

Corporation
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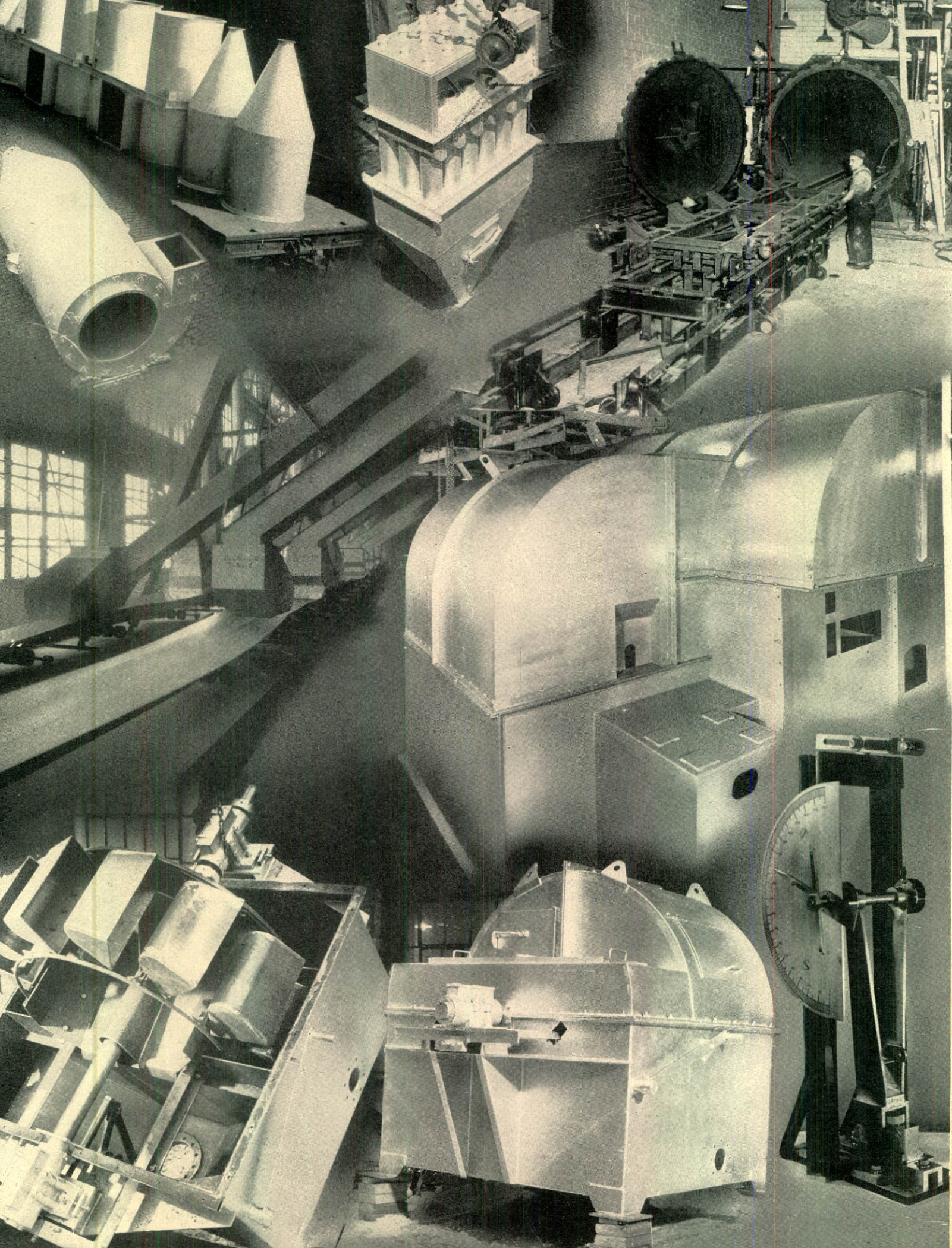
ANNUAL REPORT 1947

EASTERN STEEL



PRODUCTS LIMITED







EASTERN STEEL PRODUCTS LIMITED

PRESTON • TORONTO • MONTREAL

Annual Report for the year ending November 30, 1947

EASTERN STEEL PRODUCTS LIMITED

President's Report to the Shareholders of Eastern Steel Products Limited

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 30, 1947, and the related Consolidated Profit and Loss and Earned Surplus accounts, together with the report of your Auditors thereon, are submitted herewith.

