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DISHER STEEL CONSTRUCTION COMPANY,

LIMITED

ANNUAL REPORT

DECEMBER 31ST, 1951

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OFFICERS

THOS. E. BOYCE - - - - - *President and General Manager*
W. J. H. DISHER - - - - - *Assistant General Manager*
F. MATTHEWS - - - - - *Vice-President*
DONALD H. ROWAN, Q.C. - - - - - *Secretary*
A. B. LOCKLEY - - - - - *Treasurer*

DIRECTORS

B. N. BARRETT - - - - - *Toronto*
THOS. E. BOYCE - - - - - *Toronto*
H. E. COCHRAN - - - - - *Toronto*
W. J. H. DISHER - - - - - *Toronto*
A. B. LOCKLEY - - - - - *Toronto*
F. MATTHEWS - - - - - *Toronto*
G. F. STEVENS - - - - - *Toronto*

BANKERS

THE ROYAL BANK OF CANADA

REGISTRAR & TRANSFER AGENTS

MONTREAL TRUST COMPANY

AUDITORS

GEORGE A. TOUCHE & CO.

Annual Report of the Directors of

DISHER STEEL CONSTRUCTION COMPANY, LIMITED

To the Shareholders:

YOUR Directors have pleasure in presenting herewith, their report and audited Balance Sheet and Statement of Net Earnings of your Company for the fiscal year ending December 31, 1951.

Net profit for the year, after making full allowance for depreciation of fixed assets, reserve for accounts receivable and provision for income taxes, amounted to \$180,505 as compared with \$92,177 in 1950.

The net current asset position of your Company as of December 31, 1951, was \$515,339, an increase of \$104,386 over December 31, 1950 after purchases of new equipment for both our shop and erection departments.

During 1951, a total of \$1.50 per share was paid on the Class "A" Preference Shares, representing the full year's regular dividend. Dividends on the Common Shares paid during the year amounted to fifty cents per share. A further fifty cents per share was paid on the Common Stock in January 1952. Your Directors realized that due to temporary financing for increased operations, the net current asset position was not equivalent to the ratio required under the preferred stock conditions. However, substantial earnings prompted the Directors to declare this dividend.

Since our last report to you, several contracts for defence and defence supporting projects were successfully completed or are in process of completion. We anticipate further contracts of this nature. If and when the relaxation of present steel regulations occurs, contracts now on hand, at present restricted, would be available for processing.

The accounts and books of the Company have been audited by Messrs. George A. Touche & Co., Chartered Accountants, and their Certificate is appended.

Your Directors wish to express appreciation for the faithful and efficient services rendered by the Employees of the Company.

Respectfully submitted

For the Directors,

THOS. E. BOYCE

President and General Manager.

Toronto, March 18th, 1952

D I S H E R S T E E L C O N S T R U C T I O N

(Incorporated under The

B A L A N C E S H E E T

At the 31st March 1952

(with 1950 figures for comparison)

ASSETS	1951	1950
CURRENT ASSETS		
Cash on hand	\$ 500.00	\$ 500.00
Accounts receivable		
Trade	\$558,102.38	
Tender deposits	96,965.00	
Sundry	1,368.13	
	656,435.51	
Less: Allowance for doubtful accounts	2,000.00	390,919.48
Refundable portion of excess profits tax	—	2,290.57
Inventories		
Material and supplies at estimated cost not in excess of market	488,760.73	
Work in progress at actual labour and estimated material cost less billings applied	133,262.61	285,463.81
Prepaid expenses		
Prepaid insurance premiums	5,602.98	
Prepaid pension contributions, employees	8,772.44	10,977.24
TOTAL CURRENT ASSETS	\$1,291,334.27	\$690,151.10
FIXED ASSETS		
Buildings, machinery and equipment— at book value	452,630.33	
Less: Accumulated provision for depreciation	336,124.81	76,005.05
SUNDRY INVESTMENT—at cost	1,399.95	1,399.95
GOODWILL	200,000.00	200,000.00

The above is the Balance Sheet referred to in our report dated the 13th March, 1952.

George A. Touche & Co.

Chartered Accountants, Auditors.

\$1,609,239.74

\$967,556.10

T I O N C O M P A N Y , L I M I T E D

(Ontario Companies Act)

S H E E T

December 1951

(purpose of comparison)

Statement I

LIABILITIES

	1951	1950
CURRENT LIABILITIES		
Bank overdraft	\$ 71,257.31	\$ 20,663.97
Demand loans payable to bank	254,879.98	20,000.00
Accounts payable and accrued charges	200,461.22	95,314.00
Provision for income and other taxes	107,429.35	37,906.41
Amounts billed in advance of completion of contracts	141,967.55	105,313.50
TOTAL CURRENT LIABILITIES	\$ 775,995.41	\$279,197.88

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized:

- 15,000 Class "A" cumulative redeemable \$1.50 preference shares without nominal or par value
- 31,500 Common shares without nominal or par value

Issued:

15,000 Preference shares of which 4,640 shares have been redeemed and cancelled	\$217,560.00	
22,500 Common shares	105,000.00	322,560.00
		330,015.00

NOTE: The conditions attached to the Class "A" preference shares are, amongst others, that no dividends shall be paid on common shares unless the current assets of the company shall be at least equal to twice the current liabilities after providing for such dividend. Although this condition was not met at the 31st December 1951 a dividend of 50 cents per share was declared on the common shares in January 1952.

RESERVE—PROFIT ON REDEMPTION OF PREFERENCE SHARES	9,247.73	10,471.48
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EARNINGS RETAINED FOR USE IN THE BUSINESS

Balance at the 1st January 1951	\$347,871.74	
Deduct: Dividends on preference shares to the 1st November 1951	\$15,690.00	
Dividends paid on common shares	11,250.00	26,940.00
		320,931.74
Add: Net earnings for the year—Statement II	180,504.86	501,436.60
		\$1,609,239.74
		\$967,556.10

DISHER STEEL CONSTRUCTION COMPANY, LIMITED

STATEMENT OF NET EARNINGS

Statement II

FOR THE YEAR ENDED THE 31st DECEMBER 1951

(with 1950 figures for purpose of comparison)

	1951	1950
Net earnings for the year after charging all costs and administration and other expenses, but before the undermentioned items	\$391,441.33	\$157,894.83
Other income	6,792.75	9,217.66
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	398,234.08	167,112.49
Provision for depreciation on buildings, machinery and equipment	27,529.22	14,928.27
	<hr/>	<hr/>
	370,704.86	152,184.22
Provision for taxes on income	190,200.00	60,006.87
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Net earnings for the year—Statement I	\$180,504.86	\$ 92,177.35
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GEORGE A. TOUCHE & Co.

CHARTERED ACCOUNTANTS

MONTREAL, TORONTO, LONDON,
WINNIPEG, REGINA, EDMONTON,
CALGARY, VANCOUVER, VICTORIA

67 YONGE STREET
TORONTO

REPRESENTED IN THE
UNITED STATES OF AMERICA
AND GREAT BRITAIN

To the Shareholders,

DISHER STEEL CONSTRUCTION COMPANY, LIMITED

We have examined the books and accounts of Disher Steel Construction Company, Limited for the year ended the 31st December 1951. In connection therewith we made a general review of the accounting procedures and carried out tests of the transactions recorded for the year.

We report that all our requirements as auditors have been complied with and that, in our opinion, the attached balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at the 31st December 1951 according to the best of our information and the explanations given to us and as shown by the books of the Company.

Dated at Toronto, Ontario,

13th March 1952.

GEORGE A. TOUCHE & Co.
Chartered Accountants, Auditors.

