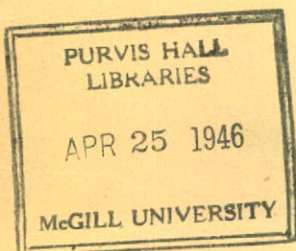


ANNUAL REPORT

FOR THE YEAR

1944

WESTERN STEEL PRODUCTS
CORPORATION LIMITED



WESTERN STEEL PRODUCTS CORPORATION 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

EXECUTIVE OFFICES

2 — 28 Atlantic Avenue, Toronto

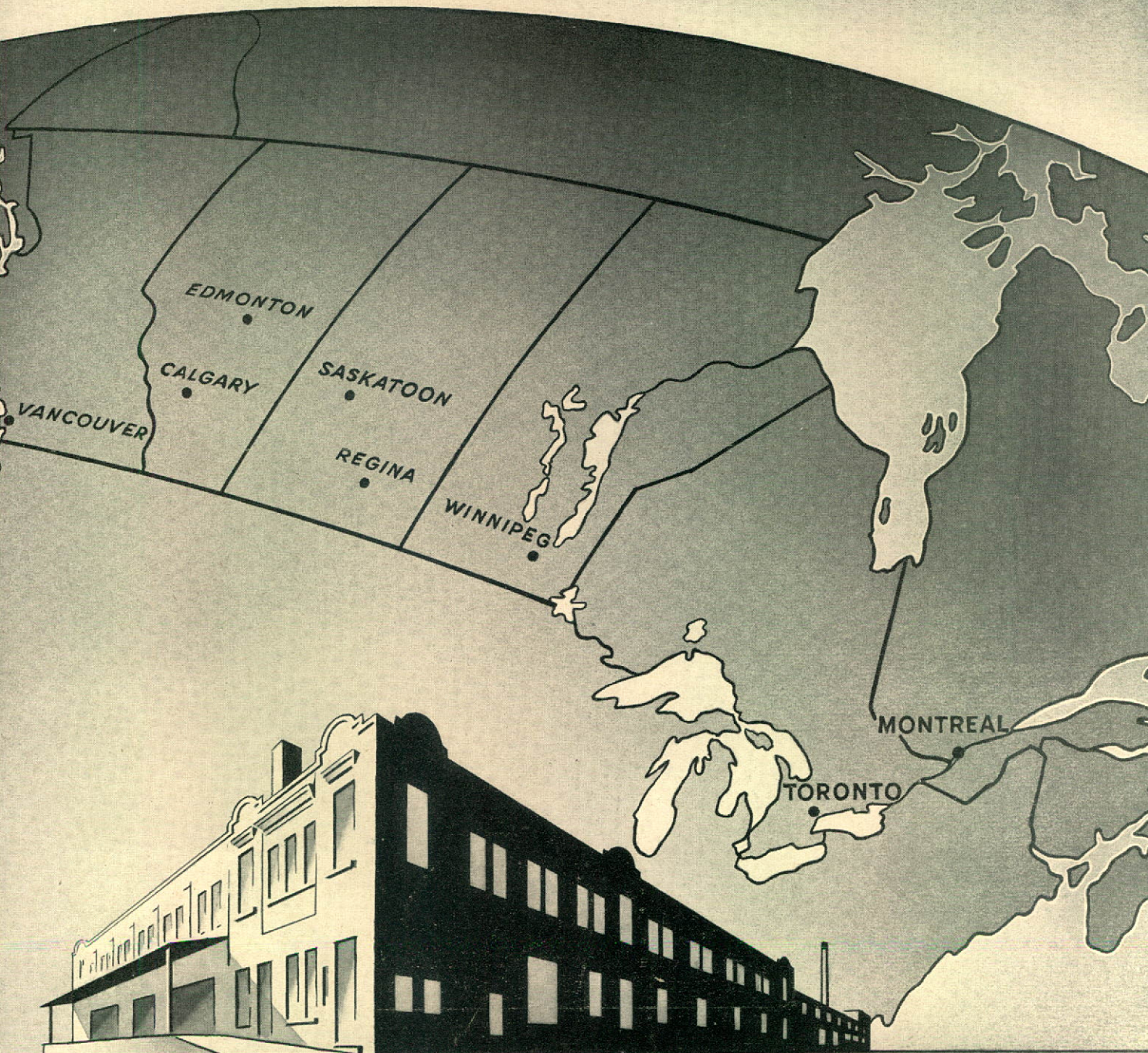
MANUFACTURING PLANTS

MONTREAL	REGINA	TORONTO	SASKATOON	WINNIPEG
CALGARY		VANCOUVER		EDMONTON

Transfer Agents and Registrars

National Trust Company Limited, Montreal, Toronto, Winnipeg

WESTEEL PLANTS



MANAGERS

MONTREAL—J. Hastie Holden

TORONTO—G. G. Complin

WINNIPEG—W. S. Sparrow
(western manager)

