

**WESTERN STEEL PRODUCTS  
CORPORATION**

Limited



**Annual Report  
1939**

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Western Steel Products Corporation  
Limited

Annual Report  
1939



Plants and Offices located at:

MONTREAL	SASKATOON
TORONTO	CALGARY
WINNIPEG	EDMONTON
REGINA	VANCOUVER



EXECUTIVE OFFICE:  
2-28 ATLANTIC AVENUE, TORONTO

# Western Steel Products Corporation Limited

*President:*

G. W. HUTCHINS

*Vice-President:*

E. S. SARGEANT

*Directors:*

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

*Officers:*

*President*.....G. W. HUTCHINS  
*Vice-President*.....E. S. SARGEANT  
*Secretary-Treasurer*.....P. F. FOWLE  
*Assistant Secretary-Treasurer*.....W. S. SPARROW

## ANNUAL REPORT OF THE DIRECTORS

FISCAL YEAR ENDED DECEMBER 31ST, 1939

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To the Shareholders:

It is with pleasure that your Directors submit the Company's Balance Sheet and Statements of Profit and Loss and Surplus Account for the year 1939.

After providing for depreciation of \$106,931.93 at the maximum rates approved of by the income tax authorities, and Dominion and Provincial income taxes of \$34,200.00, the Net Profit for the year amounted to \$141,611.11.

Sales for the year were approximately the same as for the previous twelve months. Volume during the first half of the year was considerably lower than in 1938, but increased materially during the last half. In consequence of this reversed trend the net Accounts Receivable at \$432,872.15 are \$121,413.52 greater than at December 31st, 1938.

Inventories were taken at the lower of cost or market and totalled \$781,636.02, an increase of \$287,568.29 over the previous year-end. Lengthened delivery dates of raw materials by the mills have made it essential to carry heavier stocks in order to maintain normal service.

Since re-organization of the Company in 1937 your Directors have pursued a policy of building up a strong working capital position, the result of this policy being reflected in a comparison of working capital which at the time of contemplated re-organization stood at \$296,479.41 and which has now reached a figure of \$1,018,729.30, or an improvement of \$722,249.89 over the past three years.

The Company policy of maintaining manufacturing efficiency, through replacement and improvement of plant and equipment, has been continued, and capital expenditures during the year amounted to \$54,218.49. Since re-organization our facilities have benefited by total capital expenditures of \$126,990.14.

With Canada at war the normal demand for some of your Company's products may decline; however, the first phase of this country's war effort is one of construction, in which your Company has already commenced to participate. Your management is confident of the ability of the Company to contribute to the industrial effort which must be an important factor in this war.

We believe that this report on the past year's operations is a satisfactory one, and wish to acknowledge the splendid efforts of the Company's Officers and Employees, who are so ably demonstrating their loyalty and efficiency.

It is with profound regret that we record the untimely passing of the late Mr. James A. Richardson, who, as President, had guided the policies of our Company since its re-organization.

On Behalf of the Board,

G. W. HUTCHINS,  
*President.*

# WESTERN STEEL PRODUCTS

(Incorporated under The

## BALANCE SHEET AS AT

### ASSETS

CURRENT:

Cash on Hand and in Banks .....	\$	40,119.91
Accounts Receivable .....	\$	478,452.75
Less Reserve .....		45,580.60
		432,872.15
Inventories, as determined and certified by the management and valued at the lower of cost or market:		
Raw Materials .....	\$	579,616.06
Goods in Process .....		127,300.20
Finished Stock .....		74,719.76
		781,636.02
Total Current Assets .....	\$	1,254,628.08

DEFERRED CHARGES ..... 16,846.40

INVESTMENTS:

Marketable Securities		
(quoted market value \$4,572.25) .....	\$	4,116.79
Mortgages and Sale Agreements, net book value..		5,049.93
Sundry, including Non-Operating Properties, at nominal values .....		5.00
		9,171.72

FIXED at cost:

Land .....	\$	287,036.28
Buildings .....		1,659,446.96
Machinery and Equipment .....		1,709,066.83
		\$3,655,550.07
Less Reserves for Depreciation .....		1,626,193.11
		2,029,356.96
		\$3,310,003.16

### AUDITORS' REPORT TO

We have made an examination of the balance sheet of Western Steel Products and loss and surplus for the year ending on that date. In connection therewith, information and explanations we required from its officers and employees; we have examined the income accounts for the year, but we did not make a detailed audit of the transactions.

