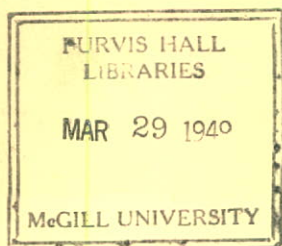


ANNUAL  
REPORT  
FOR THE YEAR  
1948

WESTEEL PRODUCTS LIMITED





# WESTEEL PRODUCTS LIMITED

## DIRECTORS

A. F. Culver . . . . .	Montreal
P. F. Fowle . . . . .	Toronto
R. J. Gourley . . . . .	Winnipeg
F. E. Halls . . . . .	Winnipeg
G. W. Hutchins . . . . .	Winnipeg
L. L. Lang . . . . .	Waterloo
E. S. Sargeant . . . . .	Toronto

## OFFICERS

<i>President</i> . . . . .	G. W. Hutchins
<i>Vice-President and Managing Director</i> . . . . .	E. S. Sargeant
<i>Secretary-Treasurer</i> . . . . .	P. F. Fowle
<i>Assistant Secretary-Treasurer</i> . . . . .	W. S. Sparrow

## MANAGERS

<i>Montreal</i> —J. Hastie Holden	<i>Saskatoon</i> —R. A. Gyles
<i>Toronto</i> —G. W. Sunderland	<i>Calgary</i> —C. F. Woodward
<i>Winnipeg</i> —W. S. Sparrow ( <i>Western Manager</i> )	<i>Edmonton</i> —A. J. Maure
<i>Regina</i> —C. T. Dempsey	<i>Vancouver</i> —P. A. Styan

## EXECUTIVE OFFICES

2 — 28 Atlantic Avenue, Toronto

*Transfer Agents and Registrars*

National Trust Company Limited, Montreal, Toronto, Winnipeg

## DIRECTORS' REPORT

Winnipeg, March 24th, 1949.

*To the Shareholders of Westeel Products Limited:*

Your Directors submit the financial statements of your company for the year ended December 31st, 1948, as certified by our Auditors, Messrs. Clarkson, Gordon & Co., Chartered Accountants. These are shown in comparative form with the previous year for your convenience.

Steady production at a high level was maintained in all of the company's eight plants during 1948 and the net profits, after taxes and all charges, amounted to \$1,109,000.00, compared to \$681,000.00 earned in the previous year.

After paying out \$354,000.00 as a dividend of \$3.00 per share on the outstanding shares of the company, \$754,000.00 was added to Surplus Account. These undistributed earnings were used in part for capital expenditures totalling \$231,000.00, to reduce the funded debt by \$50,000.00 and to provide sufficient working capital to finance a greatly increased volume of business.

During the past eight or nine years your company has been operating close to capacity, which takes its toll on equipment and calls for large and continuing capital investment. Higher productivity depends upon improved machinery and efficient manpower. Your Directors have seen to it that the company's shops have been well equipped, and it may be said in this regard that they have never been in better condition than at the present time. This has been brought about without the introduction of new capital or borrowings, having been financed from surplus earnings left in the business.

Your company's financial position also has been improved substantially during the year by profits left in the business and working capital at the end of 1948 amounted to \$2,848,000.00, being an increase of \$649,000.00 during the year. This improvement should cause satisfaction to employees and shareholders alike as it will enable the company to finance its operations comfortably, notwithstanding higher costs of raw materials, expenses and capital equipment. In such times of expanded

production, substantial profits and additions to Surplus Account are necessary to safeguard the future.

While the year just passed may possibly have set a record for production in WESTEEL'S plants, the outlook for 1949 is quite favourable. There is still a large demand for most of the products we make and sell and the back-log of unfilled orders is as great to-day as it was a year ago. The world situation regarding steel and other raw materials which we use has aggravated an already inadequate Canadian supply position and there are indications that users of sheet steel will receive lower tonnages during 1949, particularly in the first half of the year. The extent to which your company's profits will be affected by this condition cannot easily be determined, but it would seem safe to say that our supplies should be sufficient to provide a satisfactory volume of business throughout the year.