REGINA—C. T. Dempsey

SASKATOON—B. G. Eyford
(acting)

CALGARY—C. F. Woodward

EDMONTON—A. J. Maure

VANCOUVER—P. A. Styan

ANNUAL REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS OF

WESTERN STEEL PRODUCTS CORPORATION LIMITED

March 12th, 1945

Your Directors have pleasure in submitting the Balance Sheet of the Company as of December 31st, 1944, together with the Statement of Profit and Loss and Surplus Account for the year, certified by the Company's auditors, Messrs. Clarkson, Gordon, Dilworth & Nash, chartered accountants.

The activities of the Company continue to be directed to the support of the war effort. As the course of the war progresses, the products manufactured by Westeel for the Army, Navy and Air Force vary in character. The 1944 production figures were approximately the same as those of 1943, which established a high record in the history of the Company.

Owing to the increase in our standard profit allowance, which has been permitted under the 1944 Income Tax Amendments, the net profit in 1944 of \$281,819.59 was \$32,525.64 greater than in 1943. The net profit was arrived at after making provision for depreciation of \$105,532.94, and for Income and Excess Profits Taxes of \$436,000.00.

Included in the Net Profit is the refundable portion of the Excess Profits Taxes amounting to \$74,000.00. This deduction leaves \$207,819.59 as the amount of 1944 profits immediately available to the shareholders. The refundable portion of Excess Profits Taxes set up on the Balance Sheet now amounts to \$210,000.00.

With a very large volume of production passing through the Company's shops the wear and tear on machinery and equipment is necessarily heavy. We have always followed a policy of making repairs in good time and of replacing units that are worn out or that have outlived their usefulness. In 1944 the Company spent \$93,848.45 for new equipment and improvements to buildings.

The dividend of \$1.00 paid in December of 1944 was the fourth distribution of this nature. The shares of the Company were placed on a dividend basis in 1941, the rate for the first two years being 50c per share, followed by 75c in 1943 and, as stated, by \$1.00 per share last year.

Funded debt has been reduced to \$519,000.00 by the retirement during the year of \$35,000.00 of the Company's 5% Bonds. Sinking fund requirements have been met to the end of 1950.

Accounts Receivable of \$1,122,958.46 are \$487,449.65 lower than a year ago and represent a favourable position in relation to volume. Adequate reserves are set up for doubtful accounts.

Inventories are down \$141,609.42 at \$1,419,550.93. This total is not high in relation to booked business.

The Reserve for Contingencies of \$500,000.00, which appeared in previous Balance Sheets, has now been transferred to Capital Surplus Account as your Directors consider it is no longer required.

At the end of 1944 Working Capital amounted to \$1,971,866.00, an increase of \$61,971.14 over the figures of a year ago. The position is strong and healthy and it is worthy of mention that the per share value of working capital is now \$16.69.

Present indications are that 1945 production will be at a lower level than during the past few years with the manufacture of war materials still predominating. It is expected that operations will be on a profitable basis. We must still anticipate certain complications and difficulties during the transition period following the cessation of hostilities. Some contract cancellations and reductions have already been experienced. If they continue to affect us in the same gradual and orderly fashion, however, the strain of conversion will be greatly eased.

