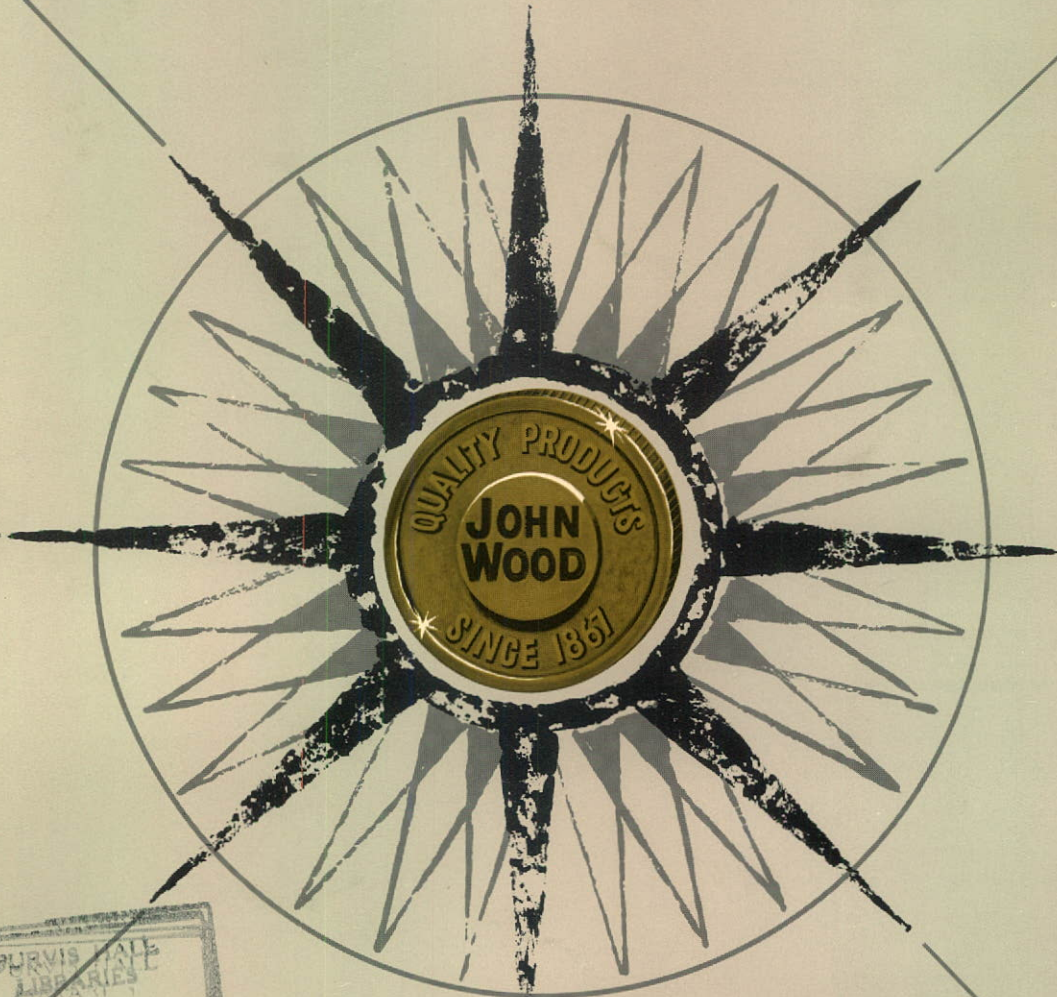


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JOHN WOOD INDUSTRIES LIMITED

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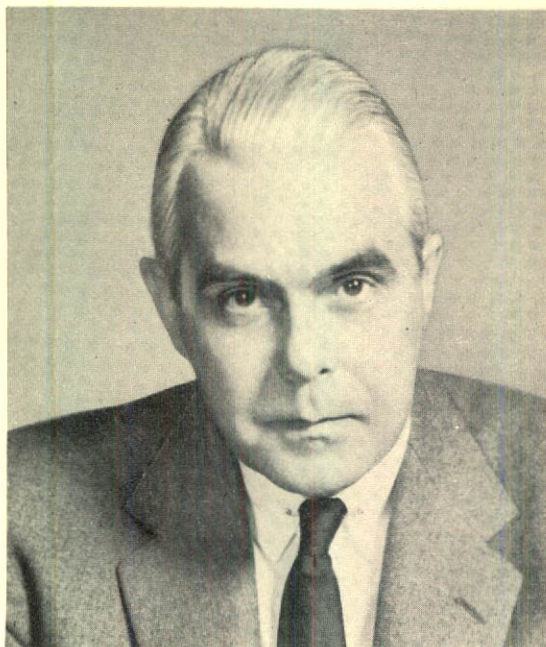
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CORPORATE HIGHLIGHTS

	1957	1956
Net sales	\$45,705,718	\$47,204,825
Income before taxes	\$ 1,773,346	\$ 3,117,719
Income taxes	\$ 670,000	\$ 1,560,000
Net income	\$ 1,103,346	\$ 1,557,719
Ratio of Net Income to Preferred Dividends Paid	10.3	13.7
Earnings per share on the Class "A" and "B" common stocks after allowing for preferred dividends	\$ 4.18	\$ 6.06
Total dividends paid	\$ 583,848	\$ 566,582
Preferred stock	\$ 107,224	\$ 113,789
Class "A" common stock	\$ 376,624	\$ 357,793
Class "B" common stock	\$ 100,000	\$ 95,000
Number of stockholders	2,589	2,624
Earnings for year retained in the business	\$ 519,498	\$ 991,137
Retained earnings (accumulated)	\$14,018,412	\$13,498,914
Preferred shares redeemed during the year	831	2,655
Cost of preferred shares redeemed during the year	\$ 78,895	\$ 271,703
Current assets	\$18,842,333	\$20,753,435
Current liabilities	\$ 7,283,549	\$ 8,800,643
Working capital	\$11,558,784	\$11,952,792
Wages, salaries and pension plan payments	\$12,619,993	\$12,554,844
Number of employees	2,497	2,694

