

# 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 ended December 31, 1947.

After provision of \$169,000 for Dominion and Provincial taxes on income, and \$72,000 for depreciation, the net profit was \$206,045, equal to \$1.47 per share.

Dividends at the rate of 60 cents per share, together with an extra dividend of 15 cents per share, were declared payable from the year's earnings. These dividends totalled \$105,000.

The Company's investment in securities consists of Dominion of Canada Bonds having a par value of \$200,000.

It will be observed that the reserve against possible future decline in inventory values has been increased by \$50,000.

Capital expenditure on modernizing equipment over the last three years has amounted to \$385,000.

Net current assets at December 31, 1947, were \$1,173,848.

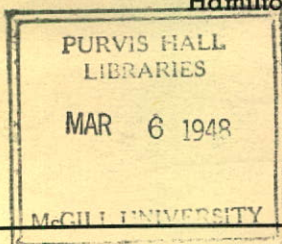
The demand for our products continues to increase. Capacity operation seems assured for many months.

The Directors express their appreciation to the entire personnel for their services during 1947.

Respectfully submitted on behalf of the Directors.

F. C. O'BRIEN,  
President.

Hamilton, March 4, 1948.





# BURLINGTON STEEL

## BALANCE SHEET,

### ASSETS

#### Current Assets:

Cash on hand and in bank .....	\$	81,108	
Dominion of Canada bonds .....		187,875	
(Market value \$210,750)			
Life insurance policies (cash surrender value)...		49,262	
Accounts receivable, less reserve of \$10,000 for doubtful accounts .....		537,097	
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 .....	\$1,075,211		
Less—Reserve against future decline in inven- tory values .....	150,000		
		<u>925,211</u>	\$1,780,553
Refundable Portion of Taxes on Income.....			10,042
(including \$4,510 due within one year)			

#### Capital Assets:

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

Land .....	\$	78,134	
Buildings .....	\$	448,273	
Equipment .....		1,274,915	
		<u>\$1,723,188</u>	
Less—Provision for depreciation.....		1,116,689	
		<u>606,499</u>	684,633
			<u>\$2,475,228</u>

To the Shareholders of  
BURLINGTON STEEL COMPANY, LIMITED:

We have examined the balance sheet of Burlington Steel Company, Limited as at December 31, 1947, tests of the accounting records and other supporting evidence and such other procedures as we considered appropriate.

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, 1947, and the related information thereon. All our requirements as auditors have been complied with.

Toronto, February 18, 1948.

# COMPANY, LIMITED

DECEMBER 31, 1947

## LIABILITIES

### Current Liabilities:

Accounts payable and accrued liabilities.....	\$ 387,177	
Purchase obligations in respect of raw materials not yet delivered	53,094	
Taxes payable and accrued.....	124,434	
Dividend payable January 2, 1948.....	42,000	
	<u>          </u>	\$ 606,705

### 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.)		
Profit and loss—		
As per statement attached.....	812,002	
	<u>          </u>	1,868,523

\$2,475,228

1947 and the statement of profit and loss for the year then ending. Our examination included such  
ed appropriate in the circumstances.

ed 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, 1947

PARTICULARS	AMOUNT
Profit from operations for the year before providing for depreciation and taxes on income	\$436,207
Less—Provision for depreciation . . . . .	<u>72,000</u>
	\$364,207
Income from investments, etc. . . . .	<u>10,838</u>
	\$375,045
Deduct—Provision for Dominion and Provincial taxes on income . . . . .	<u>169,000</u>
Net profit for year . . . . .	\$206,045
Add—	
Balance brought forward January 1, 1947	750,915
Refundable portion of taxes on income, transferred from deferred surplus . . . .	<u>10,042</u>
	\$967,002
Deduct—	
Regular dividends . . . . .	\$ 84,000
Extra dividend . . . . .	<u>21,000</u>
	\$105,000
Transfer to reserve against future decline in inventory values . . . . .	<u>50,000</u>
	155,000
Balance carried to balance sheet . . . .	<u><u>\$812,002</u></u>