

EASTERN STEEL PRODUCTS LIMITED

Board of Directors	C. F. W. Burns
Officers	Chairman of the Board A. K. CAMERON President A. B. DAVIDSON Vice-President J. M. PRITCHARD General Manager F. J. MADELY Secretary-Treasurer N. T. BERRY
Bankers	THE BANK OF NOVA SCOTIA
strars, Transfer Agents	EASTERN TRUST COMPANY
Solicitors	McMillan, Binch, Wilkinson, Stuart, Berry and Wright
Auditors	THORNE, MULHOLLAND, HOWSON & MCPHERSON, C.A.

To control quality of product and to avoid costly shut-downs, the well managed textile mill demands a controlled atmosphere. This mill is assured of proper distribution of conditioned air by the ductwork and casings supplied and installed by ESP to the plans and specifications of the owners and consulting engineers.

Head Office

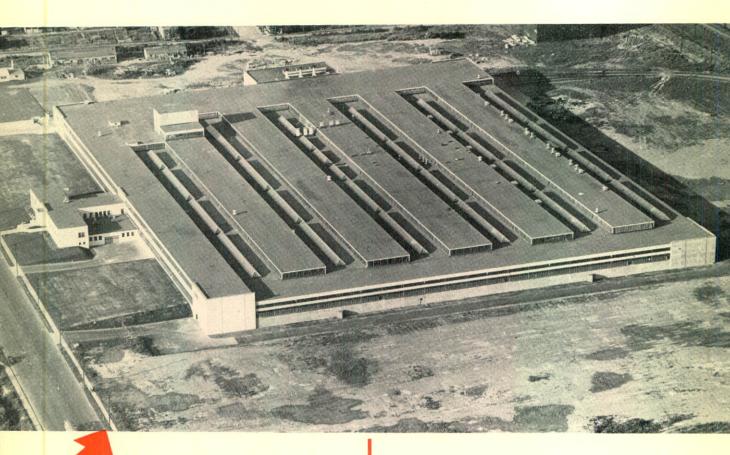
Regis

Front Cover Photograph — Effective snow plowing and road maintenance are assured by this modern unit, consisting of Sno Plow with levelling wing, "Trailblazer" underbody, scraper and steel dump body with hoist. All equipment is easily operated by a patented hydraulic system from a central point in the cab.