DIRECTORS AND OFFICERS

Guy George Gabrielson
CHAIRMAN OF THE BOARD
AND PRESIDENT



J. B. Balmer
VICE-PRESIDENT AND CHAIRMAN
OF THE EXECUTIVE COMMITTEE

JOHN WOOD INDUSTRIES LIMITED

BOARD OF DIRECTORS

CHAIRMAN

Guy George Gabrielson, *Partner*
Gabrielson, Wolfe & Gabrielson, Attorneys

J. B. Balmer, *Vice President and*
Chairman of Executive Committee

H. W. Knight, *Chairman of the Board*
Draper Dobie & Company Limited

Elton W. Clark, *Director*
Allied Chemical and Dye Corporation

T. F. Rahilly, *Chairman of the Board and President*
Canada Iron Foundries, Limited

Guy George Gabrielson, Jr., *President*
Nicolet Industries, Inc.

H. R. Tudhope, *Chairman of the Board*
Russell Industries Limited

Cole J. Younger, *Vice President*
The Chase Manhattan Bank

OFFICERS

Guy George Gabrielson, *President*

J. B. Balmer, *Vice-President and General Manager*

R. S. Owens, *Secretary and Treasurer*

C. Hallam, *Assistant Secretary*

EXECUTIVE COMMITTEE

J. B. Balmer, *Chairman*

Guy George Gabrielson

Guy George Gabrielson, Jr.

TRANSFER AGENTS AND REGISTRARS

Chartered Trust Company, Toronto, Ontario

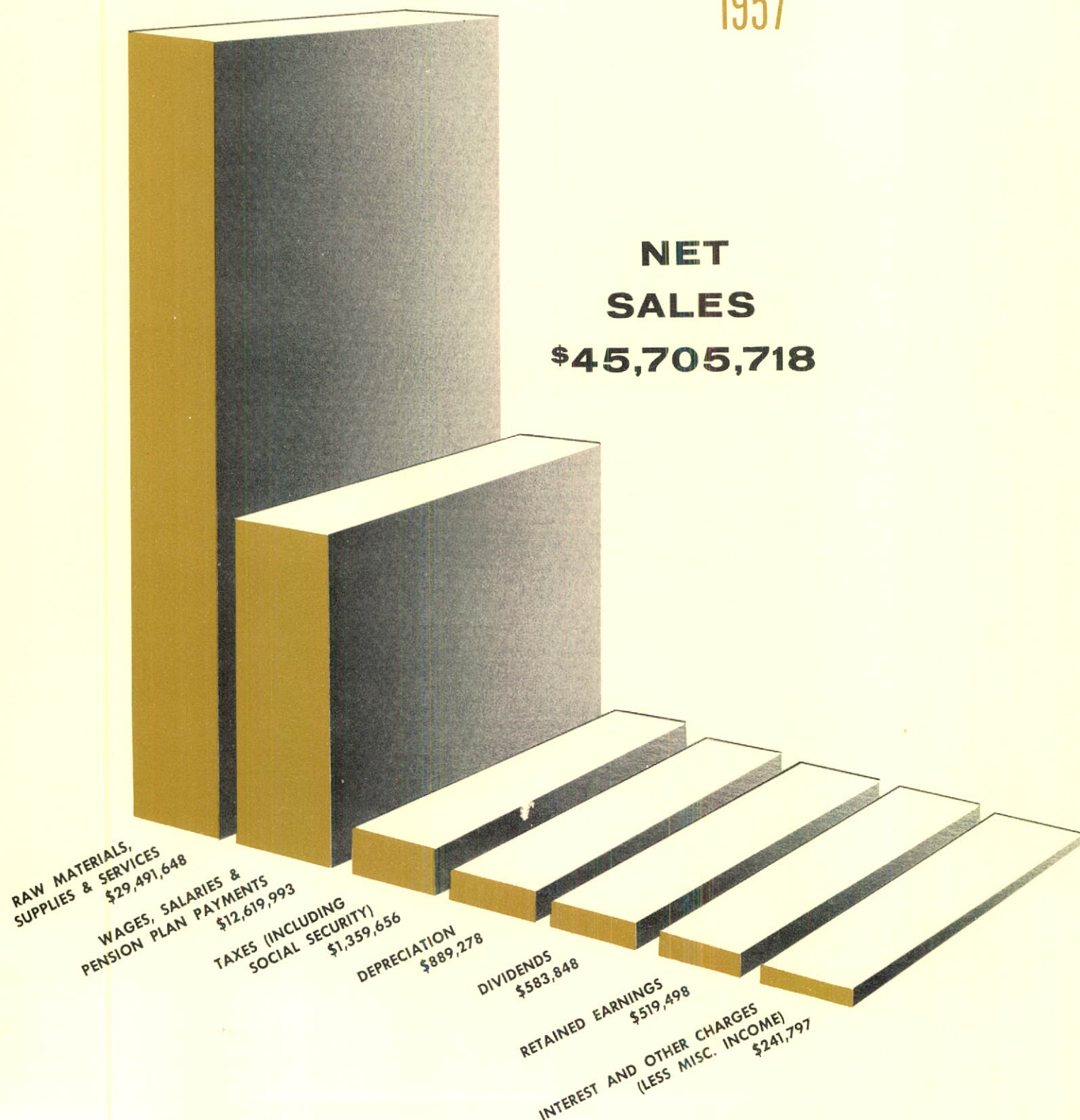
The New York Trust Company, New York, New York