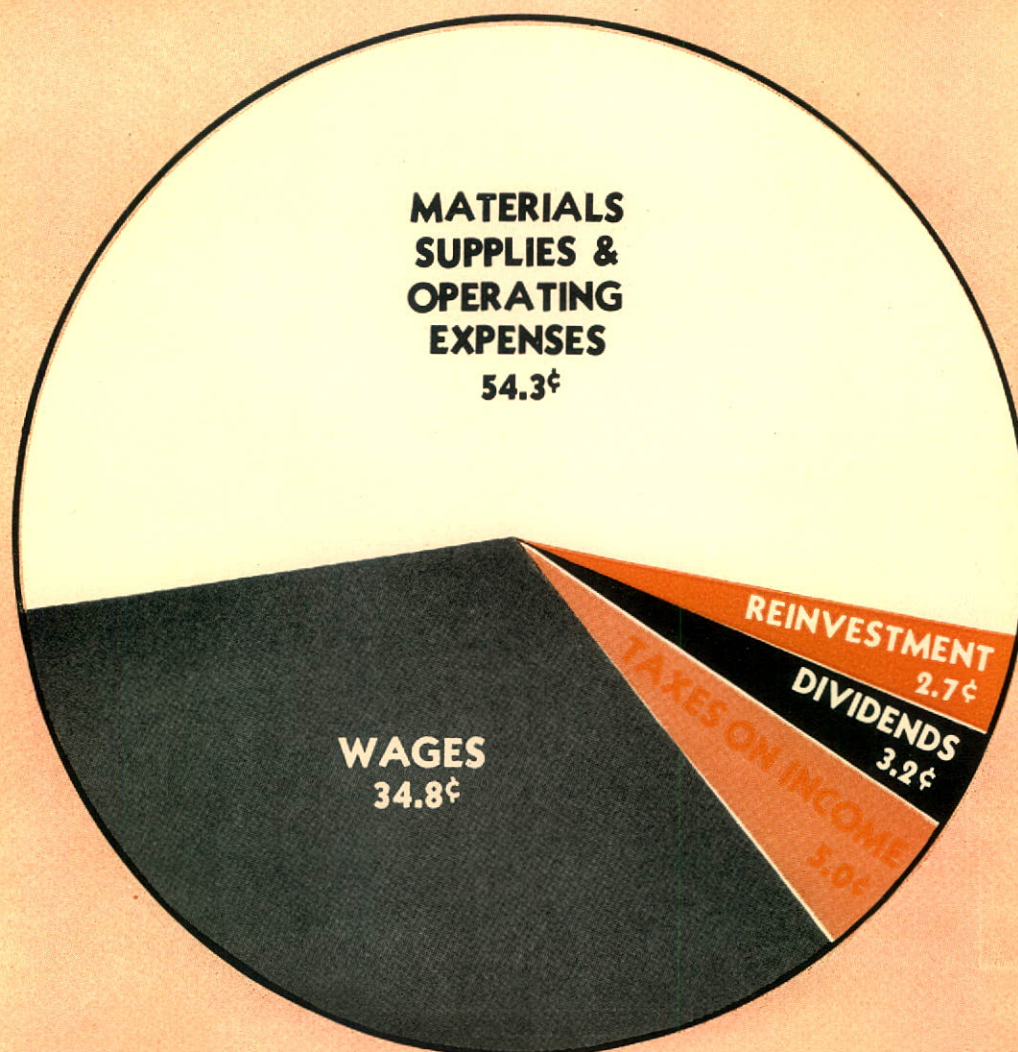
50 YEARS OF CONTINUOUS OPERATION

The year 1947 marks the completion of fifty years of continuous operation of your Company's business, which, until 1927, was known under the name of Metal Shingle and Siding Company Limited, and thereafter as Eastern Steel Products Limited.

1947 SALES ESTABLISHED NEW HIGH

The sales of your Company's products established a new high level during the year under review. Continuous maintenance and improvement of the plant and equipment made possible the sustained high level of production. The operations of the Company and its subsidiaries, during the fiscal year resulted in a Net Profit of \$326,457.73, an increase of \$90,321.10 over the previous year, as shown in the Consolidated Profit and Loss account included herein.

