

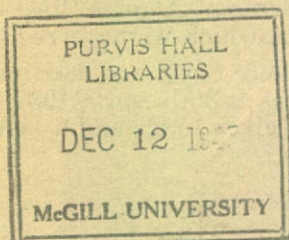
C

ALGOMA STEEL CO.
BALANCE SHEET A

Algoma Steel Corporation, Limited

SECOND ANNUAL REPORT

YEAR ENDED 30TH APRIL, 1937



ALGOMA STEEL CORP

BALANCE SHEET AS

ASSETS

CURRENT ASSETS:

Cash	\$	75,933.65
Bills and Accounts Receivable, less reserve		2,712,019.85
Inventories:		
Valued at the lower cost or market:		
Raw materials, semi-finished products and supplies		\$ 1,511,228.65
Ore—Subject to the lien of the supplier until discharge of \$98,630.01, shown as liability per contra		134,253.20
Saleable products		552,254.63
		\$ 2,197,736.48
Rails rolled under contracts (valued at net selling prices)		948,336.43
		3,146,072.91
Advance payments on contracts		12,170.98
		\$ 5,946,197.39

INVESTMENTS 1,071,223.01

PROPERTY AND EQUIPMENT:

As valued by the technical staff of the Company at 4th May, 1935,		
plus additions since that date at cost.....	\$14,174,907.73	
Deduct—Reserve for Depreciation	1,035,272.91	
		13,139,634.82

PREPAYMENTS AND DEFERRED CHARGES 77,102.39

\$20,234,157.61

THE SHAREHOLDERS,
ALGOMA STEEL CORPORATION, LIMITED,
Sault Ste. Marie,
Ontario, Canada.

We have examined the books and accounts of Algoma Steel Corporation and obtained all the information and explanations which we have required.

In our opinion, the accompanying Balance Sheet and relative Profit and Loss Statement show a true and correct view of the state of the Corporation's affairs as at 30th April, 1937, and in accordance with the best of our information and the explanations given to us, and as shown by the books and accounts.

Montreal, 28th May, 1937.

CORPORATION, LIMITED

AT 30th APRIL, 1937

LIABILITIES

CURRENT LIABILITIES:

Bank of Montreal, Loan, secured.....	\$	857,000.00	
Accrued Wages and Salaries.....		147,754.10	
Accounts Payable:			
Sundry Creditors	\$531,307.95		
Subsidiary Companies	14,167.88		
		<u>545,475.83</u>	
Notes Payable		44,200.00	
Accrued Liabilities:			
Contract Ores, secured	\$ 98,630.01		
Coal Duties	70,326.89		
Royalties and Sundries	64,575.92		
Taxes	118,429.11	351,961.93	
		<u>1,946,391.86</u>	

RESERVES:

For Income Taxes	\$	78,085.11	
For Rebuilding and Relining Furnaces, etc.....		2,027,410.09	
For Contingencies		266,676.05	
		<u>2,372,171.25</u>	

CAPITAL STOCK AND SURPLUS:

5% Preference (Non-cumulative until January 1, 1940):			
Authorized—27,000 shares at \$100.00 Par Value			
Issued	26,390 shares		
Less—Purchased and Redeemed.....	2,215 "		
	<u>24,175</u>	"	
Converted into Common Stock	2,160 "		
Outstanding	<u>22,015</u>	"	\$ 2,201,500.00
Common—No Par Value		10,188,500.00	
Authorized—1,000,000 shares			
Issued — 407,540 "			
Distributable Surplus		2,793,857.22	
Earned Surplus:			
As at May 1, 1936	\$541,814.63		
Net Surplus for the year ended April 30, 1937.....	189,922.65	731,737.28	
		<u>15,915,594.50</u>	
		<u>\$20,234,157.61</u>	

tion, Limited, for the year ended 30th April, 1937, and report that we have

and Loss Account are properly drawn up so as to exhibit a true and correct result of its operations for the year ended on that date, according to the books of the Corporation.

BARROW, WADE, GUTHRIE & CO.,
Auditors.

ALGOMA STEEL CORPORATION, LIMITED

Profit and Loss Account

For the Year Ended 30th April, 1937

SALES OF ROLLED PRODUCTS, PIG IRON, COKE AND BY-PRODUCTS — including net selling price of contract rails not yet delivered.....	\$9,640,438.09	
<i>Less</i> —Selling and Shipping Expenses, Royalties, etc.	217,886.27	
		\$9,422,551.82
COST OF PRODUCTS SOLD		8,665,680.66
		<hr/>
<i>Operating Profit</i>		\$ 756,871.16
OTHER INCOME:		
Profit on sale of investment	\$ 17,322.67	
Interest earned	39,537.28	
		<hr/>
		56,859.95
		<hr/>
		\$ 813,731.11
DEDUCT—Interest on Loans		75,680.46
		<hr/>
<i>Profit before Depreciation and Income Taxes</i>	\$ 738,050.65	
DEPRECIATION—Plant and Equipment		540,917.73
		<hr/>
		\$ 197,132.92
PROVISION FOR INCOME TAXES, less over-accrual of prior year		7,210.27
		<hr/>
<i>Net addition to Surplus for year ended 30th April, 1937</i>		\$ 189,922.65
		<hr/>