The Toronto General Trusts Corporation, Vancouver, British Columbia

DISTRIBUTION OF NET SALES DURING

1957

**NET
SALES
\$45,705,718**



CONSOLIDATED INCOME and RETAINED EARNINGS

CONSOLIDATED INCOME	Years ended December 31	
	1957	1956
Net sales	\$45,705,718	\$47,204,825
Deduct:		
Cost of sales, selling, general and administrative expenses and charges (less miscellaneous income)	\$42,795,424	\$43,094,412
Depreciation charges	889,278	799,257
Interest on long-term debt	60,156	64,531
Other interest expense	187,514	128,906
	<u>\$43,932,372</u>	<u>\$44,087,106</u>
Income before taxes	\$ 1,773,346	\$ 3,117,719
Provision for taxes on income (reduced in 1957 by \$150,000 excess provisions from prior years)	670,000	1,560,000
Net income	<u>\$ 1,103,346</u>	<u>\$ 1,557,719</u>
NOTE: Payments by the company or its subsidiaries during the year ended December 31, 1957 include fees of \$44,000 paid to directors and members of the executive committee and remuneration of \$103,700 to executive officers and solicitors of the parent company.		
RETAINED EARNINGS		
	1957	1956
Balance at beginning of year	\$13,498,914	\$12,407,686
Add:		
Net income from income statement	1,103,346	1,557,719
Profit on sale of fixed assets (net)	—	100,091
	<u>\$14,602,260</u>	<u>\$14,065,496</u>
Deduct dividends:		
On first preferred stock —		
1957 and 1956 — \$4.50 per share	\$ 107,224	\$ 113,789
On class "A" common stock —		
1957 — \$2.00 per share; 1956 — \$1.90 per share	376,624	357,793
On class "B" common stock —		
1957 — \$2.00 per share; 1956 — \$1.90 per share	100,000	95,000
	<u>\$ 583,848</u>	<u>\$ 566,582</u>
Balance at end of year	<u>\$14,018,412</u>	<u>\$13,498,914</u>

The notes on page 12 are an integral part of these statements.

REPORT TO STOCKHOLDERS

TO THE STOCKHOLDERS:

On behalf of the Board of Directors and Officers, I present herewith consolidated statements of financial position and operations of John Wood Industries Limited and its subsidiaries, John Wood Company and its subsidiaries in the United States, and John Wood Company Limited in Canada, for the year ended December 31, 1957.

The Company's name was officially changed from International Metal Industries, Limited, on May 15, 1957.

For 1957, net sales amounted to \$45,706,000, representing a decrease of 3% when compared with 1956. During the year there was a decline in sales of commercial products in Canada and of defense billings in the United States. However, as a result of the introduction of product improvements and new lines, sales of commercial products in the United States increased over 1956. Despite a reduction in Canada, sales for the last quarter 1957 exceeded the like period 1956.

Income before taxes but after depreciation and all other charges amounted to \$1,773,000, a decrease of approximately 40% from the prior year. Competitive factors prevented many price increases that were warranted by higher material and labor costs.

Provision for taxes on 1957 income in the amount of \$670,000 was reduced by the application of \$150,000 excess tax provisions carried from prior years.

Total taxes in the United States and Canada, including income, real estate, payroll and franchise taxes paid or accrued for the year, amounted to \$1,360,000, or \$5.19 per share on all classes of stock outstanding.

Net income for 1957 amounted to \$1,103,000, a decrease of approximately 30% when compared with 1956. Income was equivalent to earnings for the year of \$47 per share on the preferred stock; and, after allowing for preferred dividends, to

earnings of \$4.18 per share on the combined Class "A" and "B" common stocks.

Regular quarterly dividends were paid during the year on the 4½% preferred stock, and dividends of \$2.00 per share were paid on both classes of common stock. Total dividends paid, amounting to \$583,848, were equivalent to 53% of net income.

Net working capital at December 31, 1957, amounted to \$11,559,000, representing a decrease of \$394,000 from December 31, 1956. The decrease is accounted for as follows:

FUNDS MADE AVAILABLE:

From operations—

Consolidated net income for the year	\$1,103,346	
Depreciation charges not requiring a current cash outlay	889,278	\$1,992,624

LESS FUNDS APPLIED:

Expenditures on fixed assets (less depreciated book values of assets disposed of)	\$1,564,022	
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Dividends—

On first preferred stock	\$107,224	
On Class "A" common stock	376,624	
On Class "B" common stock	100,000	583,848

Reduction in deferred liabilities—(instalment payment due October 1, 1958 on 3½% notes payable)	125,000	
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Sinking fund—

Cash allocated to sinking fund for redemption of preferred stock \$100,000		
Add discount on redeeming preferred shares	4,205	104,205

Increase in other assets	9,557	\$2,386,632
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Excess of funds applied over funds made available, accounting for decrease in working capital		<u>\$ 394,008</u>
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Retained earnings at December 31, 1957, amounted to \$14,018,000, an increase of \$519,000 over the prior year.

Current assets were valued at \$18,842,000 and current liabilities at \$7,283,000, a ratio of 2.6 to 1. Current assets consisted of cash of \$2,707,000, accounts and notes receivable of \$5,273,000 and inventories of \$10,862,000. Current liabilities included notes payable to banks in the amount of \$3,000,000, which was incurred to provide necessary working capital.

During the year an additional \$100,000 was allocated to the sinking fund and 831 shares of preferred stock were retired at a cost of \$78,895. The balance in the sinking fund at December 31, 1957, amounted to \$145,659. Since July 1, 1945, the date of issuance of preferred stock, 16,382 shares have been redeemed and cancelled. The outstanding balance of preferred stock at year end amounted to 23,618 shares.

Capital expenditures less depreciated book value of assets disposed of during the year totaled \$1,564,000. Improvements were accomplished at most of the Company's manufacturing plants, in order to maintain efficiency, reduce costs and provide tooling for new and improved products.

