

**WESTERN STEEL PRODUCTS  
CORPORATION**

Limited



**Annual Report  
1941**

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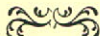
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McGILL UNIVERSITY



Western Steel Products Corporation  
Limited

Annual Report  
1941



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.  
P. F. FOWLE.....Toronto, Ont.  
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, 1941

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To the Shareholders:

The Directors have pleasure in submitting the Annual Report of your Company, and the statements of accounts as of December 31st, 1941.

After making adequate provision for Depreciation, Bad Debts, and Income Taxes, the Net Profit was \$251,650.03, being a decrease of \$20,945.04 from last year's figures.

While the volume of business handled by the Company was substantially in excess of 1940, the sharp increase in the ratio of war work to normal business resulted in a much lower Gross Profit.

The policy of maintaining Plant and Equipment at a high standard has been continued. During 1941 Capital Expenditures totalling \$96,157.78 were made mainly for the replacement of worn-out equipment, and the purchase of new tools to permit the execution of Government contracts.

Inventories show an increase of \$74,318.77 at \$1,232,172.37. As 40% of this total constitutes work in process, and a further large proportion represents materials to be used in filling contracts on hand, the amount of inventories available for civilian use is very small.

Working Capital has increased \$285,651.95 during the year, and now stands at \$1,722,376.92. The position is sound.

In addition to reducing the Company's funded debt by a further \$35,000.00, an initial dividend of fifty cents per share was paid to the Shareholders during the year.

Full provision has been made for Dominion and Provincial Income Taxes. To facilitate the financing of the large tax accounts, advantage was taken of the Dominion Government's instalment plan, and \$240,000.00 has been prepaid on the 1941 liability.

The manufacture of some of the Company's products has been prohibited, others have been rationed, and the shortage of metal and other raw materials affects still others. Further restrictions in the use of metal will inevitably and properly come. It is evident, however, that both our personnel and equipment will be strained to the utmost during 1942, in the production of materials for the war. Company earnings will decline as civilian lines disappear from production.

It is gratefully acknowledged that during the past year all employees have rendered loyal and efficient service under most trying circumstances. They, in company with your Directors are conscious that, in this time of National crisis, there rests with them the serious responsibility of insuring that this Company's plants produce in maximum quantities fighting equipment of the best quality.

On Behalf of the Board,

G. W. HUTCHINS,  
*President.*

# WESTERN STEEL PRODUCTS

(Incorporated under The I

BALANCE SHEET AS AT

## ASSETS

**CURRENT:**

Cash on Hand and in Banks .....	\$	242,198.37
Dominion of Canada Bonds, par value \$100,000 (quoted market value \$99,250) .....		100,000.00
Accounts Receivable .....	\$1,398,456.86	
<i>Less Reserve</i> .....	71,031.00	
		1,327,425.86
Inventories, as determined and certified by the management and valued at the lower of cost or market:		
Raw Materials .....	\$ 639,927.82	
Goods in Process .....	496,985.41	
Finished Stock .....	95,259.14	
		1,232,172.37
Total Current Assets .....		\$2,901,796.60

DEFERRED CHARGES ..... 11,723.11

**INVESTMENTS:**

Marketable Securities (quoted market value \$4,714.75) .....	\$	4,116.79
Mortgages and Sale Agreements, net book value..		1,340.97
Sundry, including Non-Operating Properties, at Nominal Values .....		5.00
		5,462.76

**FIXED, at cost:**

Land .....	\$	287,036.28
Buildings .....		1,670,403.97
Machinery and Equipment .....		1,845,395.75
		\$3,802,836.00
<i>Less Reserves for Depreciation</i> .....		2,061,006.44
		1,741,829.56
		\$4,660,812.03

### AUDITORS' REPORT TO

We have made an examination of the balance sheet of Western Steel Products and loss and earned surplus for the year ended on that date. In connection therewith information and explanations we required from its officers and employees; we also 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 properly drawn up so as to exhibit a true and correct view of the state of the Company at the year, according to the best of our information and the explanations given us.