Where the sales dollar goes



DISTRIBUTION OF THE 1947 AVERAGE SALES DOLLAR

Out of the average dollar of sales made by Eastern Steel Products Limited and its subsidiary companies during the year ended November 30, 1947 —

- 54.3¢ was paid out for materials, supplies and other expenses necessary for the operation of the business;
- 34.8¢ was paid out in wages to employees;
- 5.0¢ was paid out in taxes on income to Federal and Provincial Governments;
- 3.2¢ was paid out in dividends to Shareholders;
- 2.7¢ was re-invested in the business.

Out of the year's earnings four quarterly dividends of 15¢ per share, totalling \$172,886.40, were paid or declared on the outstanding shares of the Company.

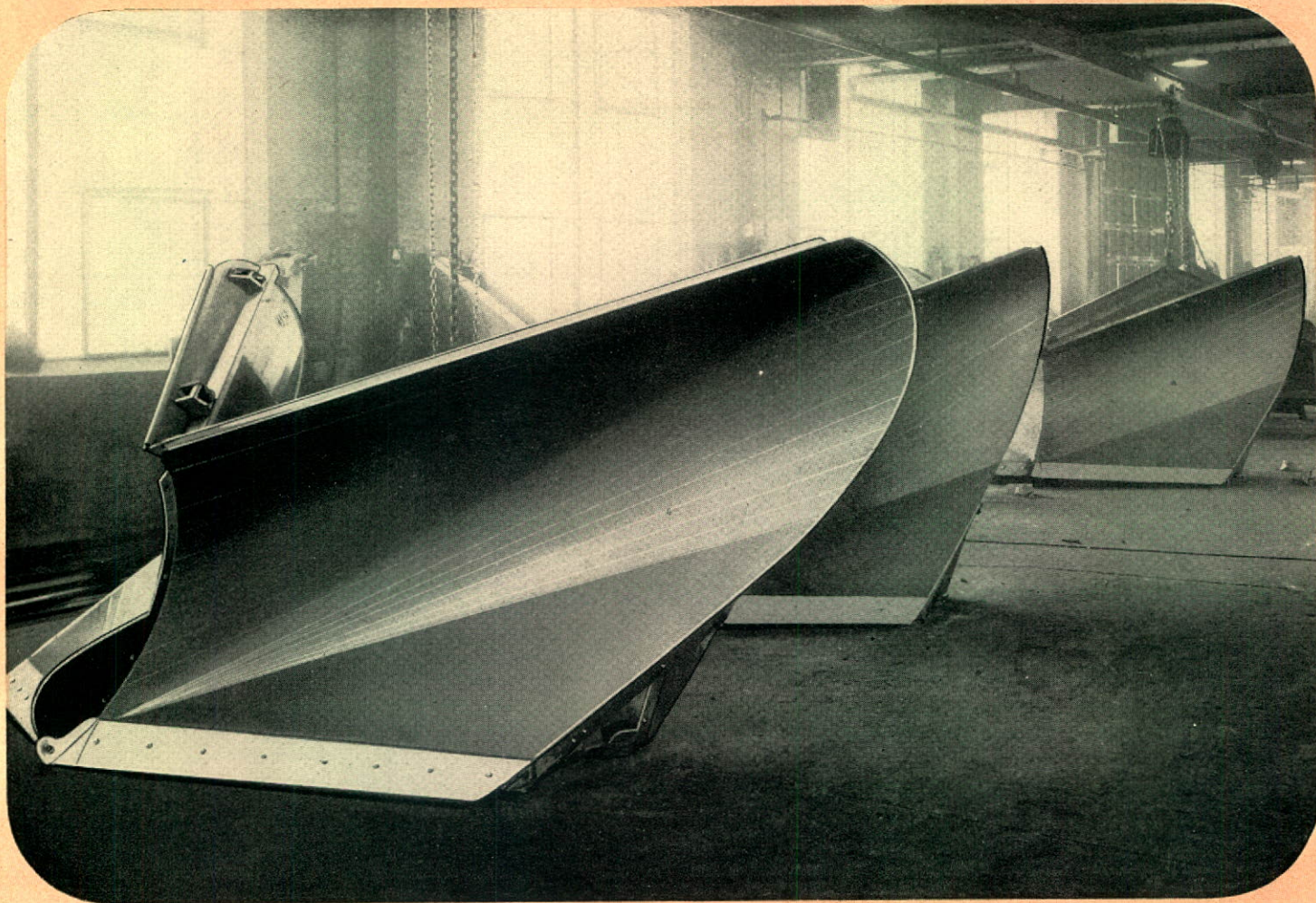
WORKING CAPITAL INCREASED

During the year, the Company's Consolidated Working Capital increased by \$110,780.21. Substantial expenditures were made for the purchase of additional Class A and Class B shares of W. D. Beath & Son Limited; and for the purchase of new capital equipment. Under the provisions of the trust deed securing the Company's debentures, \$260,000.00 Series B debentures were sold by your Company at a favourable price during the year, to finance in part the aforementioned heavy capital expenditures.

