

Algoma Steel Corporation, Limited

First Annual Report

Year Ending 30th April, 1936

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ALGOMA STEEL CO

BALANCE SHEET A

ASSETS

CURRENT ASSETS:

Cash.....	\$	144,780.01	
Bills and Accounts Receivable		1,725,302.18	
Inventories:			
Valued at the lower of cost or market:			
Raw materials, semi-finished products and supplies	\$	1,557,056.44	
Ore— Subject to the lien of the supplier until discharge of \$179,200.71, shown as liability per contra.....		227,841.31	
Saleable products		655,255.32	
Valued at net selling prices:			
Rails rolled under contracts		<u>2,025,155.28</u>	<u>4,465,308.35</u>
			\$ 6,335,390.54

INVESTMENTS:

Subsidiary Companies	\$	1,071,222.01	
Other.....		<u>1.00</u>	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.....	\$	13,991,134.87	
Deduct—Reserve for Depreciation.....		<u>511,704.44</u>	13,479,430.43

DEFERRED CHARGES.....			<u>20,431.66</u>
			<u>\$20,906,475.64</u>

THE SHAREHOLDERS,

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

We have examined the books and accounts of Algoma Steel Corp (commenced operations) to 30th April, 1936, and report that we have obtained

In our opinion the accompanying Balance Sheet and relative Profit and Loss Statement are a true and correct view of the state of the Corporation's affairs as at 30th April, 1936, and in accordance with the best of our information and the explanations given to us, and as shown by the

All our requirements as auditors have been complied with.

Montreal, 15th June, 1936

CORPORATION, LIMITED

AT 30th APRIL, 1936

LIABILITIES

CURRENT LIABILITIES:

Bank of Montreal, Loan, secured	\$	2,399,000.00	
Accrued Wages and Salaries		93,501.23	
Accounts Payable:			
Sundry Creditors	\$215,611.52		
Subsidiary Companies	34,482.05		
			250,093.57
Accrued Liabilities:			
Contract Ores, secured	\$179,200.71		
Coal Duties	50,330.17		
Royalties and Sundries	66,782.25		
Taxes	91,596.85		387,909.98
			\$ 3,130,504.78

RESERVES:

For Rebuilding and Relining Furnaces, etc.	\$	1,859,653.47	
For Contingencies at Reorganization		37,505.88	
For Income Taxes and Contingencies		153,139.66	
			2,050,299.01

CAPITAL STOCK AND SURPLUS:

5% Preference:			
Authorized—27,000 shares at \$100.00 Par Value			
Issued	26,390 shares		
Less—Purchased on 6th of March, 1936, for redemption	*2,215 “		
	24,175 “	\$ 2,417,500.00	
Common—No Par Value		9,972,500.00	
Authorized—130,000 shares			
Issued — 99,725 “			
Distributable Surplus		2,793,857.22	
Earned Surplus, as per Profit and Loss Account for period ended 30th April, 1936		541,814.63	
			15,725,671.85
			<u>\$20,906,475.64</u>

NOTE: *These shares were purchased by the Company at a sale held by the Supreme Court of New York on 6th March 1936, but were not allowed to be cancelled or redeemed until after 4th June, 1936. During this period the shares were held by a trustee for the Company and were duly cancelled and redeemed by resolution of the Board of Directors passed 10th June, 1936.

ation, Limited, for the period from 4th May, 1935 (the date the Corporation
 d all the information and explanations which we have required,
 and Loss Account are properly drawn up so as to exhibit a true and correct
 e result of its operations for the period 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 period from 4th May, 1935 to 30th April, 1936

SALES OF ROLLED PRODUCTS, PIG IRON, COKE AND BY-PRODUCTS—including net selling price of contract rails not yet delivered.....	\$9,240,172.56
Less—Selling and Shipping Expenses, Royalties, etc.	226,959.17
	<u>\$9,013,213.39</u>
COST OF PRODUCTS SOLD	<u>7,749,071.35</u>
<i>Operating Profit</i>	\$1,264,142.04
DEDUCT—Interest on Loans, etc.	<u>63,420.96</u>
<i>Profit before Depreciation and Income Taxes</i>	\$1,200,721.08
DEPRECIATION—Plant and Equipment	<u>535,766.79</u>
	\$ 664,954.29
RESERVED FOR INCOME TAXES	123,139.66
<i>Net Profit for the period from 4th May, 1935, to 30th April, 1936</i>	<u>\$ 541,814.63</u>