Toronto, Canada.

9th March, 1942.

# TS CORPORATION LIMITED

(Dominion Companies Act)

31st DECEMBER, 1941

## LIABILITIES

### CURRENT:

Accounts Payable and Accrued Charges .....	\$ 804,106.16
Reserve for Income and Other Taxes (after deduction of advance payments on account of 1941 Dominion taxes in the amount of \$240,000) .....	362,155.22
Bond Interest Accrued .....	13,158.30
<b>Total Current Liabilities .....</b>	<b>\$1,179,419.68</b>

### FUNDED:

5% General Mortgage Bonds Series "A" Due 31st January, 1956:	
Authorized .....	\$1,500,000.00
Issued .....	\$ 700,000.00
Less Redeemed and Cancelled .....	72,000.00
	<hr/>
	628,000.00
RESERVE FOR CONTINGENCIES .....	500,000.00

### CAPITAL AND SURPLUS:

#### Capital:

Authorized, 150,000 Shares No Par Value, Whereof 118,151 Shares are Issued or to be Issued .....	\$1,450,000.00
Earned Surplus, Per Statement .....	903,392.35
	<hr/>
	2,353,392.35

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\$4,660,812.03

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On Behalf of the Board:

R. S. GOURLEY,  
LOUIS L. LANG,  
*Directors.*

### THE SHAREHOLDERS

ts Corporation Limited, as at 31st December, 1941, and of the statements of profit and loss, we examined or tested accounting records of the Company and obtained all the necessary information. We also made a general review of the accounting methods and of the operating and financial conditions.

Balance sheet and related statements of profit and loss and earned surplus have been examined in connection with the Company's affairs at 31st December, 1941, and of the results of its operations for the year ended on that date, and as shown by the books.

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

# Western Steel Products Corporation Limited

## STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

FOR YEAR ENDING 31ST DECEMBER, 1941

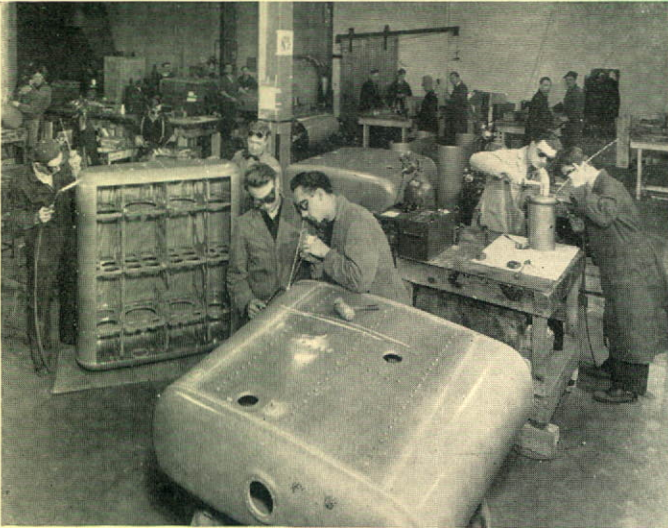
Gross Profit on Sales, Before Providing for Depreciation.....	\$1,499,768.42
DEDUCT:	
Selling, Administrative and Financial Expenses.....	\$446,321.39
Depreciation .....	211,674.44
Remuneration of Executive Officers .....	34,393.75
Bond Interest .....	32,429.09
Legal Fees .....	3,008.20
	727,826.87
	\$ 771,941.55
ADD: Rentals, Investment and Sundry Income.....	22,708.48
	\$ 794,650.03
Net Operating Profit .....	\$ 794,650.03
Provision for Dominion and Provincial Income Taxes .....	543,000.00
Net Profit for Year .....	\$ 251,650.03