Several years ago the Company acquired acreage at Aurora, Illinois, primarily for the construction of an Engineering and Research Laboratory. This tract has been expropriated by the Illinois State Toll Highway Commission and the Company has purchased a site at Florham Park, New Jersey, in anticipation of the future expansion of its laboratory facilities. At the present time the Company's Engineering and Research Laboratory is located at Union, New Jersey.

The Bennett Pump Division during 1957 recorded the highest sales of Bennett and Eco products in its history, and maintained its leadership in the industry.

The Superior Metalware Division attained a sales volume of Milk and Dispenser Cans, Wire Milk Bottle Crates and Waste Receptacles which exceeded that of the prior year. This division also introduced certain new stainless steel products, which had the effect of offsetting its loss of defense production.

The Heater & Tank Division increased its sales of automatic Water Heaters and other related products during 1957. Trade acceptance of its Fluid Heat oil and gas burners and its furnaces was generally satisfactory. During the year manufacturing facilities at Red Oak, Iowa, were transferred to the Conshohocken plant as a cost control measure.

At year end, manufacturing operations of the Haverly Equipment Division were moved from leased premises in Syracuse, New York, to a company-owned plant in Royersford, Pa., which provides adequate production capacity to meet the future demands for farm Bulk Milk Coolers.

The Canadian plants experienced a slight decline in sales during the year, but, through cost reductions, were successful in reflecting satisfactory operating margins.

Operations will be dealt with in further detail at the annual meeting to be held on April 24, 1958.

The Directors take this opportunity of expressing their appreciation for the loyalty and cooperation of the officers and employees of the organization.

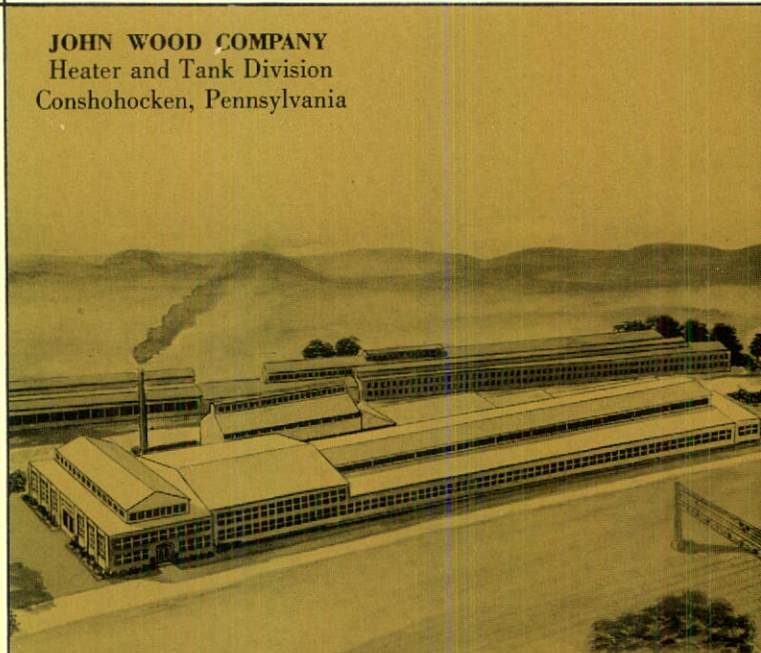
GUY GEORGE GABRIELSON,
*Chairman of the Board
and President*

