OF APPRAISED VALUE of fixed assets over net book value, less book value of patents, leases and goodwill - - - - -

1,747,045.73

CAPITAL STOCK AND EARNED SURPLUS:

Capital stock:

Authorized, 400,000 shares of no par value

Issued, 288,144 shares - - - - - \$ 990,532.11

Earned surplus - - - - - 1,182,493.71

2,173,025.82

\$6,994,567.39

Approved on behalf of the Board.

A. B. DAVIDSON, *Director*

GORDON McMILLAN, *Director*

pany, Limited and W. D. Beath & Son Limited as at November 30, 1952, and the consolidated statement of profit and loss and examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence

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 and the explanations given us and as shown by the books of the company.

THORNE, MULHOLLAND, HOWSON & McPHERSON, *Chartered Accountants.*

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

L I M I T E D

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

Consolidated Statement of Profit and Loss and Earned Surplus

YEAR ENDED NOVEMBER 30, 1952

Net operating profit for year after deducting all expenses, including executive salaries and legal fees, \$31,365.89 but before taking into account the undermentioned items - - - - -	\$ 427,949.96
Provision for depreciation - - - - -	\$ 63,304.37
Debenture interest - - - - -	59,575.00
	<hr/> 122,879.37
Net profit before taxes on income - - - - -	\$ 305,070.59
Provision for taxes on income - - - - -	160,000.00
	<hr/>
Net profit for year - - - - -	\$ 145,070.59
Earned surplus at beginning of year - - - - -	1,037,423.12
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EARNED SURPLUS AT NOVEMBER 30, 1952 - - - - -	<u><u>\$1,182,493.71</u></u>



Management

General Manager - - - - - F. J. MADELY, Toronto
Assistant General Manager - - - - - D. G. SCOTT, Toronto
Personnel Administration - - - - - J. T. WILSON, Toronto
Resident Manager Montreal - - - - - A. R. DERBY, Montreal

Accounting

Chief Accountant - - - - - L. B. HOPE, Toronto

Purchasing

Manager - - - - - S. BURNS, Toronto

Engineering and Research

Manager - - - - - G. J. WHITTEY, Toronto

Sales

Director of Sales - - - - - G. H. GUSTAFSON, Toronto

Builders' Supplies and Equipment Division - - A. D. WYLIE, Preston

Contract Division - - - - - L. M. FRANK, Toronto

Custom Products Division - - - - - C. P. J. DYKES, Toronto

Structures Division - - - - - W. B. DENYES, Preston

Automotive Division - - - - - R. E. BATES, Toronto

Elevator Division - - - - - H. B. SKINNER, Toronto

Manufacturing

General Plant Manager - - - - - G. W. GONDER, Toronto

Plant Manager - - - - - R. SURPRENANT, Montreal

Plant Manager - - - - - H. KAISER, Preston

Plant Manager - - - - - R. P. FISHER, Toronto