All employees have worked well during the year and deserve great credit for the successful handling of a very large volume of business. Employment was at a peacetime peak and the earnings of individual employees at a record high. Management and employees work harmoniously together in an atmosphere of mutual confidence and understanding, and there have not been any interruptions to the even flow of production due to labour disputes. Your Directors are aware of this situation and wish to record their appreciation.

By Order of the Board,

G. W. HUTCHINS,

*President.*

# WESTEEL PROI

(Incorporated under the

## BALANCE SHEET AS

(With comparative balance

### ASSETS

	December 31, 1948	December 31, 1947
Current:		
Cash on hand and in banks.....	\$ 230,211.44	\$ 3,075.00
Accounts receivable.....	\$1,501,791.53	\$1,384,641.19
<i>Less</i> reserve.....	87,914.46	67,167.13
	<u>\$1,413,877.07</u>	<u>\$1,317,474.06</u>
Receivable from employees re purchase of Canada Savings bonds (secured).....	\$ 72,072.46	\$ 63,741.04
Inventories as determined and certified by the management and valued at the lower of cost or market—		
Raw materials.....	\$1,631,564.59	\$1,451,311.68
Goods in process.....	591,666.13	640,184.72
Finished stock.....	196,352.49	102,553.10
	<u>\$2,419,583.21</u>	<u>\$2,194,049.50</u>
Total current assets.....	<u>\$4,135,744.18</u>	<u>\$3,578,339.60</u>
Prepaid charges, mortgages receivable and sundry assets.....	\$ 56,789.09	\$ 38,060.79
Refundable portion of taxes on income.....	204,646.56	247,700.00
Fixed at cost:		
Land.....	\$ 287,536.28	\$ 287,536.28
Buildings.....	1,985,492.37	1,938,438.16
Machinery and equipment.....	2,783,730.84	2,622,596.80
	<u>\$5,056,759.49</u>	<u>\$4,848,571.24</u>
<i>Less</i> reserves for depreciation.....	3,072,279.94	2,923,087.86
	<u>\$1,984,479.55</u>	<u>\$1,925,483.38</u>
	<u><u>\$6,381,659.38</u></u>	<u><u>\$5,789,583.77</u></u>

# UNION TRUSTS LIMITED

(Incorporated under the Union Companies Act)

DECEMBER 31, 1948

(as at December 31, 1947)

## LIABILITIES

	December 31, 1948	December 31, 1947
Current:		
Borrowings from banks (secured).....	\$ 72,696.50	\$ 117,738.55
Accounts payable and accrued charges.....	737,457.51	798,800.27
Reserve for income and other taxes.....	477,345.52	463,302.99
	<u>\$1,287,499.53</u>	<u>\$1,379,841.81</u>
Funded debt:		
General mortgage bonds authorized.....	\$800,000.00	
Issued—		
2½% general mortgage bonds series "B" maturing in annual instalments of \$50,000 on June 1, 1949, to June 1, 1952, inclusive.....	\$ 200,000.00	\$ 250,000.00
	<u>                    </u>	<u>                    </u>
Reserve for future payments under employees' pension plan for past services (amount paid in 1948 \$20,546.13).....	\$ 138,356.83	\$ 158,902.96
	<u>                    </u>	<u>                    </u>
Capital and surplus:		
Capital—		
150,000 shares of no par value authorized, whereof 118,151 shares are issued.....	\$1,450,000.00	\$1,450,000.00
Capital surplus.....	500,000.00	500,000.00
Earned surplus.....	2,805,803.02	2,050,839.00
	<u>\$4,755,803.02</u>	<u>\$4,000,839.00</u>
	<u>                    </u>	<u>                    </u>
	<u>\$6,381,659.38</u>	<u>\$5,789,583.77</u>

On behalf of the Board:

E. S. SARGEANT, *Director*.  
LOUIS L. LANG, *Director*

# WESTEEL PRODUCTS LIMITED

## STATEMENT OF PROFIT AND LOSS

*For the year ended December 31, 1948*

(With comparative statement for the year ended December 31, 1947)

	1948	1947
Gross profit on sales before providing for depreciation.....	\$2,823,006.45	\$2,185,880.37
<i>Deduct:</i>		
Selling, administrative and financial expenses.....	\$ 851,297.24	\$ 710,967.64
Depreciation.....	173,931.87	152,349.04
Remuneration of executive officers and directors' fees.....	70,200.00	61,699.90
Bond interest.....	5,516.66	6,775.00
Legal fees.....	1,645.99	629.85
	\$1,102,591.76	\$ 932,421.43
	\$1,720,414.69	\$1,253,458.94
<i>Add</i> profit on disposal of fixed assets and sundry income (net)....	25,665.83	22,630.22
	\$1,746,080.52	\$1,276,089.16
Provision for taxes on income.....	637,000.00	595,000.00
	\$1,109,080.52	\$ 681,089.16
Net profit for the year.....	\$1,109,080.52	\$ 681,089.16

## STATEMENT OF EARNED SURPLUS

*For the year ended December 31, 1948*

(With comparative statement for the year ended December 31, 1947)

	1948	1947
Balance at credit January 1.....	\$2,050,839.00	\$1,605,803.84
Net profit for the year.....	1,109,080.52	681,089.16
	\$3,159,919.52	\$2,286,893.00
<i>Less</i> dividends aggregating \$3.00 per share paid during the year (\$2.00 per share paid during 1947).....	354,116.50	236,054.00
	\$2,805,803.02	\$2,050,839.00
Balance at credit December 31.....	\$2,805,803.02	\$2,050,839.00



## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Westeel Products Limited as at December 31, 1948, and the statements of profit and loss and earned surplus for the year ended on that date. In connection therewith we made a general review of the accounting methods and, without making a detailed audit of the transactions, examined or tested the accounting records of the company. We received all the information and explanations we required from its officers and employees.

We report that in our opinion the above balance sheet and related statements of profit and loss and earned surplus have been drawn up so as to exhibit a true and correct view of the state of the company's affairs at December 31, 1948, and of the results of its operations for the year, according to the best of our information and the explanations given us and as shown by the books.

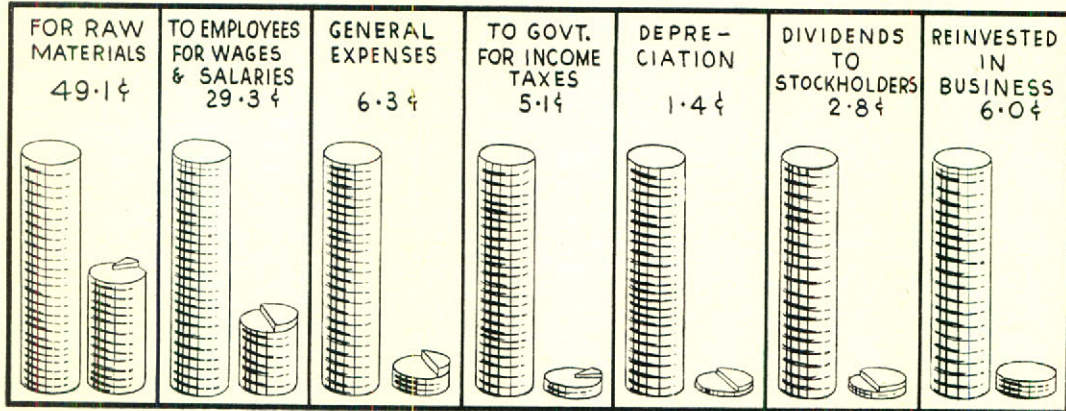
CLARKSON, GORDON & CO.,

*Chartered Accountants.*

Toronto, Canada, February 22, 1949.