March 12, 1958

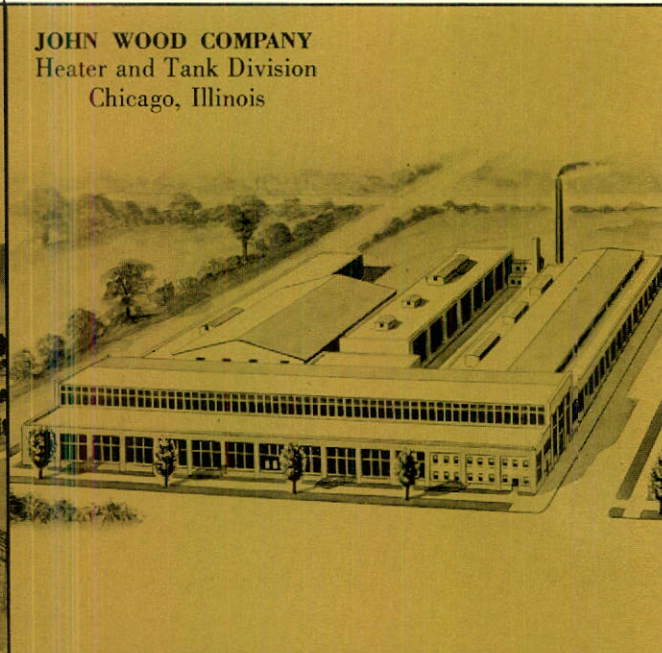
JOHN WOOD COMPANY

and affiliate

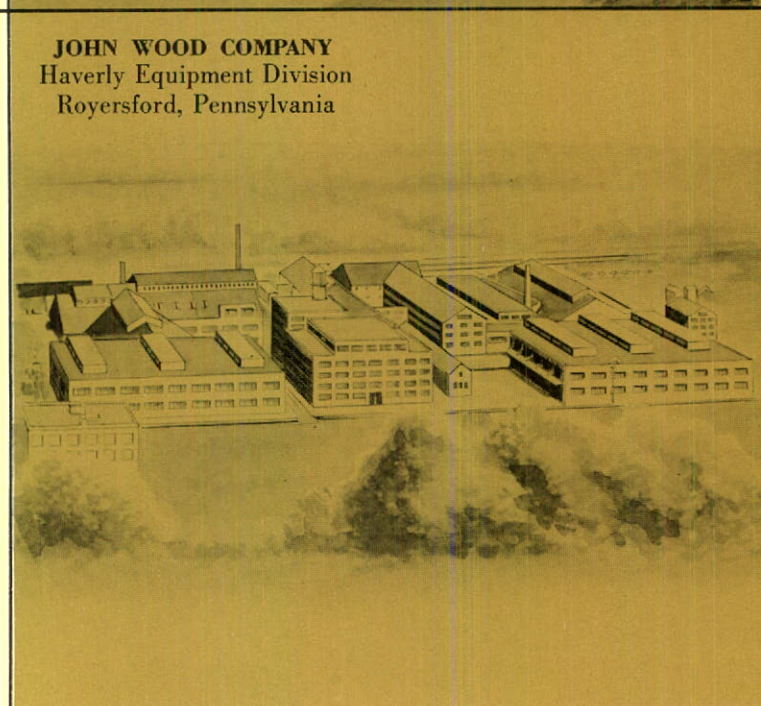
JOHN WOOD COMPANY
Heater and Tank Division
Conshohocken, Pennsylvania



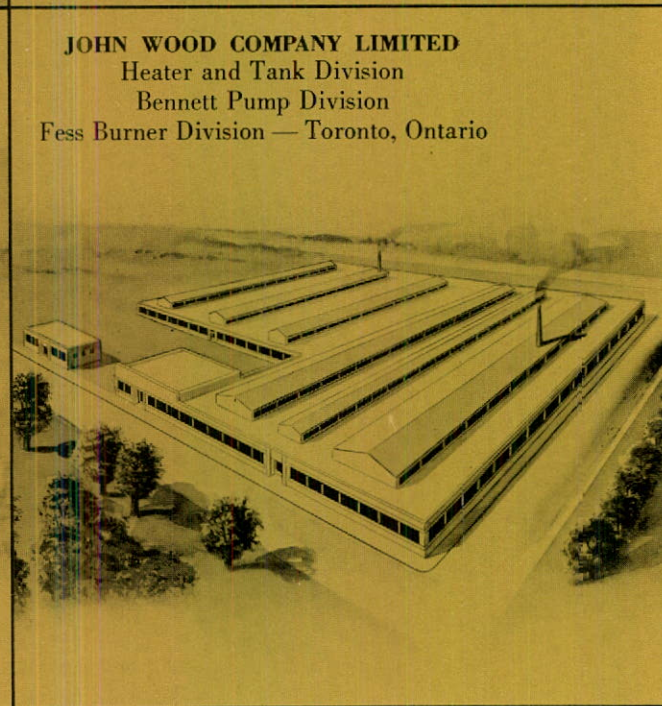
JOHN WOOD COMPANY
Heater and Tank Division
Chicago, Illinois



JOHN WOOD COMPANY
Haverly Equipment Division
Royersford, Pennsylvania



JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Bennett Pump Division
Fess Burner Division — Toronto, Ontario

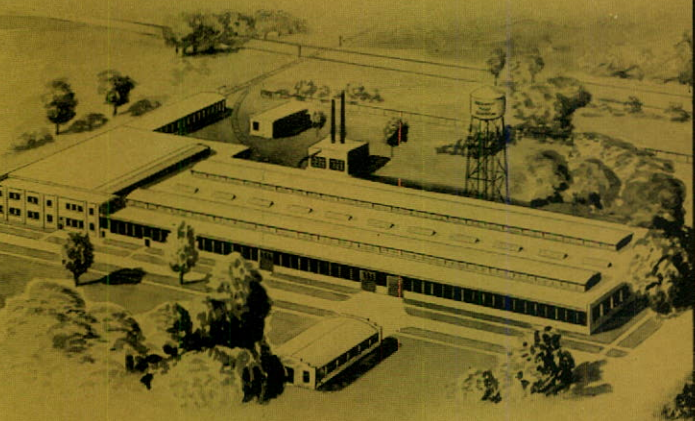




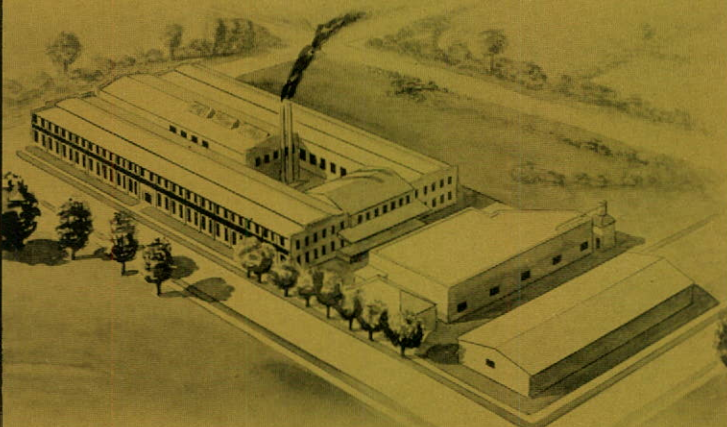
Utilizing the extensive modern facilities in these eight major production centers, skilled craftsmen build quality products that reflect *John Wood's* 91 years of manufacturing experience.

To maintain high quality standards, the John Wood Engineering and Research Division in Union, N. J. develops new product lines, test-studies new product materials, styles and redesigns existing products, and assesses the technical potentiality of products and processes available through acquisition.