1052 DUPONT STREET - - - - Toronto 4, Ontario

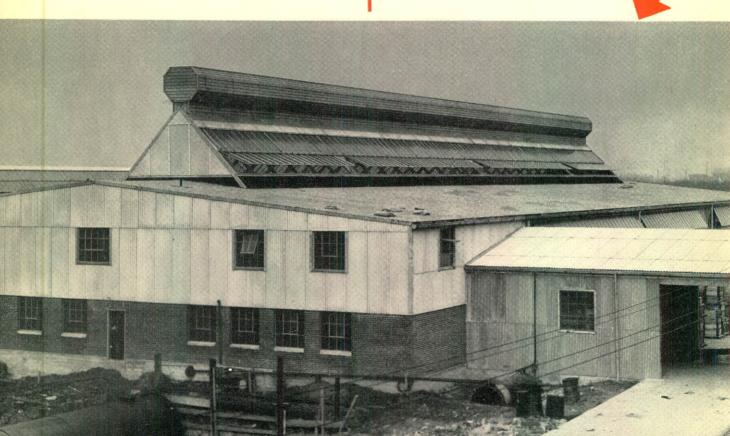
PLANTS AT MONTREAL, TORONTO AND PRESTON

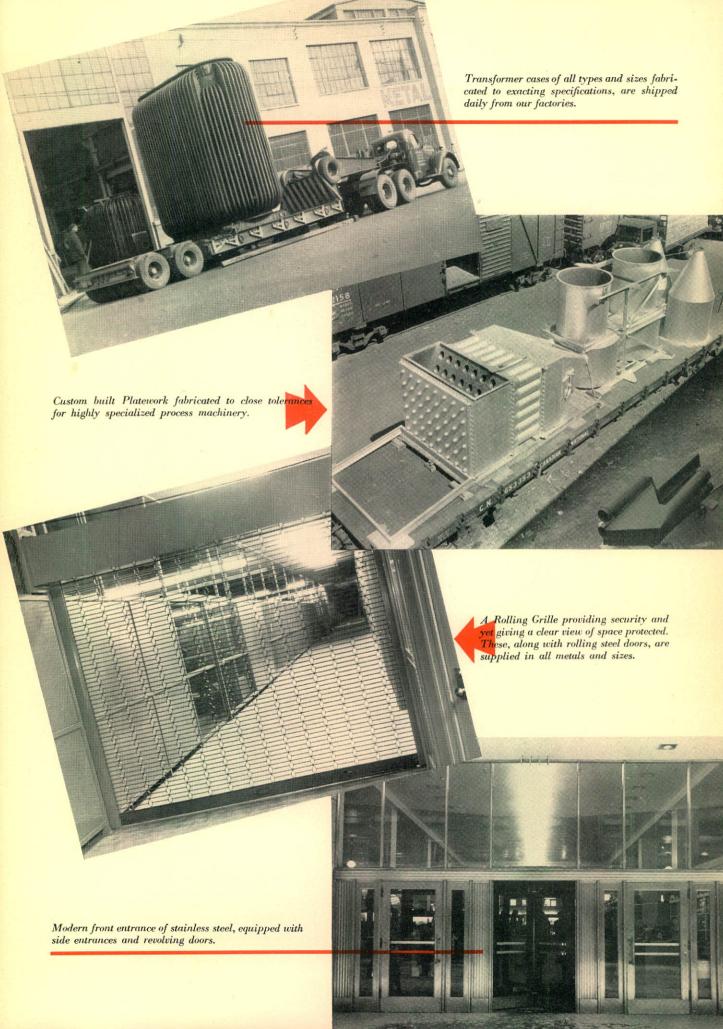
EASTERN STEEL PRODUCTS LIMITED

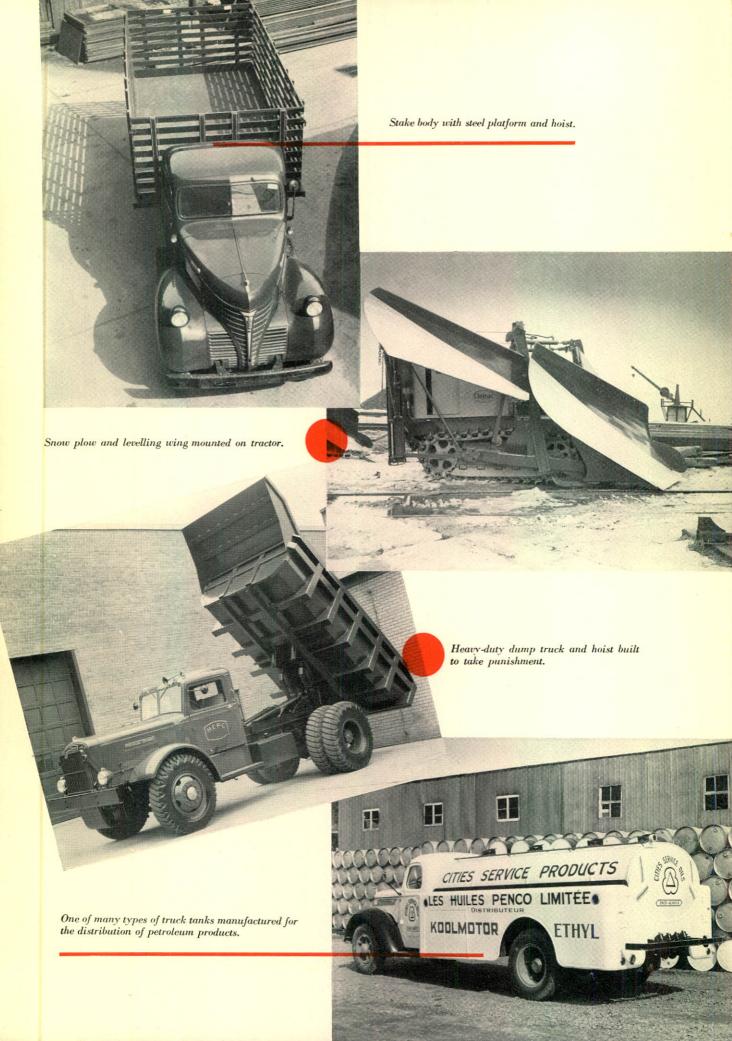


Built-up roofing, sheet metal and insulation contract recently completed by ESP. Type and size of job are indicative of the facilities which are available to the construction industry through ESP.

Ventilation and light are assured by combining Swartwout Dexter Heat Valve, continuous steel sash and mechanical operators.





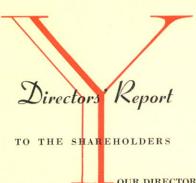


EASTERN STEEL PRODUCTS LIMITEI



Agricultural buildings with structures engineered, fabricated and erected by Eastern Steel Products Limited, "Statite" metal roofing, siding and accessories used throughout, all ESP standard products; these, backed by over fifty years' experience, guarantee satisfaction and service.