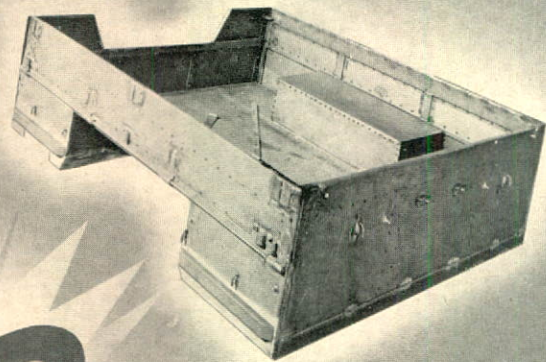
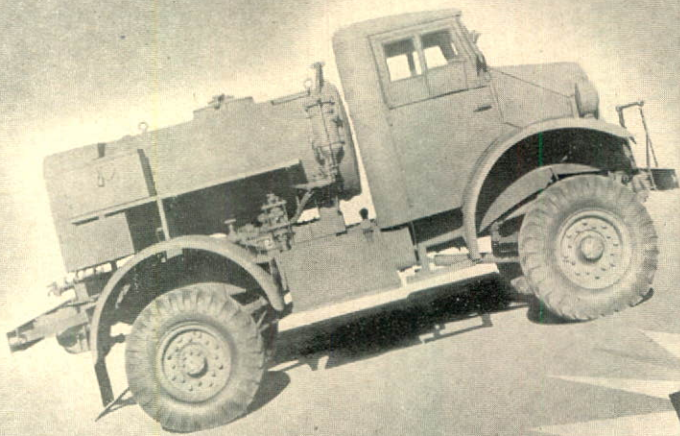
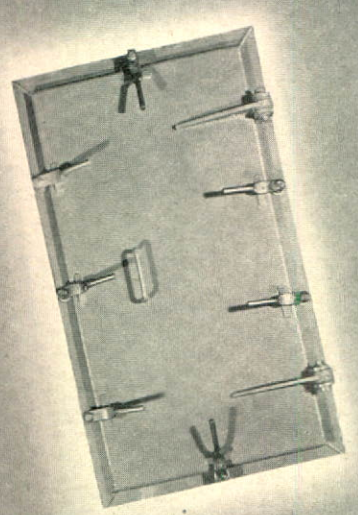
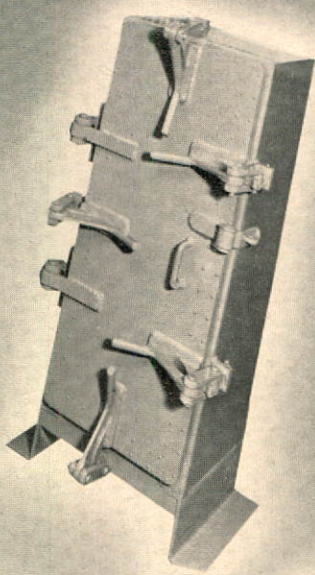
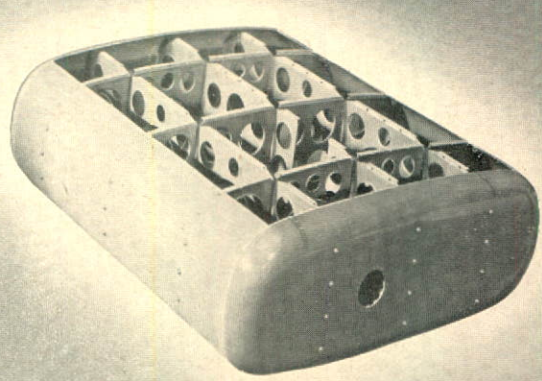
The post-war outlook is favourable. There are indications that a substantial backlog of work is accumulating for the construction and other industries which we serve. Like most manufacturers, we are concerned with the problem of balancing present stabilized prices with greatly increased costs. We must strive to maintain a high volume of production and at the same time increase our efficiency to reduce costs. This is one of the greatest challenges facing industry today.

Your attention is drawn to the Notice of the Special General Meeting of the Shareholders, called to consider the sanctioning of the change of the name of the Company to "WESTEEL PRODUCTS LIMITED." For many years the Eastern Divisions of your Company have operated under separate corporate names, Geo. W. Reed & Co. Ltd., Montreal, and Metallic Roofing Co. Ltd., Toronto. Your Directors are of the opinion that these names are not indicative of the scope of the Company's operations, and can visualize many advantages to be gained from the use of a single name across Canada.