JOHN WOOD COMPANY
Bennett Pump Division
Muskegon, Michigan



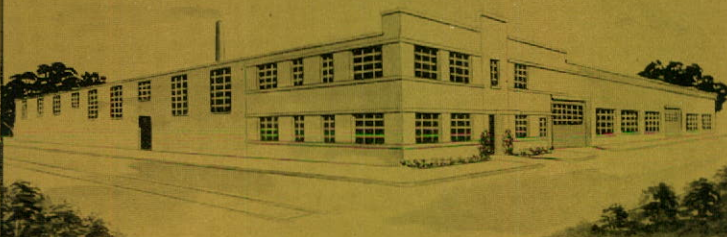
JOHN WOOD COMPANY
Superior Metalware Division
St. Paul, Minnesota



JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Winnipeg, Manitoba



JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Vancouver, British Columbia



CONSOLIDATED BALANCE SHEETS

ASSETS

CURRENT:

	<i>December 31</i>	
	<u>1957</u>	<u>1956</u>
Cash	\$ 2,707,119	\$ 3,116,986
Accounts and notes receivable (less allowance 1957, \$297,000; 1956, \$311,500)	5,273,147	5,575,561
Inventories, at the lower of cost or market value	<u>10,862,067</u>	<u>12,060,888</u>
	<u>\$18,842,333</u>	<u>\$20,753,435</u>

SINKING FUND:

Cash held for redemption of first preferred shares . . .	<u>\$ 145,659</u>	<u>\$ 124,554</u>
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FIXED:

Land, buildings and equipment as written down to less than cost at January 1, 1933, with subsequent additions at cost Less accumulated depreciation	<u>\$12,260,273</u> <u>5,989,193</u> <u>\$ 6,271,080</u>	<u>\$10,932,331</u> <u>5,335,995</u> <u>\$ 5,596,336</u>
Patents, rights and licenses	<u>\$ 1</u>	<u>\$ 1</u>

OTHER ASSETS:

Prepaid expenses and deferred charges	\$ 239,049	\$ 300,654
Sundry receivables and other assets	<u>380,575</u>	<u>309,413</u>
	<u>\$ 619,624</u>	<u>\$ 610,067</u>
	<u>\$25,878,697</u>	<u>\$27,084,393</u>

Approved on behalf of the Board:

GUY GEORGE GABRIELSON, *Director*

H. R. TUDHOPE, *Director*

The notes on page 12 are an

LIABILITIES

CURRENT:

Notes payable to banks	\$ 3,000,000	\$ 3,250,000
Accounts payable and accrued charges	3,311,649	3,578,962
Taxes payable (estimated)	701,079	1,700,020
Dividends payable	145,821	146,661
Current instalment of 3½% notes	125,000	125,000
	<u>\$ 7,283,549</u>	<u>\$ 8,800,643</u>

DEFERRED:

3½% notes of United States subsidiary, due \$125,000 annually and balance in 1963 (payable in U.S. dollars) (current instalment included in current liabilities) . .	<u>\$ 1,500,000</u>	<u>\$ 1,625,000</u>
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CAPITAL:

<i>Authorized —</i>		
50,000 shares preferred stock, par value \$100 each		
less 16,382 shares redeemed		
300,000 shares class "A" common stock of no par value		
50,000 shares class "B" common stock of no par value		
<i>Outstanding —</i>		
23,618 shares 4½% cumulative redeemable sinking fund first preferred stock, redeemable at \$103 . .	\$ 2,361,800	\$ 2,444,900
188,312 shares class "A" common stock }		
50,000 shares class "B" common stock }	714,936	714,936
	<u>\$ 3,076,736</u>	<u>\$ 3,159,836</u>
Retained earnings	14,018,412	13,498,914
	<u>\$17,095,148</u>	<u>\$16,658,750</u>
	<u>\$25,878,697</u>	<u>\$27,084,393</u>

FINANCIAL NOTES

(1) The assets, liabilities and earnings of the United States subsidiary are included in the consolidated financial statements on the basis of U.S. \$1 = Can. \$1. At December 31, 1957 the U.S. dollar was at a discount of $1\frac{3}{8}\%$ in terms of the Canadian dollar while at December 31, 1956 it was at a discount of 4%. The net current assets of the United States subsidiary amounted to U.S. \$9,475,000 at December 31, 1957 and U.S. \$9,700,000 at December 31, 1956.

(2) The class "A" shares are entitled to a fixed non-cumulative dividend at the rate of \$1.60 per share per annum payable quarterly before any dividend is payable on the class "B" shares. After payment of a like amount on the class "B" stock both classes share equally in any further dividends in any year.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF JOHN WOOD INDUSTRIES LIMITED:

We have examined the consolidated balance sheet of John Wood Industries Limited and its subsidiaries as at December 31, 1957 and the related statements of consolidated income and retained earnings for the year then ended, and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and statements of consolidated income and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of John Wood Industries Limited and its subsidiaries at December 31, 1957 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR YOUNG, CLARKSON, GORDON & Co.

Toronto, Canada.
March 5, 1958.

SUBSIDIARIES and OPERATING DIVISIONS

JOHN WOOD COMPANY

Executive Office: 70 Pine Street, New York

HEATER AND TANK DIVISION

Plants:

Chicago, Illinois
Conshohocken, Pennsylvania

Principal Warehouses:

Baltimore, Md.
Boston, Mass., New York, N. Y.
Norristown, Pa.
Tampa, Fla.

SUPERIOR METALWARE DIVISION

Plant:

St. Paul, Minnesota

Principal Warehouses:

Atlanta, Ga., Los Angeles, Calif.
New York, N. Y., San Francisco, Calif.

BENNETT PUMP DIVISION

Plants:

Hart and Muskegon, Michigan

Principal Warehouses:

Atlanta, Ga., Boston, Mass.
Dallas, Tex., Denver, Colo.
Detroit, Mich., El Paso, Tex.
Greensboro, N. C., Jacksonville, Fla.
Kansas City, Mo.
Los Angeles, Calif., Memphis, Tenn.
Milwaukee, Wisc., New Orleans, La.
New York, N. Y., San Francisco, Calif.
Seattle, Wash., St. Paul, Minn.

HAVERLY EQUIPMENT DIVISION

Plant:

Royersford, Pa.