We report that in our opinion, based upon our examination, the above balance sheet is in accordance with accepted principles of accounting and on a basis consistent with the Company's affairs at 31st December, 1939, and of the results of its operations as shown by the books.

Toronto, Canada.  
24th February, 1940.

# TS CORPORATION LIMITED

(Dominion Companies Act)

T 31st DECEMBER, 1939

## LIABILITIES

### CURRENT:

The Dominion Bank — Direct Advances (secured) .....	\$ 15,000.00
Accounts Payable and Accrued Charges .....	148,637.80
Taxes Payable and Accrued .....	57,677.68
Bond Interest Accrued .....	14,583.30

Total Current Liabilities ..... \$ 235,898.78

### 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, 150,000 Shares No Par Value, Whereof 117,983 Shares are Issued or to be Issued .....	\$1,450,000.00
Earned Surplus, Per Statement .....	424,104.38
	<hr/>
	1,874,104.38

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\$3,310,003.16

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On Behalf of the Board:

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

### THE SHAREHOLDERS

ts Corporation Limited as at 31st December, 1939, and of the statements of profit  
we examined or tested accounting records of the Company and obtained all the  
also made a general review of the accounting methods and of the operating and  
ctions.

alance sheet and related statements of profit and loss and surplus have been drawn  
with the preceding year, so as to exhibit a true and correct view of the state of  
for the year, according to the best of our information and the explanations given

CLARKSON, GORDON, DILWORTH & NASH,  
*Chartered Accountants.*

# Western Steel Products Corporation Limited

## STATEMENT OF PROFIT AND LOSS AND SURPLUS

FOR YEAR ENDING 31ST DECEMBER, 1939

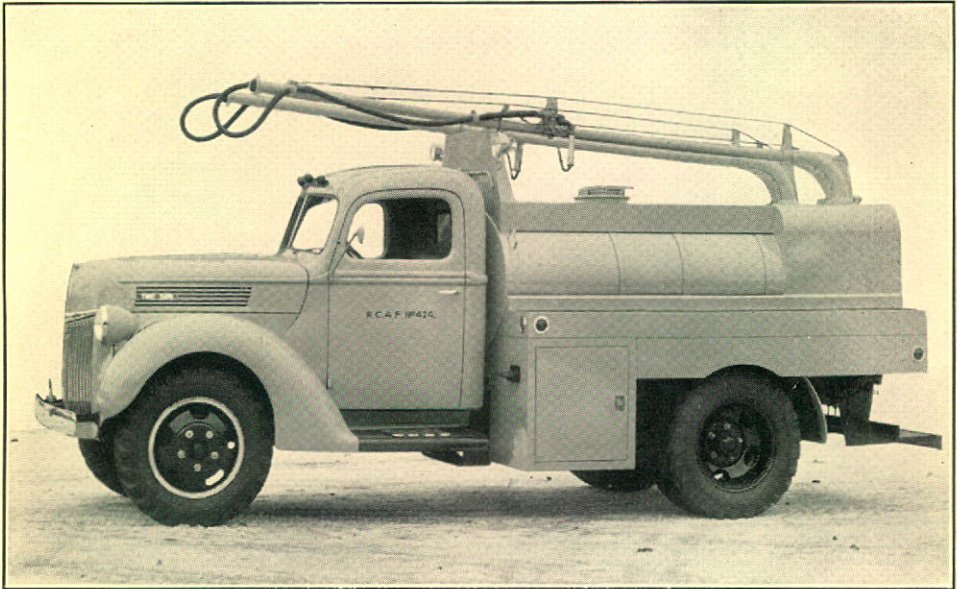
Gross Profit on Sales, Before Providing for Depreciation.....		\$675,761.95
DEDUCT:		
Selling, Administrative and Financial Expenses.....	\$359,768.61	
Depreciation .....	106,931.93	
Remuneration of Executive Officers.....	24,107.32	
Bond Interest .....	35,000.00	
Legal Fees .....	1,935.86	
		527,743.72
		\$148,018.23
ADD: Rentals, Investment and Sundry Income.....		27,792.88
Net Operating Profit .....		\$175,811.11
Provision for Dominion and Provincial Income Taxes.....		34,200.00
Net Profit for Year .....		\$141,611.11