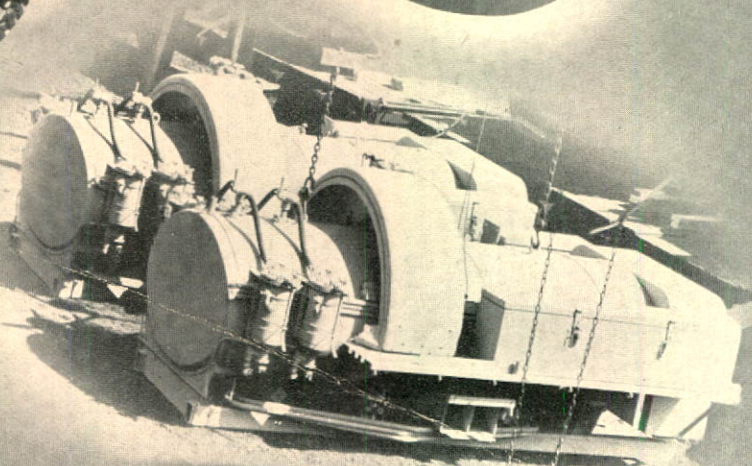
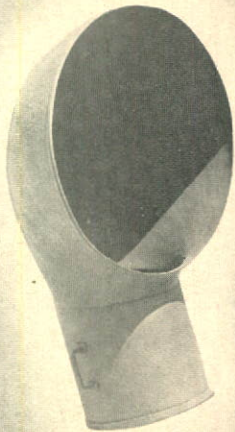
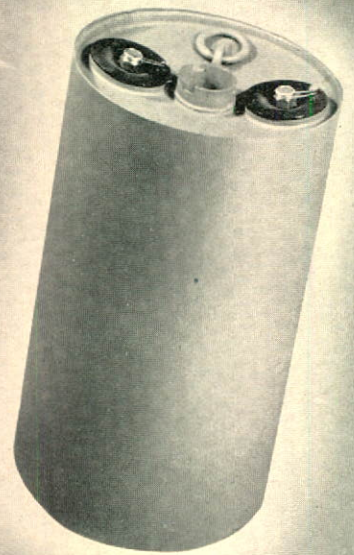
This report would be incomplete without reference to the men and women of our Company who have given loyal and faithful service throughout the year. They are sincerely commended for their performance. Your Directors also take this opportunity of expressing their tribute to the 583 employees of the Company who have enlisted with our Armed Forces. Of this number, two are reported missing, six are listed as prisoners of war, and fourteen have been wounded. We will honour for all time the memory of eleven of our gallant men who will not return. The spirit of all at home and abroad will help to bring about a successful conclusion to the war, and to hasten the time when we can welcome our men and women back into the Company's service.

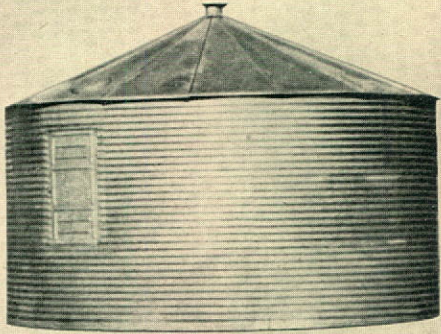
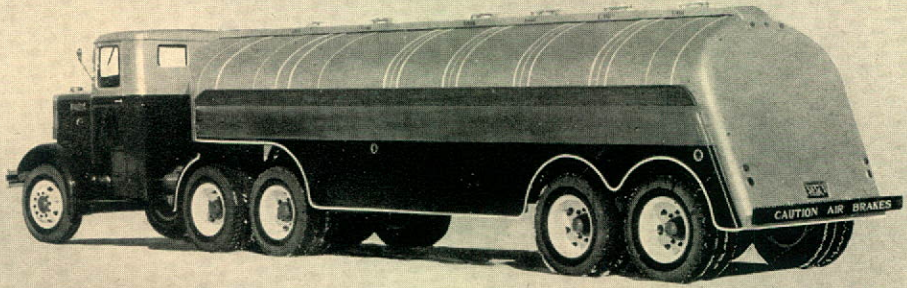
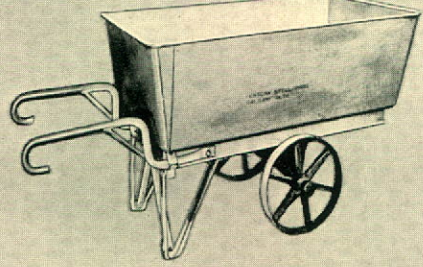
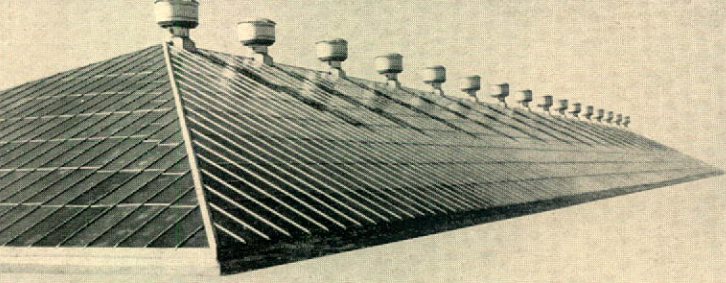
By Order of the Board.