Only a very small number of shares of W. D. Beath & Son Limited are now held by the public, and full provision for this liability has been made in the Company's Consolidated Balance Sheet, at November 30, 1947.

PLANT EXTENSIONS

An extension to the existing plant of W. D. Beath & Son Limited was undertaken during 1947 which, when completed, will add approximately 9,500 square feet of space for the storage of raw steel and for various primary sheet metal operations, and will generally improve the Company's manufacturing facilities.



RAW MATERIALS AND INVENTORIES

While there was some improvement in the supply of raw materials during 1947, this was somewhat offset by the fact that inventories still remained in an unbalanced condition. During the year 1948, your Directors expect a slight increase in the quantity of materials available, but the greatest improvement is anticipated from better balanced inventories.

EASTERN STEEL P

AND ITS SU

THE A. B. ORMSBY CO. LIMITED A

CONSOLIDATED BALANCE S

ASSETS

CURRENT ASSETS:

Cash and bank balances	\$ 112,735.18	
Investments at cost:		
Dominion of Canada bonds 1¾% November 1, 1950	50,000.00	
Shares of other companies (market value \$22,862.50)	24,873.25	
Accounts receivable, less bad debt reserve	716,874.08	
Refundable tax receivable in 1948, estimated	30,856.42	
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.	1,493,304.78	
Prepaid expenses and accrued revenue	39,622.71	\$ 2,468,266.42

CASH HELD BY THE TRUSTEE FOR THE DEBENTURE HOLDERS AVAILABLE FOR CAPITAL EXPENDITURES IN PROGRESS

94,723.11

LIFE INSURANCE CASH SURRENDER VALUE

91,774.91

REFUNDABLE PORTION OF EXCESS PROFITS TAXES

371,500.00

LESS Amount due in 1948 shown above

30,856.42

340,643.58

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

3,414,134.73

LESS Subsequent reserve for depreciation

62,028.27

3,352,106.46

DEFERRED CHARGES:

Debenture issue expenses less portion amortized

47,903.07

\$6,395,417.55

Approved on beh

W. H. DENTON, *Director.*

AUDITORS' REPORT T

We have audited the accounts of Eastern S
panies for the year ended November 30, 194
explanations we have required. We report that,
sheet is properly drawn up so as to exhibit a tru
affairs of the said companies as at November 30
and the explanations given us and as shown b

Toronto, Canada,
February 19, 1948.

THORNE, M

RODUCTS LIMITED

BSIDIARIES

ND W. D. BEATH & SON LIMITED

HEET, NOVEMBER 30, 1947

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities.....	\$ 583,840.84	
Provision for taxes on income less payments on account	215,835.55	
Sales taxes payable.....	16,213.17	
Debenture principal maturing April 1, 1948.....	40,000.00	
Minority interest in subsidiary company.....	10,787.00	\$ 866,676.56

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

Maturing \$40,000.00 annually 1948 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	1,720,000.00	
LESS Payment due April 1, 1948 shown above.....	40,000.00	1,680,000.00

RESERVE FOR CONTINGENCIES..... 50,000.00

EXCESS OF APPRAISED VALUE of fixed assets over net book
value, less book value of patents, leases and goodwill 1,883,787.37

CAPITAL STOCK AND SURPLUS:

CAPITAL STOCK:

Authorized 400,000 shares of no par value:		
Issued 288,144 shares	990,532.11	
Earned surplus	924,421.51	1,914,953.62

NOTE: Commitments have been made for plant
additions which will involve an additional expen-
diture estimated at approximately \$154,000.00.

\$6,395,417.55

lf of the Board.

GORDON McMILLAN, *Director.*

THE SHAREHOLDERS

eel Products Limited and its subsidiary com-
and have obtained all the information and
n our opinion, the above consolidated balance
and correct view of the state of the combined
1947, according to the best of our information
their books.

