

**WESTERN STEEL PRODUCTS
CORPORATION**

Limited



**Annual Report
1937**

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Western Steel Products Corporation
Limited



Plants and Offices located at:

MONTREAL
TORONTO
WINNIPEG
REGINA
SASKATOON
CALGARY
EDMONTON
VANCOUVER



EXECUTIVE OFFICE:
2-28 ATLANTIC AVENUE, TORONTO

Western Steel Products Corporation
Limited

President:

JAMES A. RICHARDSON

Vice-Presidents:

G. W. HUTCHINS

E. S. SARGEANT

Directors:

A. F. CULVER.....Montreal, P.Q.
R. J. GOURLAY.....Winnipeg, Man.
F. E. HALLS.....Winnipeg, Man.
G. W. HUTCHINS.....Winnipeg, Man.
L. L. LANG.....Waterloo, Ont.
JAMES A. RICHARDSON.....Winnipeg, Man.
E. S. SARGEANT.....Toronto, Ont.

Officers:

President.....JAMES A. RICHARDSON
First Vice-President.....G. W. HUTCHINS
Second Vice-President.....E. S. SARGEANT
General Manager.....A. WACHSMUTH
Secretary-Treasurer.....P. F. FOWLE
Assistant Secretary-Treasurer.....W. S. SPARROW

ANNUAL REPORT OF THE DIRECTORS

FISCAL YEAR ENDED DECEMBER 31ST, 1937

To the Shareholders
Western Steel Products Corporation Limited:

The Directors submit the Balance Sheet as at 31st December, 1937, and the Profit and Loss Account for the year ended 31st December, 1937.

Under the plan of re-organization approved on May 31st, 1937, your Company resumed possession of its assets and control of the business on November 1st, 1937, and the accompanying Balance Sheet gives effect to the changes authorized by the adoption of the plan.

The Company's name was changed to the present style—Western Steel Products Corporation Limited—and the fiscal year was changed to December 31st in place of January 31st. The Profit and Loss Account submitted is for eleven months due to the change in the fiscal period.

The operations for this eleven-month period resulted in a Net Profit of \$155,233.76, after allowing \$165,695.15 for Depreciation and after providing a reserve of \$37,000.00 for Federal and Provincial Income Taxes. The Net Profit is equivalent to \$1.31 per Common Share on the 118,200 shares outstanding.

The allowance for Depreciation is adequate and the physical condition of all plants has been fully maintained. New equipment, involving capital expenditures of \$19,955.46, was purchased to improve manufacturing efficiency and adequately take care of the expanding market for sheet metal products.

The Net Working Capital amounts to \$626,708.45, the ratio of current assets to current liabilities being almost two for one.

Due to an advance in prices during the past year, and to an increase in volume of business, Inventories and Accounts Receivable are in larger figures than a year ago. Inventories are taken at the lower of cost or market price and contain no dead stock. Receivables are worth the figures shown in the Balance Sheet, as full provision for bad or doubtful accounts has been taken.

Your Company is primarily dependent upon activity in the building industry, although supplemented by diversified lines. The sale of its products and services follows very closely the volume of construction. The construction industry, although still subnormal, experienced an improvement during 1937 of 36% over the previous year, and your Company was able to secure its fair share of this expanding volume.

Although the general outlook for the immediate future may be somewhat uncertain, the management is approaching the year 1938 with confidence that the Company will secure its full share of the volume of business available and show further substantial improvement should there be any upward trend in conditions.

Your Directors wish to gratefully acknowledge the loyal and efficient efforts of all officers and employees of the Company who have, through their co-operation, been largely responsible for the progress made during the past year. There is now a personnel of 750, including all employees.

By Order of the Board,

JAMES A. RICHARDSON,
President.

WESTERN STEEL PRODUCE

(Incorporated under The I

BALANCE SHEET AS A

ASSETS

CURRENT:

Cash on Hand and in Banks	\$	64,807.95
Accounts Receivable	\$	490,740.93
<i>Less Reserve</i>		49,056.83
		441,684.10

Inventories, as determined and certified by the management and valued at the lower of cost or market:

Raw Materials	\$	598,734.70
Goods in Process		71,831.77
Finished Stock		105,583.15
		776,149.62

Total Current Assets \$1,282,641.67

DEFERRED CHARGES 8,742.89

INVESTMENTS:

Marketable Securities (quoted market value \$8,275.75)	\$	6,949.59
Mortgages and Sale Agreements, net book value....		8,922.69
Sundry, including Non-operating Properties at Nominal Values		5.00
		15,877.28

FIXED, at cost:

Land	\$	286,836.28
Buildings		1,642,433.36
Machinery and Equipment		1,614,593.29
		\$3,543,862.93
<i>Less Reserves for Depreciation</i>		1,381,158.78
		2,162,704.15
		\$3,469,965.99

AUDITORS' REPORT TO

We have made an examination of the balance sheet of Western Steel Prod and loss and surplus for the period of eleven months ending on that date. In con and obtained all the information and explanations we required from its officers at the operating and income accounts for the year, but we did not make a detailed a

We report that in our opinion, based upon our examination, the above bal up in accordance with accepted principles of accounting consistently maintained Company's affairs at 31st December, 1937, and of the results of its operations for us and as shown by the books.

Toronto, Canada,
26th February, 1938.