OUR DIRECTORS have pleasure in submitting the Consolidated Balance Sheet of your Company and its subsidiaries, The A. B. Ormsby Company, Limited and W. D. Beath & Son Limited as at November 30th, 1948, together with the related Consolidated Statement of Profit and Loss and Earned Surplus for the year then ended.

The dollar volume of sales for the year under review showed an increase as compared with the year ended November 30th, 1947. There was little change in the availability of raw material and inventories remain unbalanced.

Operations for the year resulted in a Consolidated Net Profit, after all charges, of \$263,711.28, which is equivalent to 91.5¢ per Common Share. This compares with \$326,457.73, or \$1.13 per share, in the preceding year. The decrease in net profit was caused by higher wages and salaries and a rise in expenses of a non-recurring nature including rearrangement of manufacturing equipment to provide for increased production and operating efficiency.

At the year-end, working capital amounted to \$1,830,271.94, an increase of \$228,682.08. During the year capital expenditures amounted to \$126,377, \$40,000 principal amount of debentures were retired and \$172,886 was paid in dividends, being 60¢ per share. During the year the earned surplus increased \$109,455.48, and at November 30th, 1948, amounted to \$1,033,876.99.

Shareholders were advised, just prior to the last annual meeting, of the death of the former President, Mr. W. H. Denton, who was succeeded by Mr. A. B. Davidson. During the year, Mr. F. J. Madely, General Manager, was appointed a director, and, subsequent to the close of the fiscal year, Mr. J. M. Pritchard was appointed Vice-President.

Your Directors are pleased to record their appreciation of the faithful services and efficiency of the officers and employees of the Company.

On behalf of the Board,

Toronto, Ontario, March 23rd, 1949. A. B. Davidson, President.

THE A. B. ORMSBY COMPANY, LIMITI

Consolidated Balance S

\$2,784,354.14

43,345.78



CUDDENT ASSETS.

Cicinian Income			
Investments at cost:			
		422	to the state of the state of

LIFE INSURANCE, CASH SURRENDER VALUE

Shares of other companies (market value \$24,042.50) - - - \$ 24,873.25

Accounts receivable, less bad debt reserve - - - - - 930,027.93

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. - 1.778,180,91

cess and the lower of cost or market for raw materials, etc. - 1,778,180.91
Prepaid expenses and accrued revenue - - - - - - - 51,272.05

Cash held by Trustee for the Debenture-Holders Available for Capital Expenditures in Process - - - - - - - 11,655.28

Refundable Portion of Excess Profits Taxes - - - - 205.972.60

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 \$3,497,901.81

Less: Subsequent reserve for depreciation - - - - - 107,508.79 ______ 3.390,393,02

DEFERRED CHARGES:

Debenture issue expenses, less portion amortized - - - - - 45,241.79

\$6,480,962.61

Approved on bel

"A. B. Davidson,"

Director.

AUDITORS' REPORT TO

We have audited the accounts of Eastern Steel Products, Limited and its subsidiary companies for the year ended November 30, dated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the said co TORONTO, CANADA, MARCH 8, 1949.

RODUCTS, LIMITED

BSIDIARIES

ED AND W. D. BEATH & SON LIMITED -

Sheet, November 30, 1948

LIABILITIES

Current Liabilities:	
Bank loan and overdraft (secured) \$ 300,208.34	
Accounts payable and accrued liabilities 482,126.26	
Provision for taxes on income, less payments on account 94,735.00	
Other taxes withheld or accrued 27,375.60	
Debenture principal maturing April 1, 1949 40,000.00	
Minority interest in subsidiary company 9,637.00	* 054 000 00
FIRST SECURED DEBENTURES, SERIES "A" AND "B":	\$ 954,082.20
Maturing \$40,000.00 annually 1949 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 2½% to 4%, depending on maturity	
Less: Payment due April 1, 1949 shown above 40,000.00	1,640,000.00
Excess of Appraised Value of fixed assets over net book value,	
less book value of patents, leases and goodwill	1,862,471.31
Capital Stock and Earned Surplus:	
Capital stock:	
Authorized: 400,000 shares of no par value	
Issued: 288,144 shares \$ 990,532.11	
Earned surplus 1,033,876.99	2,024,409.10
	\$6,480,962.61

half of the Board.

"GORDON McMillan,"

Director.