HOLLAND, HOWSON & MCPHERSON,
Chartered Accountants.



EASTERN STEEL PRODUCTS LIMITED

AND ITS SUBSIDIARIES

THE A. B. ORMSBY CO. LIMITED
and

W. D. BEATH & SON LIMITED

CONSOLIDATED PROFIT & LOSS AND EARNED SURPLUS ACCOUNT

Year ended November 30, 1947

Net operating profit for year after deducting all expenses including executive salaries and legal fees \$39,617.33 but before undermentioned items	\$ 709,637.67
Provision for depreciation	62,028.27
	<u>\$ 647,609.40</u>
Income from investments	5,878.19
Profit on sale of investments and capital assets (net)	2,222.83
Life insurance, increase in cash surrender value	1,507.85
	<u>\$ 657,218.27</u>
Interest on debentures	\$ 54,760.54
Provision for taxes on income	276,000.00
	<u>330,760.54</u>
Net earnings for year	<u>\$ 326,457.73</u>
Earned surplus at beginning of year	770,850.18
	<u>\$1,097,307.91</u>
Dividends paid aggregating 60¢ a share	172,886.40
Earned surplus at November 30, 1947	<u><u>\$ 924,421.51</u></u>

The Company has a large volume of orders on the books and if the supply of materials continues to improve, the outlook for 1948 appears very favourable, particularly in view of the improved operating efficiency and productive capacity of the plants. The basic steel companies, chiefly in Canada, have been most co-operative during a difficult period in the allocation of steel to their many customers.

CORPORATE CHANGES

As of the close of business on November 30, 1947, the operations of the Company's two subsidiaries, The A. B. Ormsby Company Limited and W. D. Beath & Son Limited, were merged with the operations of the parent Company, and now constitute the Toronto Division of Eastern Steel Products Limited.

APPOINTMENTS AND RETIREMENTS

It is with deep regret that your Directors record the death during the year of Mr. W. L. Bayer, a Director and Vice-President of the Company. During the year, Mr. J. G. Lorriman, the former President and General Manager of the Company resigned because of ill health and to fill the vacancy created by Mr. Lorriman's resignation Mr. J. M. Pritchard was appointed a Director. Mr. F. J. Madely was appointed General Manager as of January 1, 1947.

Subsequent to the close of the fiscal year Mr. M. S. Haas was appointed a director.

50th ANNIVERSARY

Your Directors desire to record their appreciation of the continued loyalty and efficiency of the officers and employees of the Company throughout a difficult period during which many changes were brought about in manufacturing facilities and internal organization of the Company which is now celebrating its 50th anniversary.

On behalf of the Board,

W. H. DENTON
PRESIDENT

Toronto, Ontario,
March 15, 1948.

