

# BURLINGTON STEEL COMPANY, LIMITED

## ANNUAL REPORT OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS:

The accompanying statement presents the financial position of the Company for the fiscal year ending December 31, 1948.

After provisions totalling \$323,000, consisting of \$201,000 for Dominion and Provincial taxes on income, \$72,000 for depreciation and \$50,000 for raw material inventory reserve, the profit remaining was \$286,323, equal to \$2.04 per share.

Dividends at the rate of 60 cents per share, together with an extra dividend of 25 cents per share, were declared from the year's earnings. These dividends totalled \$119,000.

The Company's investment in securities consists of \$200,000 Dominion of Canada Bonds, and \$100,000 City of Toronto Debentures.

Capital expenditures during the year amounted to \$86,299.

Net current assets at December 31, 1948, were \$1,336,914, an increase of \$163,066 from December 31, 1947.

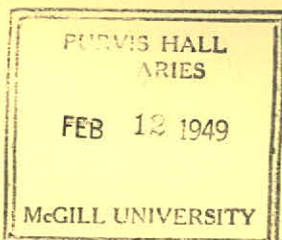
The demand for our products continues at a very high level.

The directors express their appreciation to the entire personnel for their services during 1948.

Respectfully submitted on behalf of the Directors.

F. C. O'BRIEN,  
President.

Hamilton, February 10, 1949.



# BURLINGTON STEEL

## BALANCE SHEET,

### ASSETS

#### Current Assets:

Cash on hand and in bank .....		\$	91,034	
Marketable securities .....			288,629	
(Market value \$304,500)				
Life insurance policies (cash surrender value)...			52,627	
Accounts receivable, less reserve of \$10,000 for doubtful accounts .....			467,836	
Inventories of raw materials and supplies, work in process and finished products, as determined and certified by responsible officials of the company and valued at the lower of cost or market .....	\$1,201,673			
Less—Reserve against future decline in inven- tory values .....	200,000			
			<u>1,001,673</u>	
				<u>\$1,901,799</u>

#### Capital Assets:

On basis of appraised values reported by Canadian Appraisal Company, Limited, in March 1928, with subsequent additions at cost—

Land .....		\$	91,598	
Buildings .....	\$ 456,773			
Equipment .....	1,335,750			
	<u>\$1,792,523</u>			
Less—Reserve for depreciation .....	1,185,189			
			<u>607,334</u>	
				<u>698,932</u>
				<u><u>\$2,600,731</u></u>

To the Shareholders of  
BURLINGTON STEEL COMPANY, LIMITED:

We have examined the balance sheet of Burlington Steel Company, Limited as at December 31, 1948, and the related tests of the accounting records and other supporting evidence and such other procedures as we considered necessary.

In our opinion, and according to the best of our information and the explanations given to us, the balance sheet presents a true and correct view of the state of the company's affairs as at December 31, 1948, and the related tests of the accounting records and other supporting evidence and such other procedures as we considered necessary. All our requirements as auditors have been complied with.

Toronto, January 26 1949.



# COMPANY, LIMITED

DECEMBER 31 1948

## LIABILITIES

### Current Liabilities:

Accounts payable and accrued liabilities.....	\$ 191,538	
Purchase obligations in respect of raw materials not yet delivered	216,398	
Taxes payable and accrued.....	100,949	
Dividend payable January 3 1949 .....	56,000	
	<u>56,000</u>	\$ 564,885

### Capital and Surplus:

Capital stock—		
Authorized—200,000 shares without nominal or par value		
Issued and outstanding—140,000 shares.....	\$ 940,000	
Distributable surplus.....	116,521	
(No change during the year.)		
Earned Surplus—		
As per statement attached.....	979,325	
	<u>979,325</u>	2,035,846

\$2,600,731

1948 and the statement of profit and loss for the year then ending. Our examination included such  
ed appropriate in the circumstances.

and as shown by the books of the company, the above balance sheet is properly drawn up so as to exhibit  
ed statement of profit and loss presents fairly the result of operations for the year ending on that date.

PRICE, WATERHOUSE & CO.,  
Chartered Accountants.

# BURLINGTON STEEL COMPANY, LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31 1948

Profit from operations for the year before providing for depreciation and taxes on income .....	\$602,662	
Less—Provision for depreciation .....	72,000	
	<u>\$530,662</u>	
Income from investments, etc. ....	6,661	
	<u>\$537,323</u>	
Deduct—Provision for Dominion and Provincial taxes on income .....	201,000	
Net profit for year .....		\$336,323
Deduct—Transfer to reserve against future decline in inventory values .....		50,000
Balance of profits transferred to earned surplus		<u>\$286,323</u>

## STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDING DECEMBER 31 1948

Balance brought forward January 1 1948 .....		\$812,002
Add—Balance of profits transferred from profit and loss		286,323
		<u>\$1,098,325</u>
Deduct—		
Regular dividends .....	\$ 84,000	
Extra dividend .....	35,000	
	<u>119,000</u>	
Balance carried to balance sheet .....		<u>\$979,325</u>