TS CORPORATION LIMITED

(Dominion Companies Act)

T 31st DECEMBER, 1937

LIABILITIES

CURRENT:

Bank Loans (secured)	\$ 465,000.00
Accounts Payable and Accrued Charges	132,050.97
Taxes Payable and Accrued	53,048.93
Bond Interest Accrued	5,833.32
Total Current Liabilities	<u>\$ 655,933.22</u>

FUNDED:

5% General Mortgage Bonds, Series "A," Due 31st January, 1956:	
Authorized	\$1,500,000.00
Issued	700,000.00

RESERVE FOR CONTINGENCIES 500,000.00

CAPITAL AND SURPLUS:

Capital:

Authorized During the Year by Supplementary Letters Patent— 150,000 Shares, No Par Value Issued, or to be Issued Under the Plan of Re-organization— 118,218 Shares	\$1,450,000.00
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Surplus, Per Statement 164,032.77 1,614,032.77

CONTINGENT:

Letters of Credit Outstanding—\$28,000.

\$3,469,965.99

On Behalf of the Board:

G. W. HUTCHINS,
E. S. SARGEANT,
Directors.

THE SHAREHOLDERS

TS Corporation Limited as at 31st December, 1937, and of the statements of profit and loss in connection therewith, we examined or tested the accounting records of the Company and its subsidiaries and employees; we also made a general review of the accounting methods and of the results of the transactions.

The balance sheet and related statements of profit and loss and surplus have been drawn up during the period, so as to exhibit a true and correct view of the state of the Company at the end of the period, according to the best of our information and the explanations given to us.

CLARKSON, GORDON, DILWORTH & NASH,
Chartered Accountants.

Western Steel Products Corporation
Limited

STATEMENT OF PROFIT AND LOSS

FOR THE ELEVEN MONTHS ENDED 31ST DECEMBER, 1937

Gross Profit on Sales, Before Providing for Depreciation.....		\$740,598.52
DEDUCT:		
Selling, Administrative and Financial Expenses.....	\$354,685.06	
Receivership Management Fees and Expenses for the Period	15,319.65	
Remuneration of Executive Officers	30,805.00	
	<u>400,809.71</u>	
		\$339,788.81
DEDUCT:		
Bond Interest	\$ 5,833.32	
Depreciation	165,695.15	
	<u>171,528.47</u>	
		\$168,260.34
ADD:		
Rentals, Investment and Sundry Income		23,973.42
Profit on Operations		<u>\$192,233.76</u>
Provision for Dominion and Provincial Income Taxes.....		37,000.00
		<u>37,000.00</u>
Net Profit for the Period		<u><u>\$155,233.76</u></u>

Western Steel Products Corporation Limited

STATEMENT OF SURPLUS

FOR THE ELEVEN MONTHS ENDED 31ST DECEMBER, 1937

Deficit, Accumulated Losses to 31st January, 1937.....	\$2,127,914.55
Deduct Former Capital Accounts:	
Preferred Shares	\$1,100,000.00
Common Shares	350,628.65
	1,450,628.65
Deficiency, 31st January, 1937	\$ 677,285.90
Charges Consequent Upon Re-organization:	
Write-down of non-operating properties to nominal value, re-organization expenses (including legal costs of \$57,364.33) and portion of receiver's fees, less adjustments.....	273,733.63
	\$ 951,019.53
Liabilities Discharged Through Issue of Shares:	
Sundry Creditors	\$ 202,891.04
Bondholders	2,706,927.50
	2,909,818.54
	\$1,958,799.01
Deduct issue of 118,218 common shares (no par value) to former bondholders, creditors and shareholders in accordance with the plan of re-organization	1,450,000.00
	\$ 508,799.01
Transferred to Reserve for Contingencies	500,000.00
	\$ 8,799.01
Net Profit on Operations for the Period	155,233.76
Surplus, 31st December, 1937	\$ 164,032.77

PRODUCTS MANUFACTURED AND DISTRIBUTED

BY

Western Steel Products Corporation Limited

Airport Tenders	Eavestrough	Radiator Enclosures
Ash Cans	Elevator Enclosures	Road Signs
Asphalt	Elevator Buckets	Ready Roofing
Asphalt Products	Elevator Spouting	Roof Deck
Barns	Exhaust Systems	Salamanders
Barrels	Fire Escapes	Sand Heaters
Base Board	Flumes	Service Stations
Boilers	Garages	Shelving
Booths	Granaries	Shingles
Cabinets	Grain Picklers	Shower Stalls
Counters	Grain Dusters	Sidings
Casement Sash	Grilles	Store Fronts
Ceilings	Hangars	Smoke Stacks
Coal Chutes	Humidifiers	Stair Treads
Conductor Pipe	Insulating Material	Steel Sash
Corner Bead	Lavatory Partitions	Skylights
Cornices	Linen Chutes	Sheets
Copper Roofings	Lockers	Slate
Corrugated Iron	Metal Buildings	Tanks
Culverts	Metal Roofings	Tire Racks
Centre Joint	Metal Lath	Tote Boxes
Column Guards	Office Partitions	Troughs
Chutes	Oil Tanks	Truck Tanks
Display Stands	Oil Warehouses	Ventilators
Doors	Partitions	Ventilating Systems
Door Frames	Pitch	Weather vanes
Drums		Well Casing and Curbing
Dust Collecting Systems		Windows

We also undertake contracts for the manufacture and installation of all classes of roofing and sheet metal work.