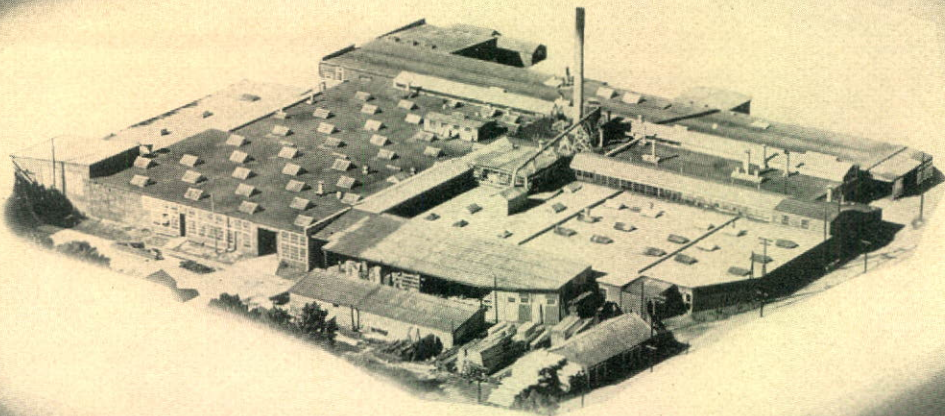
BOARD OF DIRECTORS

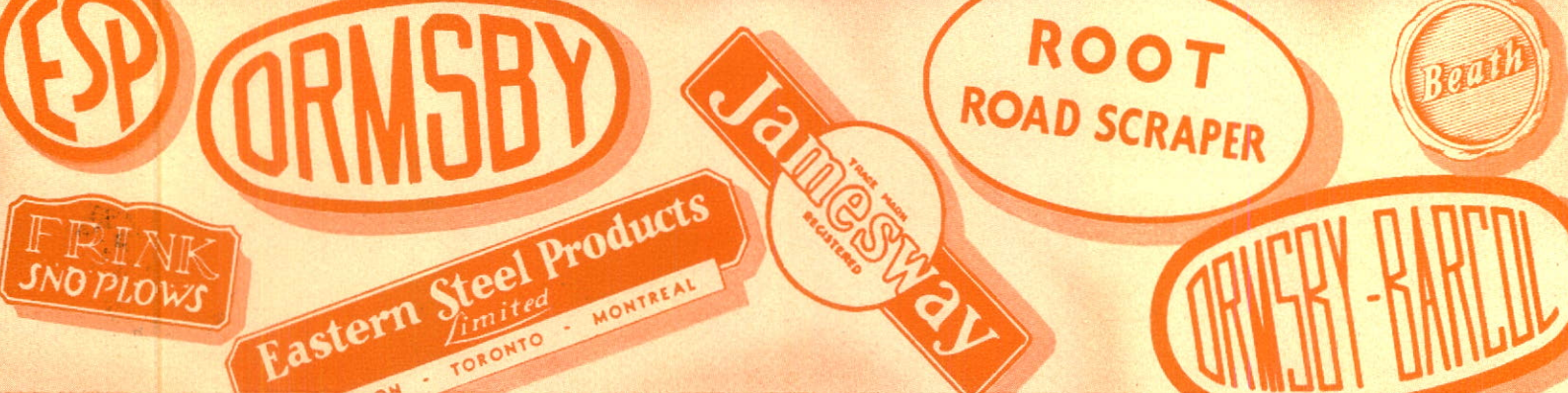
N. T. BERRY, K.C.	A. K. CAMERON
A. B. DAVIDSON	W. H. DENTON
M. S. HAAS	J. E. LABELLE, K.C.
GORDON McMILLAN, K.C.	COL. W. E. PHILLIPS
J. M. PRITCHARD	

OFFICERS

Chairman of the Board	- - - - -	A. K. CAMERON
President	- - - - -	W. H. DENTON
General Manager	- - - - -	F. J. MADELY
Secretary-Treasurer	- - - - -	N. T. BERRY

The Head Office
of Eastern Steel
Products Limited
is situated at
1052 Dupont St.,
Toronto, with
Works at Preston,
Toronto and Montreal.
Shown here are
plants at Preston (top)
Toronto (centre) and
Montreal (below).





BUILDINGS

Fireproof Storage and
Implement Buildings
Garages, Rinks, Warehouses
Steel Truss Barns,
Tobacco Kilns

BUILDING SPECIALTIES

Air Intake Louvres
Eavestrough and
Conductor Pipe
Galvanized Ridge Roll
Metal Lath and Corner Bead
Roofing Nails, Led-Hed and
Statite
Toilet Partitions — Panel or
Flush Type
Ventilators and
Ventilating Systems

DOORS

Copper, Bronze or
Aluminum Covered Doors
Fire Doors—Hollow Sheet Metal
or Tin Clad
Garage Doors — Sectional and
One Piece
Kalamein Doors
Overhead Sectional Doors
Revolving Doors
Rolling Steel Doors and Shutters
Steel Doors and Frames

DOOR HARDWARE

Barn Door Hardware
Fire Door Hardware
(Underwriters' Labelled)
Garage Door Hardware —
"Lift-Eze"
Sliding Door Hardware

FARM SPECIALTIES

Poultry Equipment, Incubators
Ventilating Systems for Barns,
Stables and Poultry Houses
Water Storage Tanks,
Hog Troughs

INDUSTRIAL SPECIALTIES

Alloy Metal Work —
Stainless Steel, Monel Metal,
Aluminum, Copper, Bronze
or Brass
Machinery Guards
Metal Housing for
Special Equipment
Metal Pans and Trays
Rock and Ore Hoppers
Sheet Metal Work
Stamped Steel Grilles
Steel, Copper or
Aluminum Tanks
Steel Plate Construction,
Light Tinsmithing and
Coppersmithing
Tote Boxes, Textile Hand Trucks,
Factory Trucks

METAL ROOFING AND SIDING

Corrugated, "Rib Roll" and
"Tite-Lap"
Standing Seam Metal Roof
Metal Sidings, Painted or
Galvanized — Brick, Stone or
Clapboard Patterns

