

**SOME FACTS
CONCERNING
YOUR COMPANY**

COMPANIES COMPRISING GENERAL STEEL WARES LIMITED

<p>The McClary Manufacturing Company. The Happy Thought Foundry Co., Ltd. The Macdonald Manufacturing Co., Ltd. McLaughlin-Fletcher Soda Fountains, Ltd.</p>	<p>The Sheet Metal Products Co. of Canada, Ltd. The Thos. Davidson Manufacturing Co., Ltd. E. T. Wright, Limited. A. Aubry & Fills, Ltée.</p>
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**HEAD OFFICE—MONTREAL, QUEBEC
EXECUTIVE OFFICES—TORONTO, ONTARIO**

FACTORIES LOCATED AT		BRANCHES AND WAREHOUSES LOCATED AT	
Montreal	London	Montreal	London
Toronto	Winnipeg	Toronto	Winnipeg
Vancouver		Calgary	Vancouver

**SOME OF THE PRINCIPAL PRODUCTS
OF YOUR COMPANY**

Under the "McCLARY" Trade-mark:

- Electric Ranges
- Gas Ranges
- Gas Heaters and Plates
- Coal and Wood Ranges
- Coal and Wood Heaters
- Furnacettes
- Heavy Duty Ranges
- Warm Air Furnaces
- Air Conditioning Systems
- Registers
- Furnace Fittings
- Hotel, Cafeteria and Institutional Equipment
- Electric Water Heaters
- Humidifiers
- Gas Water Heaters
- Enameled Ware Utensils
- Cast Iron Hollow Ware
- Eavetrough
- Conductor Pipe and Elbows

Under the "HAPPY THOUGHT" Trademark:

- Electric Ranges
- Gas Ranges
- Coal and Wood Ranges
- Heaters
- Circulating Heaters
- Furnaces

Under the "McLAUGHLIN-FLETCHER" Trademark:

- Soda Fountains
- Soda Fountain Equipment and Sundries

Under the "MACDONALD" Trademark:

- Tin Cans and Boxes:
 - Lithographed
 - Plain
 - Decorated
- Metal Containers
- Sheet Metal Specialties
- Metal Signs:
 - Lithographed
 - Porcelain
 - Gum Process
- Steel Shipping Containers
- "Wedg-Seal" Drums

Under the "S M P" Trademark:

- Refrigerators
- Plumbing Fixtures
- Range Boilers
- Railroad Milk Cans
- Ice Cream Packer Cans
- Enameled Ware Utensils
- Enameled Wash Boards
- Hospital Enameled Ware
- Aluminum Cooking Utensils
- Cast Aluminum Cooking Utensils
- Plain and Japanned Tinware
- Bird Cages
- Dairy Pails and Utensils
- Shovels
- Sheet Iron Camp Stoves
- Galvanized Ware Utensils
- Poultry Supplies
- Stove Pipes and Elbows

Again the Management asks for your co-operation in purchasing and in recommending to your friends the products of your Company.

General Steel Wares Limited

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND DEFICIT

YEAR ENDING 31ST DECEMBER, 1932

Deficit as at 1st January, 1932.....	\$1,096,023.53
ADD:	
Loss from operations before providing for depreciation.....	\$ 167,543.33
Interest on bonds including exchange on coupons payable in U.S. currency.....	571,187.39
	\$ 738,730.72
LESS Capital profit on bonds retired during the year.....	513,893.12
	224,837.60
Deficit as at 31st December, 1932	\$1,320,861.13