## EARNED SURPLUS

Surplus 31st December, 1938.....		\$276,106.82
ADD:		
Net Profit for Year .....	141,611.11	
Realized on Sale of Non-Operating Property .....	2,112.00	
Sundry Adjustments Affecting Prior Years .....	4,274.45	
		424,104.38
Surplus 31st December, 1939 .....		\$424,104.38



## Aircraft Refuelling Tender

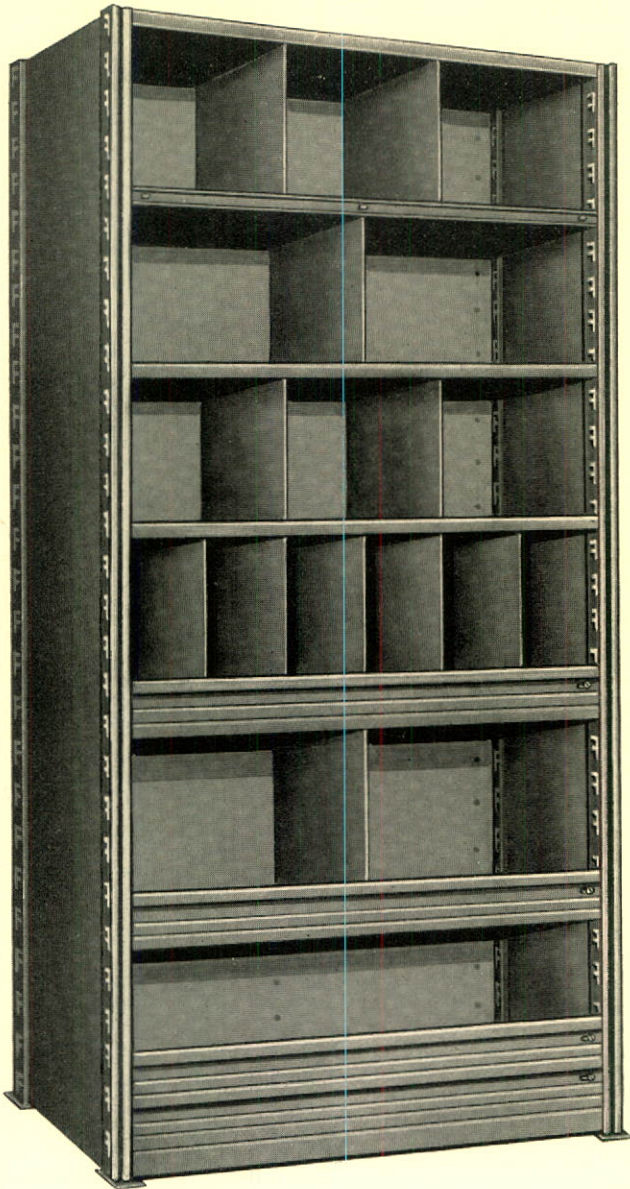


With Canada at war, industry must play its part. Your Company, whenever possible, is lending its equipment and engineering facilities to produce needed supplies.

The above illustrated refuelling tender, one of several recently shipped, is complementary to our truck tank production. These units are used at air fields to carry fuel to the aircraft. In order to keep the ground clear for other operations, the discharge hoses are carried through booms located at the top of the tank. These booms can be swung to either side, or to the rear, and two planes can be serviced at the same time.

Other standard products manufactured by your Company that are suitable for Canada's program include Hangar Doors, Steel Sash, Weeping Tile, Steel Roof Deck, Built-up Roofing, Metal Siding, Lockers, Shelving, Steel Drums, Aircraft Parts and many other miscellaneous sheet metal products.

*A New Product This Year!*



## **"Boltless" Steel Shelving**

Until recently, Steel Shelving has always been held together by bolts and nuts — tedious to set up, to alter, to take down.

There is not a bolt, nut or screw in your Company's new product. It is stronger, safer and neater.

It can be erected or taken down in half the time formerly required, but the major advantage lies in the fact that any individual Shelf can be removed, raised or lowered in less than one minute without disturbing adjacent Shelves or their contents.