G. W. HUTCHINS,
President.

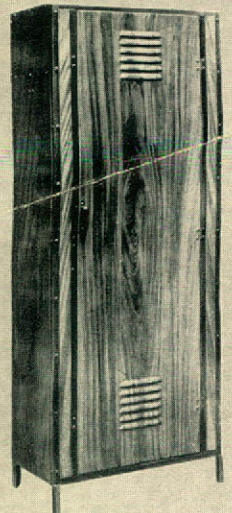
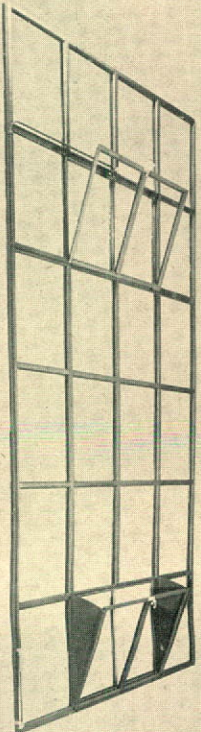
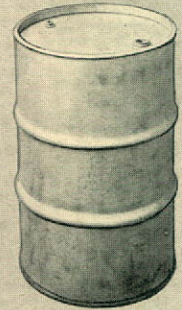
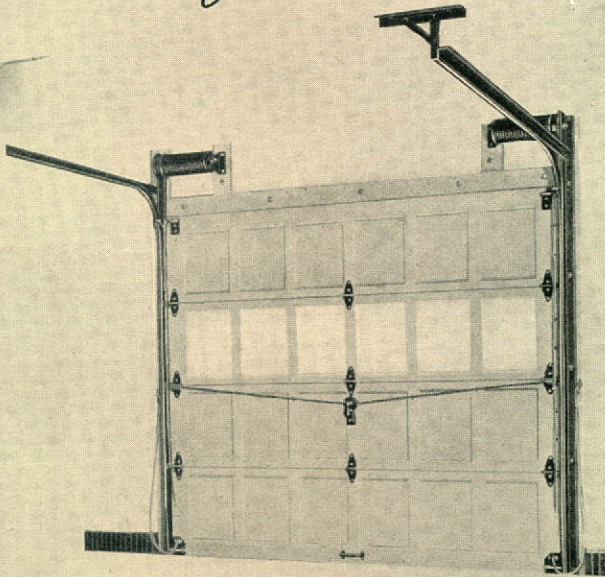
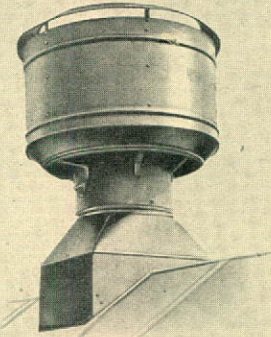
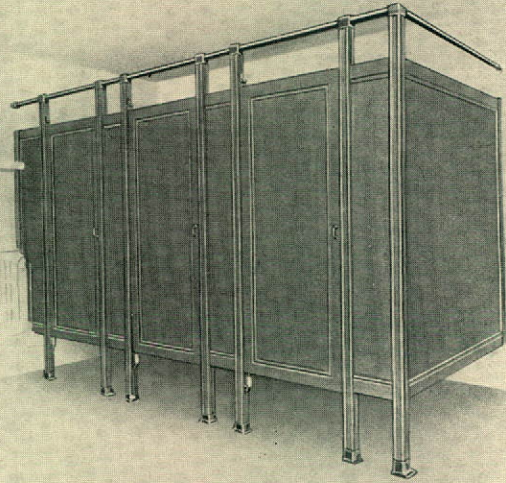


WAR





peace



WESTERN STEEL PRODUCTS

(Incorporated under the

BALANCE SHEET AS AT

	ASSETS	
CURRENT:		
Cash on hand, in transit and in banks.....		\$ 474,265.90
Dominion of Canada 3% Victory bonds at cost (market value \$249,418)...		250,000.00
Accounts receivable.....	\$1,197,525.19	
<i>Less</i> reserve.....	74,566.73	
		1,122,958.46
Inventories, as determined and certified by the management and valued at the lower of cost or market:		
Raw materials.....	\$ 760,202.43	
Goods in process.....	626,396.33	
Finished stock.....	32,952.17	
		1,419,550.93
Total current assets.....		\$3,266,775.29
 SUNDRY AND DEFERRED:		
Post-war refund under the Excess Profits Tax Act.....	\$ 210,000.00	
Marketable securities (quoted market value \$4,546).....	3,916.79	
Prepaid charges.....	18,483.18	
		232,399.97
 FIXED, at cost:		
Land.....	\$ 287,036.28	
Buildings.....	1,817,243.62	
Machinery and equipment.....	2,217,558.65	
		\$4,321,838.55
<i>Less</i> reserves for depreciation.....	2,607,185.54	
		1,714,653.01
		\$5,213,828.27