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 1932

<u>ASSETS</u>	<u>LIABILITIES</u>
CURRENT ASSETS:	CURRENT LIABILITIES:
Cash on hand and in banks..\$ 23,344.15	Bank loans (secured under Section 88 and by accounts receivable)..... \$ 252,235.02
Accounts receivable.... \$1,293,274.43	Accounts payable and accrued liabilities..... 282,567.52
LESS-Reserves 211,109.13	Accrued interest on bonds..... 82,780.00
	\$ 617,582.54
1,082,165.30	PROPERTY, DEPRECIATION AND CONTINGENCY RESERVES..... 3,524,530.75
Sundry debtors..... 30,005.24	FIRST MORTGAGE BONDS OF SUBSIDIARY COMPANY..... 225,000.00
Inventories, at market or replacement cost, whichever is the lower..... 3,039,676.49	FIRST MORTGAGE BONDS:
\$4,175,191.18	Authorized..... \$25,000,000.00
SINKING FUND CASH:	Series "A" 6% due 1st November, 1952—
Balance on deposit with the Trustee for First Mortgage bondholders..... 18.45	Issued.....\$ 9,000,000.00
	LESS: Redeemed and cancelled..... 1,172,000.00
INVESTMENTS, MORTGAGES, ETC..... 8,707.93	7,828,000.00
DEFERRED CHARGES..... 31,310.48	CAPITAL:
FIXED ASSETS:	Preferred stock 7% cumulative, callable at 110—
Land, buildings and equipment as at 1st January, 1932..... \$12,127,761.54	Authorized, \$10,000,000.00
Additions (net) during year... 31,397.58	Issued—45,000 shares of \$100.00 each.....\$ 4,500,000.00
12,159,159.12	(Dividends paid to 31st January, 1931)
\$16,374,387.16	Common stock, represented by 200,000 shares without nominal or par value, fully paid..... 1,000,135.00
	\$ 5,500,135.00
	LESS—Deficit, as per accompanying statement..... 1,320,861.13
	4,179,273.87
	\$16,374,387.16

Approved on behalf of the Board,
 J. C. NEWMAN, } Directors.
 F. S. CORRIGAN, }

AUDITORS' CERTIFICATE

TO THE SHAREHOLDERS:

We have examined the books and accounts of General Steel Wares Limited and of its subsidiary companies for the year ending 31st December, 1932, and have received all information and explanations we have required. Subject to the fact that no provision has been made for depreciation accruing since 1st January, 1931, on buildings, plant and equipment, we report that, in our opinion, the above consolidated balance sheet is drawn up so as to exhibit a true and correct view of the state of the companies' affairs according to the best of our information and the explanations given to us, and as shown by the books of the companies.

TORONTO, 9th February, 1933.

PRICE WATERHOUSE & COMPANY,
Chartered Accountants.

General Steel Wares Limited

AND SUBSIDIARY COMPANIES

ANNUAL REPORT

FOR THE YEAR ENDING 31st DECEMBER, 1932

TO THE SHAREHOLDERS:

Your Directors submit herewith a consolidated balance sheet and profit and loss statement, as at 31st December, 1932.

It will be noted that your Company closed the year with a ratio of current assets to current liabilities of 6.8 to 1. This position has been maintained by a further liquidation of surplus stocks, and a rigidly controlled program in connection with the production of new merchandise. Inventories at 31st December, 1932, were down \$870,000 from 31st December, 1931. Bank Loan at the close of 1932 of \$252,235 compares with \$630,447 a year ago.

The bonded indebtedness of your Company at 31st December, 1932, of \$7,828,000, represents a reduction of \$1,172,000 from the original issue of \$9,000,000. The retirement of these bonds has produced a capital profit of \$567,000, of which \$53,000 has been taken into our accounts prior to the current year.

The continuance of the drastic decline in sales volume and in the selling prices of many of our products, has resulted in a further serious curtailment of your Company's revenues. The program of expense reduction referred to in the 1931 statement has been rigorously followed up, and the economies now effected in operating costs approximate \$1,750,000 on an annual basis. While these economies have enabled your Company to improve this year's results in comparison with the 1931 operating loss of \$549,968, they have not as yet fully offset the shrinkage in revenue and the year 1932 shows an operating loss of \$167,543. The loss of \$738,730, after providing for Bond Interest of \$511,537, and U.S. Exchange of \$59,650, has been offset to the extent of \$513,893 by capital profit on the retirement of \$851,000 of the Company's Bonds. Deficit for the year of \$224,838 on the above-mentioned basis compares with \$1,119,905 for 1931.

It has been suggested to the Directors that consideration be given to a modification of the Company's capital structure and funded indebtedness.

Your Directors take this opportunity of placing on record their appreciation of the loyal co-operation of the officers and employees of the Company during a very trying period.

Submitted on behalf of the Board of Directors,

J. C. NEWMAN,
PRESIDENT

Montreal, 11th February, 1933.