# DISTRIBUTION OF NET SALES DOLLAR

FOR THE YEAR 1948



It is always interesting to know where the dollars go and the above chart shows the facts regarding WESTEEL'S 1948 expenditures.

Unless facts such as these are made known, it is possible employees and shareholders may have mistaken notions about company profits.

What is true regarding the distribution of WESTEEL'S income is no doubt typical of all Canadian enterprise.

Almost thirty cents of each sales dollar was paid out to employees for wages and salaries, exclusive of employee benefits. Almost fifty cents was used to purchase raw materials to fabricate and sell WESTEEL'S more than one hundred and fifty products. Five cents to Governments for taxes.

The return to the stockholders on invested capital by way of dividends on the shares that they hold amounted to something less than three cents per sales dollar and, in order to build up proper reserves for the future, approximately six cents was left in the business.

All these facts show that the return to all those interested in the company's welfare is fair and equitable and that is what counts in the day-to-day management of a business and in the production and sale of good products.

# WESTEEL PRODUCTS

## CONSTRUCTION

Casement Windows  
Ceilings  
Conductor Pipe  
Corner Bead  
Corrugated Iron  
Door Frames  
Eavestrough  
Exhaust Systems  
Fire Doors  
Hangar Doors  
Hollow Metal Doors  
Hollow Metal Windows  
Lavatory, Shower Partitions  
Linen Chutes  
Metal Roofings  
Metal Lath  
Metal Shingles  
Metal Trim  
Office Partitions  
Radiator Enclosures  
Ready Roofings  
Roof Deck  
Roof Insulation  
Roofings, Built-up  
Roofings, Copper and Steel  
Ridge Caps  
Smoke Stacks  
Salamanders  
Stair Treads  
Steel Frames  
Steel Sash  
Sidings  
Skylights  
Toilet Partitions  
Valleys  
Ventilators  
Wall Ties

## ELEVATOR EQUIPMENT

Dust Collecting Systems  
Elevator Buckets  
Elevator Spouting

## INDUSTRIAL EQUIPMENT

Airport Re-fuelling Tenders  
Boilers  
Boiler Breeching  
Brick Pallets  
Bulk Storage Tanks  
Coal Chutes  
Cold Storage Lockers  
Fuel Oil Tanks  
Guy Guards  
Measuring Cans  
Metal Booths  
Meter Boxes  
Steel Shelving  
Sinks  
Special Sheet Metal Work  
Steel Lockers  
Steel Drums  
Tote Boxes  
Transformer Tanks  
Truck Tanks  
Underground Tanks  
Ventilating Systems  
Water Tanks

## ROAD AND DRAINAGE

Centre Joint  
Corrugated Culverts  
Crack Fillers  
Reflector Type Warning Signs  
Road Signs  
Sign Posts  
Weeping Tiles

## COMPLETE BUILDINGS

Barns  
Garages  
Implement Sheds  
Rinks  
Warehouses

## FARM

Barns  
Corrugated Iron  
Granaries  
Grain Picklers  
Grain Dusters  
Hog Waterers (Automatic)  
Hog Troughs  
Implement Sheds  
Ribbed Roofing  
Seed Treaters  
Silo Roofs  
Tank Heaters  
Ventilators  
Water Troughs  
Weather Vanes  
Weed Spray Rigs  
Well Curbing  
Well Casing

## OFFICE EQUIPMENT

Cabinets  
Document Boxes  
Lockers  
Lockerettes  
Shelving

## MISCELLANEOUS

Ash Cans  
Boiler Breechings  
Cans, Ice-making  
Column Guards  
Coolers, Soft Drink  
Coal Hoppers  
Display Stands  
Fan Housings  
Flat Sheets  
Flumes  
Fire Escapes  
Kettles, Pitch  
Machine Guards  
Mortuary Racks  
Shower Stalls  
Smoke Stacks

**WESTEEL**