Principal Warehouse:

Syracuse, New York

JOHN WOOD COMPANY LIMITED

Executive Office: 101 Hanson Street, Toronto

HEATER AND TANK DIVISION

Plants:

Toronto, Ont., Vancouver, B. C.
Winnipeg, Man.

Warehouses:

Calgary, Alta., Edmonton, Alta.
Montreal, Que., Regina, Sask.
Saskatoon, Sask.

BENNETT PUMP DIVISION

Plant:

Toronto, Ontario

Warehouses:

Calgary, Alta., Edmonton, Alta.
Montreal, Que., Regina, Sask.
Saskatoon, Sask., Vancouver, B. C.
Winnipeg, Man.

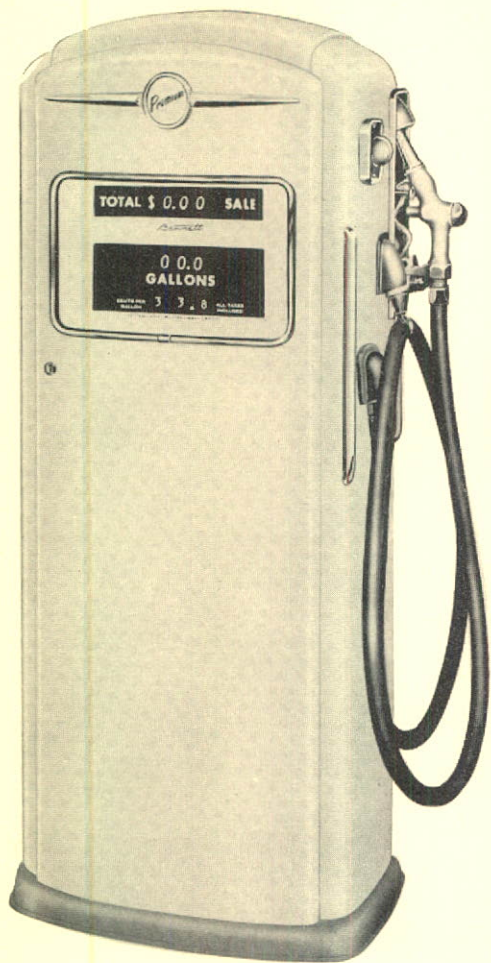
FESS BURNER DIVISION

Plant:

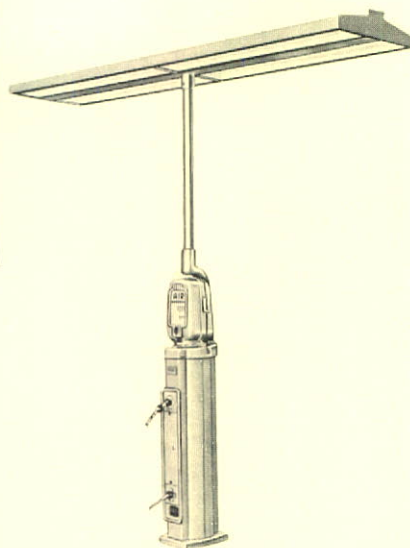
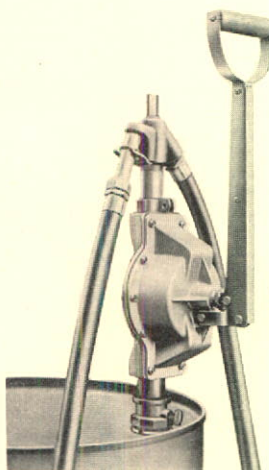
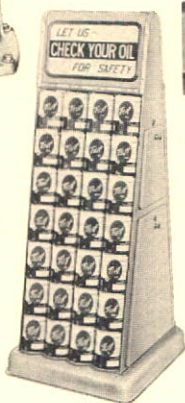
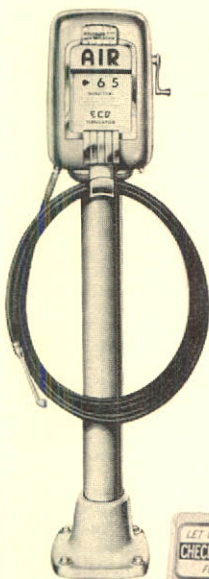
Toronto, Ontario

Warehouses:

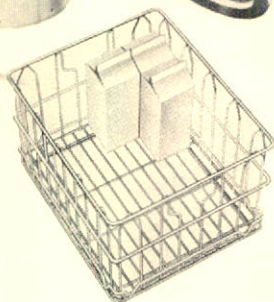
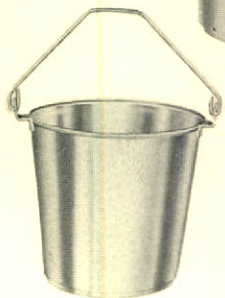
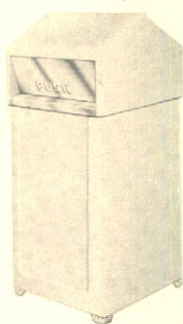
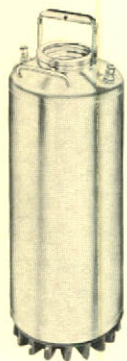
Calgary, Alta., Edmonton, Alta.
Montreal, Que., Regina, Sask.
Saskatoon, Sask., Vancouver, B. C.
Winnipeg, Man.