On behalf of the Board:

LOUIS L. LANG,
E. S. SARGEANT,
Directors.

CORPORATION LIMITED

(Dominion Companies Act)

31st DECEMBER, 1944

LIABILITIES

CURRENT:

Accounts payable and accrued charges.....	\$ 974,233.64	
Bank loans re employees' Victory bond sub- scriptions.....	\$121,315.13	
Less amounts owing by employees (secured by Dominion of Canada Victory Loan bonds having a par value of \$151,550).....	107,572.49	13,742.64
Reserve for income and other taxes (after deducting pay- ments on account of Dominion income and excess profits taxes of \$289,500).....	295,770.51	
Bond interest accrued.....	11,162.50	
		<u>\$1,294,909.29</u>

FUNDED:

5% general mortgage bonds series "A" due 31st January, 1956:		
Authorized.....	\$1,500,000.00	
Issued.....	\$ 700,000.00	
Less redeemed and cancelled.....	181,000.00	519,000.00

CAPITAL AND SURPLUS:

Capital:		
150,000 shares of no par value authorized, whereof 118,151 shares are issued or to be issued	\$1,450,000.00	
Capital surplus resulting from re-organization of capital in 1937.....	500,000.00	
Earned surplus.....	1,239,918.98	
Special surplus represented by post-war refund under the Excess Profits Tax Act.....	210,000.00	3,399,918.98
		<u>\$5,213,828.27</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the balance sheet of Western Steel Products Corporation Limited as at 31st December, 1944, and of the statements of profit and loss and earned surplus for the year ended on that date. In connection therewith we examined or tested accounting records of the company and obtained all the information and explanations we required from its officers and employees; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

We report that in our opinion the above balance sheet and related statements of profit and loss and earned surplus have been properly drawn up so as to exhibit a true and correct view of the state of the company's affairs at 31st December, 1944, 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, DILWORTH & NASH,

Toronto, Canada, 8th March, 1945.

Chartered Accountants.

WESTERN STEEL PRODUCTS CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS

For Year Ended 31st December, 1944

Gross profit on sales before providing for depreciation.....		\$1,291,891.93
<i>Deduct:</i>		
Selling, administrative and financial expenses.....	\$430,533.25	
Depreciation.....	105,532.94	
Remuneration of executive officers.....	38,933.00	
Bond interest.....	26,971.00	
Legal fees.....	521.34	
	602,491.53	
		\$ 689,400.40
<i>Add:</i>		
Rentals, investment and sundry income.....	\$ 23,310.05	
Profit on realization of capital assets.....	5,109.14	
	28,419.19	
Net profit before taxes on income.....		\$ 717,819.59
Provision for Dominion income and excess profits taxes.....	\$510,000.00	
<i>Less refundable portion thereof</i>	74,000.00	
	436,000.00	
Net profit for the year.....		\$ 281,819.59

STATEMENT OF EARNED SURPLUS

Balance at credit 31st December, 1943.....		\$1,150,106.39
<i>Add</i> net profit for year ended 31st December, 1944.....		281,819.59
		\$1,431,925.98
<i>Deduct:</i>		
Dividend paid 1st December, 1944, of \$1 per share.....	\$118,007.00	
Transfer to special surplus represented by post-war refund under the Excess Profits Tax Act.....	74,000.00	
	192,007.00	
Balance at credit 31st December, 1944.....		\$1,239,918.98

PEACETIME LINES

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
Spanish Tile
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
Measuring Cans
Metal Booths
Steel Shelving
Sinks
Special Sheet Metal Work
Steel Lockers
Steel Drums
Tote Boxes
Truck Tanks
Underground Tanks
Ventilating Systems
Water Tanks

ROADS AND DRAINAGE

Centre Joint
Corrugated Culverts
Crack Fillers
Illuminated 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
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