WINDOWS

Barn and Stable Windows —
Wood or Steel
Cellar Steel Sash for Residences
Continuous Sash (Sidewall and
Monitor Types)

Copper and Bronze Covered
Windows

Kalamein Windows
Roof and Gable Windows
Skylights
Steel Sidewall Windows
Industrial and Architectural
Type

TRUCK AND TRAILER BODIES

Public Utility Type
Industrial and Side Dump
Bulk — Dry and Wet
Hydraulic Hoists
Specials

TRANSPORT TANKS

Standard, Trailer and Special

HYDRAULIC SCRAPERS

SNOW PLOWS

34 different models, for any
power unit

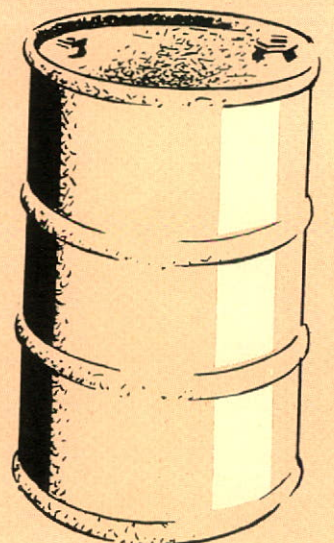
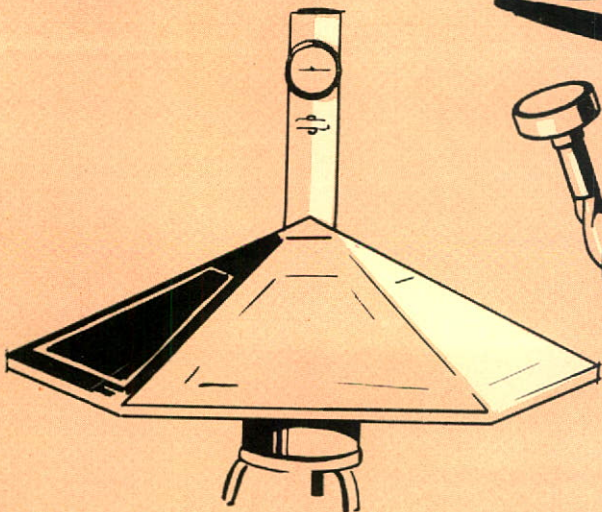
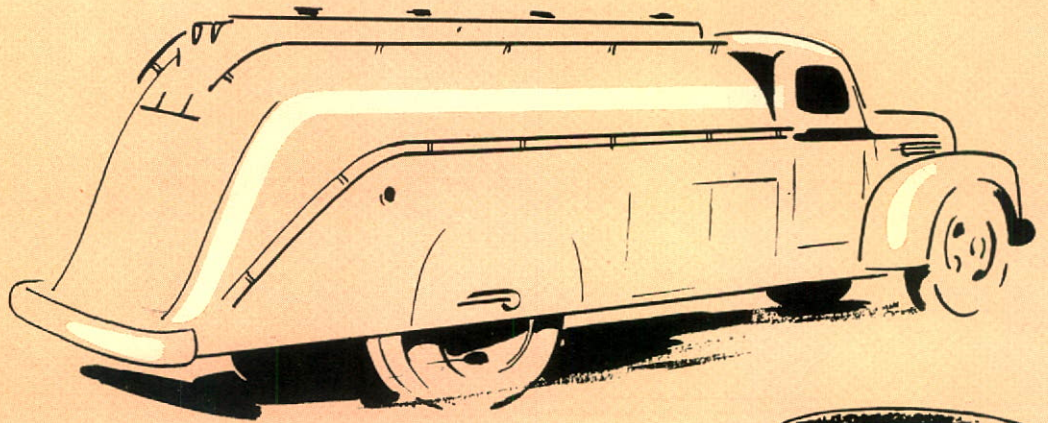
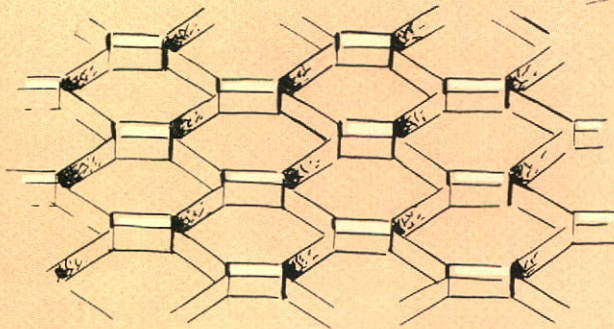
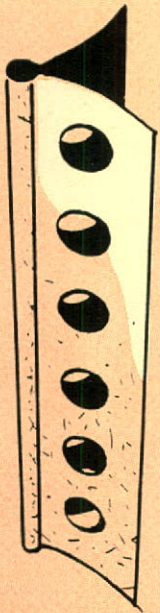
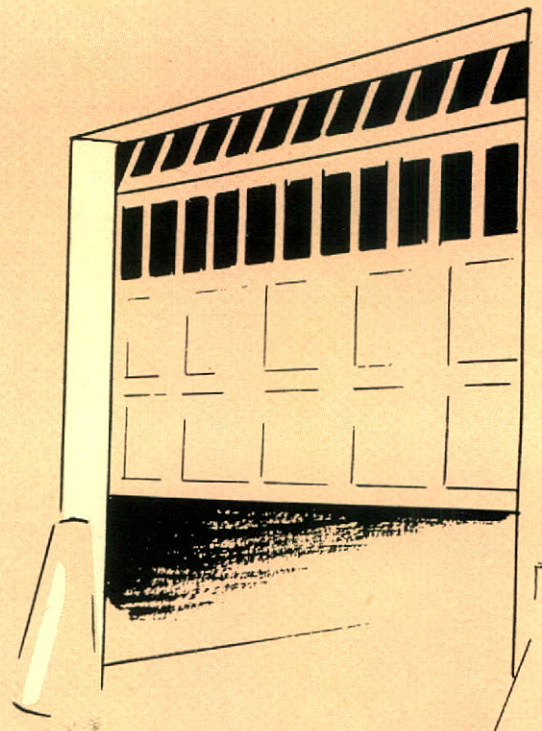
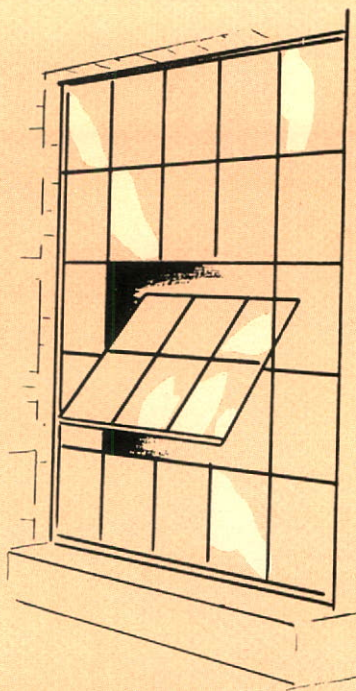
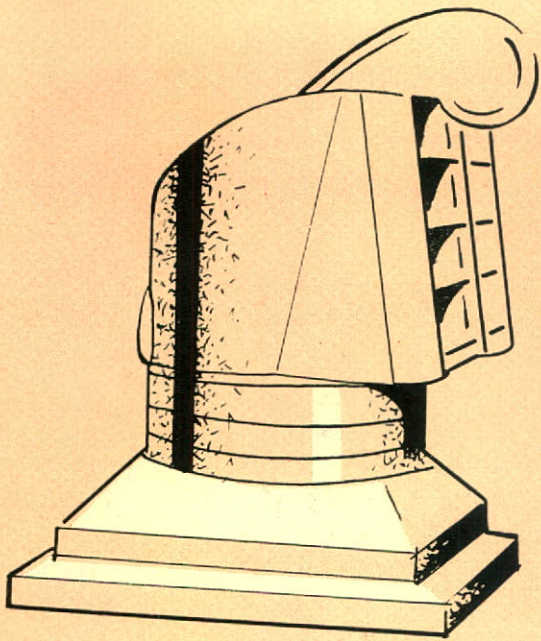
CONTAINERS

Standard All-Welded
Rolled Chime and
Double Seamed
Greased Drums
Basement Storage
Underground Storage

MOVING STAIRWAYS

LIFTS

REFRIGERATION EQUIPMENT





EASTERN STEEL



PRODUCTS LIMITED

PRESTON

308 GUELPH STREET

• TORONTO •

394 SYMINGTON AVENUE

• MONTREAL

1335 DELORIMIER AVENUE