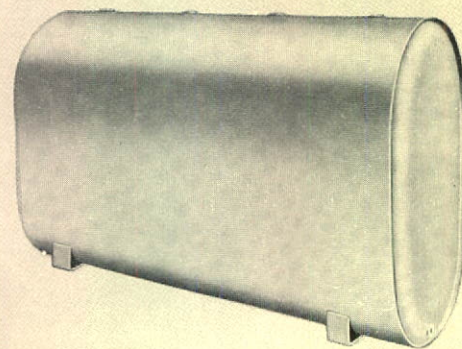
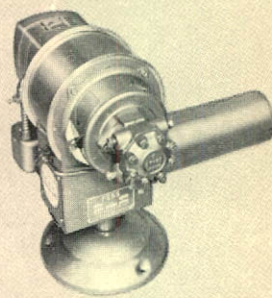
PETROLEUM
MARKETING
EQUIPMENT

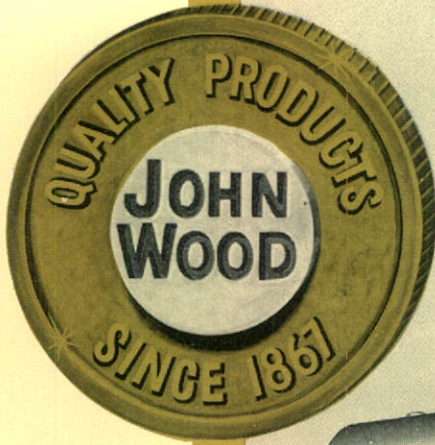


DAIRY INDUSTRY
METALWARE
WASTE
RECEPTACLES



HEATING EQUIPMENT

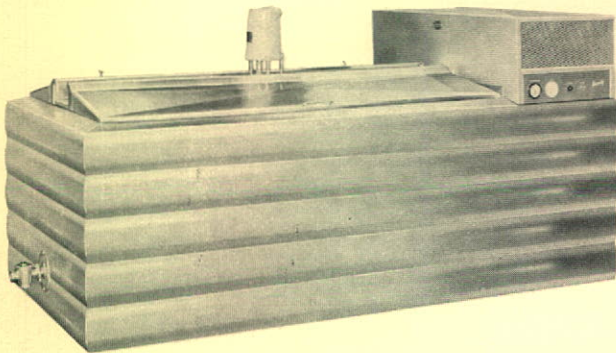




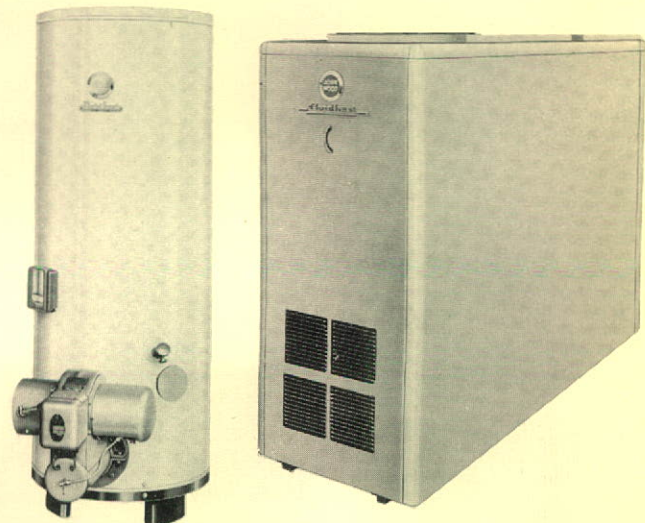
WATER HEATERS
AND TANKS



BULK MILK COOLERS



HEATING EQUIPMENT



FOREIGN MARKETING SUBSIDIARIES

JOHN WOOD INTERNATIONAL CORPORATION

Executive Office
70 Pine Street, New York

John Wood International Corporation distributes products of its parent, John Wood Company, through sales agents in principal foreign countries.

<i>England</i>	London	<i>South Africa</i>	Cape Town
<i>France</i>	Paris		Durban
<i>Belgium</i>	Brussels		Johannesburg
	Antwerp	<i>Vietnam</i>	Saigon
<i>Western Germany</i>	Hamburg	<i>Greece</i>	Athens
<i>Switzerland</i>	Zurich	<i>Lebanon</i>	Beirut
<i>Portugal</i>	Lisbon	<i>India</i>	Bombay
<i>Spain</i>	Madrid	<i>Morocco</i>	Casablanca
<i>Turkey</i>	Ankara	<i>Philippine Islands</i>	Manila
<i>Israel</i>	Tel Aviv	<i>Saudi Arabia</i>	Jeddah
<i>Belgian Congo</i>	Leopoldville	<i>Italy</i>	Genoa
		<i>Egypt</i>	Cairo

JOHN WOOD PAN AMERICAN CORPORATION

Executive Office
70 Pine Street, New York

John Wood Pan American Corporation distributes products of its parent, John Wood Company, through its sales agents in Latin American countries.

<i>Mexico</i>	Mexico City	<i>Colombia</i>	Bogota
	Guadalajara		Barranquilla
	Monterrey	<i>Ecuador</i>	Quito
	Puebla		Guayaquil
	Hermosillo	<i>Peru</i>	Lima
<i>Costa Rica</i>	San Jose	<i>Uruguay</i>	Montevideo
<i>Guatemala</i>	Guatemala City	<i>Venezuela</i>	Caracas
<i>Panama</i>	Panama City		Maracaibo
<i>Cuba</i>	Havana	<i>Haiti</i>	Port au Prince
<i>Dominican Republic</i>	Ciudad Trujillo	<i>Honduras</i>	San Pedro Sula
<i>Puerto Rico</i>	San Juan	<i>British West Indies</i>	Jamaica
<i>Argentina</i>	Buenos Aires	<i>Nicaragua</i>	Managua
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BENNETT DO BRASIL LIMITADA

Executive Office
70 Pine Street, New York

Bennett Do Brasil Limitada is an operating subsidiary of John Wood Company, with branch office, assembly plant and warehouse in Rio de Janeiro. It distributes directly and through its sales agents in the Republic of Brazil the products of the Bennett Pump Division, Muskegon, Michigan, and a wide range of oil trade equipment of other manufacture.

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