THE SHAREHOLDERS

1948 and have obtained all the information and explanations we have required. We report that, in our opinion, the above consolimpanies as at November 30, 1948, according to the best of our information and the explanations given us and as shown by their books.

Thorne, Mulholland, Howson & McPherson, Chartered Accountants.

EASTERN STEEL PRODUCTS, LIMITED

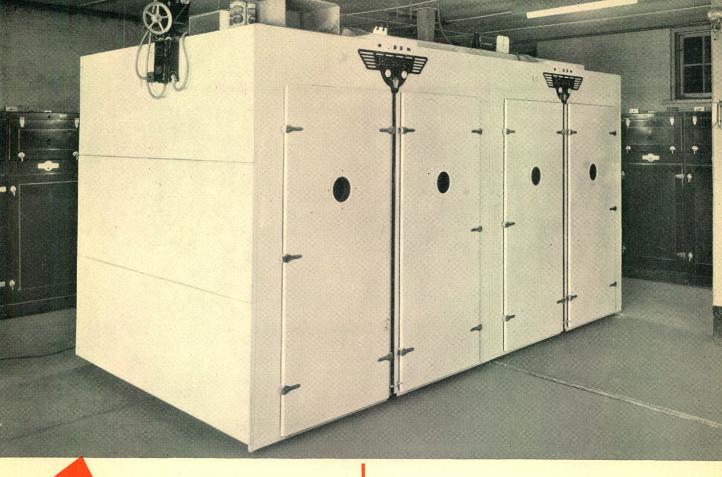
AND ITS SUBSIDIARIES

THE A. B. ORMSBY COMPANY, LIMIT TO AND W. D. BEATH & SON LIMITED

Consolidated Statement of Profit and Loss and Earned Surplus

YEAR ENDED NOTEMBER 30, 1948

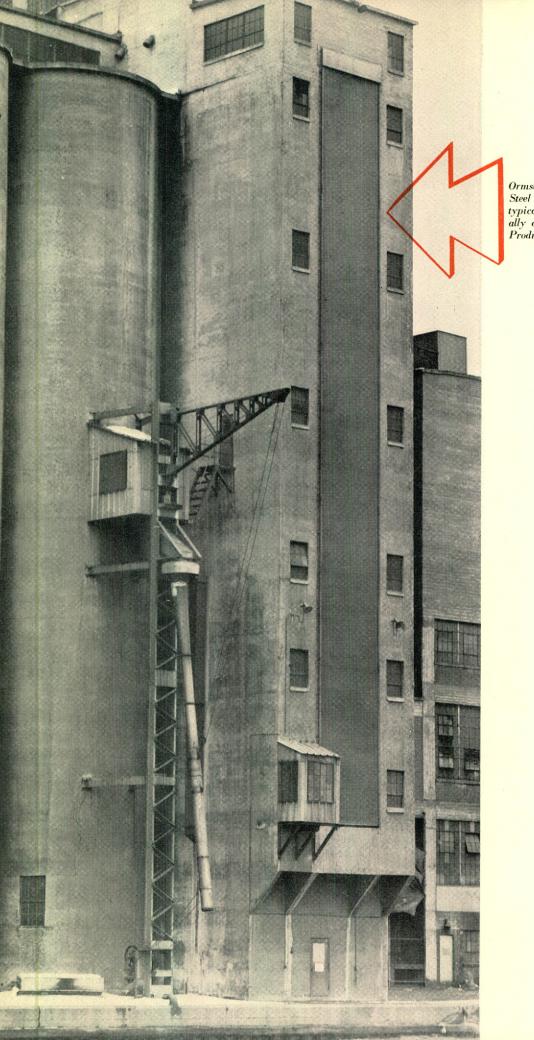
Net operating profit for year after deducting all expenses, including executive salaries and legal fees, \$30,300.00, but before under-	
mentioned items	\$ 570,567.11
Provision for depreciation	78,466.46
	\$ 492,100.65
Income from investments \$ 2,898.17	
Profit on sale of investments and fixed assets (net) 2,275.25	
Life insurance, increase in cash surrender value 2,546.37	7,719.79
	\$ 499,820.44
Debenture interest	64,109.16
Net profit, before provision for taxes on income	\$ 435,711.28
Provision for taxes on income	172,000.00
Net profit for year	\$ 263,711.28
Earned surplus at beginning of year	924,421.51
Reserve for contingencies transferred \$50,000.00	
Less: Adjustment of excess profits taxes, prior years (net) 31,369.40	18,630.60
	\$1,206,763.39
Dividends paid aggregating 60c a share	172,886.40
Earned Surplus at November 30, 1948	\$1,033,876.99



A modern Hatchery equipped with Jamesway Incubators and Ventilation, all products of ESP.