### EARNED SURPLUS

Surplus 31st December, 1940 .....	\$ 698,531.32
ADD:	
Net Profit for Year .....	251,650.03
Realized on Sale of Non-Operating Properties .....	12,205.00
	\$ 962,386.35
Deduct Dividend of 50c per Share Paid 1st December, 1941.....	58,994.00
Surplus 31st December, 1941 .....	\$ 903,392.35

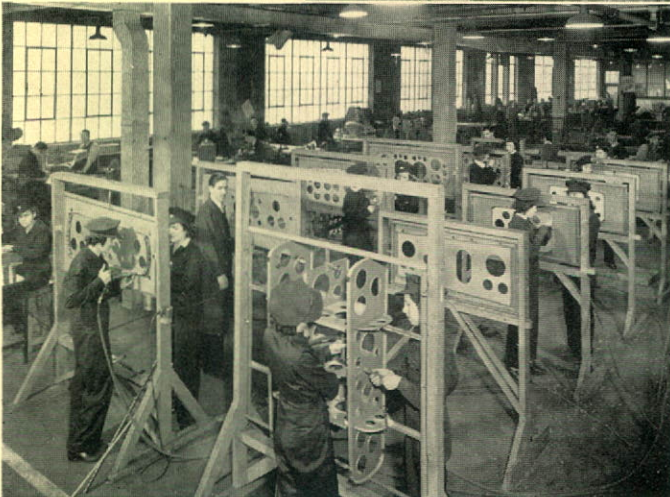
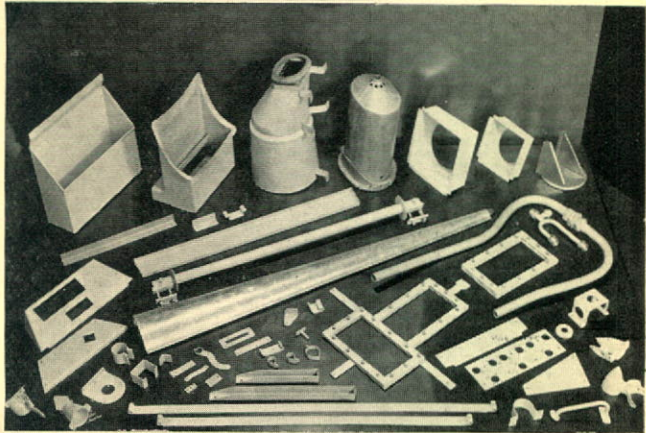


# Illustrating Your Company's War Activities



Aircraft  
Fuel Tank  
Assembly

"Bits and Pieces"  
for  
Aircraft



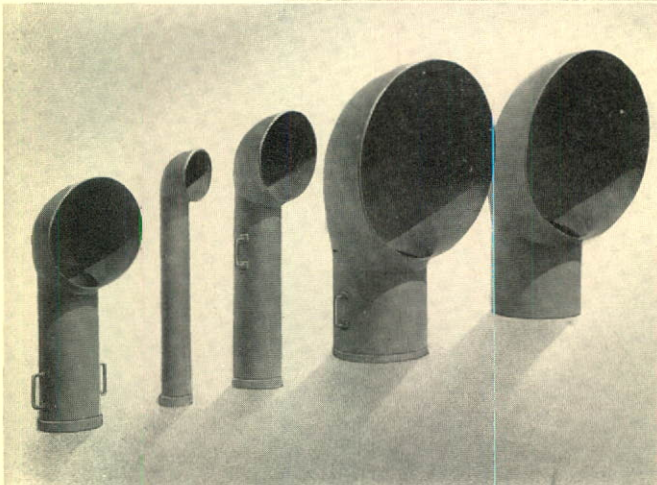
Section of a Plant  
Devoted to  
Aircraft Work

# Illustrating Your Company's War Activities



Trainload of  
Gun Tractor Bodies  
Leaving to be Mounted

Army Water Tanks on  
General Motors Chassis  
Awaiting Delivery



Ship's Cowls