Modern type Jamesway Battery Brooders; one dem of a complete line of Poultry Equipment supplied by ESP.

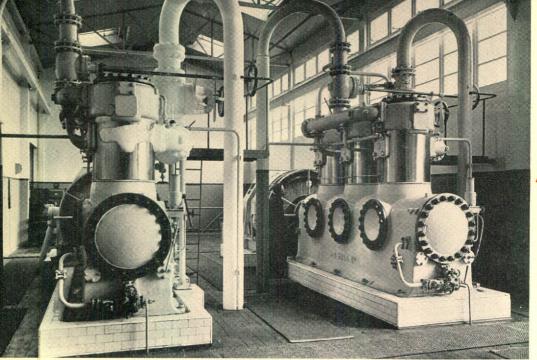




Ormsby Motor - operated Rolling Steel Door 10' wide x 95' high, a typical example of a project specially engineered by Eastern Steel Products Limited.



Section of Drum and Container Department (of Symington and tanks and tanks) where drums, containers and tanks Works at Toronto, Ont.) where drums, and other industries are manufactured for use of the petroleum and other industries.



Two large refrigeration compressors located in a packing house.



During 1947 a long term manufacturing and sales agreement was signed with J. & E. Hall Limited, the world renowned Refrigerating Engineers and Manufacturers who have been in business since 1785.

This part of our operations is adequately staffed and prepared to take responsibility for the design, layout and installation of all types of refrigeration—Industrial, Commercial and Marine. Backing up our service in this field is the world wide and all-inclusive experience and "know-how" of J. & E. Hall Limited.

We have recently completed an installation for the Willards Chocolates Limited, Toronto. Other users of this equipment include,

The National Research Council,
Canadian Industries Limited,
Canadian Pacific Steamship Company,
The Robert Simpson Co. Ltd.,
The Rock City Tobacco Co. Ltd.



Modern Ice Cream factory equipped with Hall refrigeration.



EASTERN STEEL PRODUCTS LIMITED



A recently completed Trailer Tank, modern in every respect and built to rigid specifications to serve the Petroleum Industry.





OR over half a century, Eastern Steel Products Limited and its predecessor companies have been successfully engaged in manufacturing a steadily enlarging group of steel products for Canadian industry. The record of the business has been one of sound, continuous growth.

During the last war and immediate post-war period, there have been vast technological advances in products and manufacturing methods. As a consequence, suppliers of engineered industrial products have been faced with manufacturing to much more exacting specifications, particularly on specially engineered contracts.

The management of this Company has taken constructive action to maintain its leadership in the sheet metal fabricating field. The personnel and facilities of our Product Development Department have been considerably enlarged with a view to improvement in quality of products by keeping abreast of the latest engineering developments and for the purpose of developing new lines. Substantial moneys have also been expended over the last few years in improving manufacturing efficiency in all our plants, resulting in increased capacity and better products.

Every effort is being made by the management to create goodwill between the Company and its dealers and customers through cordial business relations and by providing the best possible service.

The Sales and Engineering activities of the Company are departmentalized as follows:

Building Barns, Implement Sheds, Garages, Storage Buildings and many types of Industrial Buildings.

Contract including Special Order, Fabricated Sheet and Plate Work, Contract Roofing, Structural, Ventilation and Ductwork, etc., Moving Stairways and Elevators, Steel Window Sash, Doors of all types, Door Frames, Toilet Partitions, etc.

REFRIGERATION including Industrial, Marine and larger commercial installations.

Automotive and Container including Truck and Trailer Bodies and Tanks, Truck Scrapers and Patrols, Snow Removal Equipment, Drums, Containers and Storage Tanks.

Warehoused Lines including Builders' Supply Specialties, Metal Roofing and Siding, Ventilators, Farm Specialties, Jamesway Incubators and Poultry Equipment.

Eastern Steel welcomes opportunities to discuss any problems involving use of its products or engineering facilities.



Moving Stairways now being fabricated and installed by ESP. These, along with elevators, are included in ESP's manufacturing and sales agreement with J. & E. Hall Limited, of Dartford, England.

BACK COVER PHOTOGRAPH—We are proud to have the privilege of aiding in the construction of the St. Joseph's Oratory at Montreal, Que. The copper roofing on the dome which was supplied and erected by ESP (approx. 70,000 square feet) is an example of a specially engineered project. Present contracts with St. Joseph's Oratory include several modern type moving stairways which have been manufactured by ESP and are now about to be installed.

