

International Metal Industries  
Limited

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ANNUAL REPORT

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*Year Ended December 31st*  
**1935**









# International Metal Industries Limited

## Annual Report

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*Including*

REPORT OF DIRECTORS TO THE SHAREHOLDERS  
CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE  
CONSOLIDATED STATEMENT OF SURPLUS ACCOUNT  
and  
CONSOLIDATED BALANCE SHEET

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YEAR ENDED  
DECEMBER 31ST, 1935

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*Executive Offices*  
101 HANSON STREET, TORONTO

## TO THE SHAREHOLDERS:

The Annual Report of the Company, approved by the Auditors, is submitted herewith:

The results for the year show a net operating loss, before provision for depreciation, Income Tax, etc., of \$294,280.15. To the above amount have been added charges aggregating \$410,088.66, as detailed on the attached Income and Expenditure Account, and from the total has been deducted \$97,838.22, representing income from investments and profit from sale of securities.

The net result of the foregoing was a loss for the year of \$606,530.59, which, when transferred to surplus account, created a deficit of \$216,803.15, as shown on the Balance Sheet. This loss reflects chiefly the operations of the Conshohocken, Penna., plant.

A number of factors contributed to the large loss at the Conshohocken plant. While there was a substantial increase over the preceding year in the volume of business transacted, yet competitive conditions necessitated sharp reductions in selling prices. On one of our major lines, prices declined twenty-five percent. On another line representing one of the largest unit outputs of the plant, selling prices became below our costs of production. In addition, engineering costs were incurred in the completion of the development of our new gasoline computing pump.

The acuteness of the situation at the Conshohocken plant was not evidenced until July, at which time a firm of industrial engineers was immediately engaged to study operations within the plant with a view to reducing manufacturing costs.

The outcome of the engineers' preliminary report was constructional additions to our main building and realignment of physical equipment. Later reports showed the necessity of material changes in our personnel which were effected.

The effect of such reorganization has been extremely beneficial. Costs have been reduced and unprofitable lines have been discontinued. At the end of the year reorganization was still in progress and the cost of alterations and engineers' expenses were set aside as a deferred charge against future operations. While favorable results, in comparison with those of a year ago, have been obtained month by month throughout this present year, yet the major benefits will not accrue until the month of May.

The operations of your Company during the current year continue to be somewhat affected by a competitive price situation in one of the major lines, and the operations in Canada may be further affected by future reductions in selling prices necessitated by the recent tariff revisions. Yet, on the other hand, there have been increases in the selling prices of other of our products in the United States, and there are indications of a betterment in the price structure of the major line referred to above. Also, there is evidence of a substantially increased demand for all of your Company's products.

In spite of the losses sustained, your Company has maintained an excellent liquid position, with net current assets of approximately \$3,500,000.00, and cash on hand of some \$739,000.00 and marketable securities of \$637,000.00 against bank borrowings of \$500,000.00 in the United States.

The various items on the Balance Sheet and the operations of the Company will be dealt with in further detail at the Annual Meeting.

By order of the Board,

A. L. ELLSWORTH,  
*President.*

Toronto, April 14th, 1936.



# International Metal Industries Limited

(Incorporated under the Dominion Companies Act)

AND ITS SUBSIDIARIES

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## CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDED DECEMBER 31st, 1935

Net Operating Loss before provision for Depreciation and Income Taxes, etc., as set out below.....	\$294,280.15
Provision for Depreciation.....	\$101,467.24
Provision for Income Taxes.....	24,345.12
Remuneration of Executive Officers, including managers of plants and branches.....	79,043.36
Legal and Patent Attorney's Fees.....	25,232.94
Provision for Contingencies.....	180,000.00
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	410,088.66
	<hr/>
	\$704,368.81
Income from Investments.....	\$ 32,966.52
Profit on sale of securities less adjustment of Reserve.....	64,871.70
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	97,838.22
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Loss for the year transferred to Consolidated Surplus Account	<u>\$606,530.59</u>

*Note:* No Directors' fees have been paid.

## CONSOLIDATED SURPLUS ACCOUNT FOR YEAR ENDED DECEMBER 31st, 1935

Balance January 1st, 1935.....	\$389,727.44
Less: Net Loss for year.....	606,530.59
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Deficit December 31st, 1935.....	<u>\$216,803.15</u>

# INTERNATIONAL METAL INDUSTRIES LIMITED

(Incorporated under the laws of the Province of Ontario)

AND ITS SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

### ASSETS

Cash on hand and in banks.....	\$	739,233.14
Marketable Securities at market value and accrued interest.....		637,642.09
Bills and Accounts Receivable (less Reserve).....		944,433.55
Inventories as determined and certified by the management and valued at the lower of cost or market value.....		2,151,907.67
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		\$4,473,216.45
Other Assets (less Reserves).....	\$	31,032.06
Mortgage Receivable.....		31,000.00
Advances and Prepaid Expenses.....		30,120.28
Cost of special plant alterations and engineers' expenses deferred.....		135,396.84
		<hr/>
		227,549.18
Land, Buildings, Plant and Equipment written down to less than cost at 1st January, 1933, with subsequent additions at cost.....	\$	1,839,093.77
Less: Reserves for Depreciation.....		273,195.93
		<hr/>
		1,565,897.84
Patents, Rights and Licenses.....		1.00

\$6,266,664.47

### AUDITORS' REPORT TO SHAREHOLDERS

We have examined the above Consolidated Balance Sheet as at December 31st, 1935, in which Assets and Liabilities of Subsidiaries in the United States are included at par of exchange. Subject thereto we report that in our opinion it is drawn up so as to exhibit a true and correct view of the state of the affairs of International Metal Industries Limited and its Subsidiaries as at December 31st, 1935, according to the best of our information, the explanations given us and as shown by the books of the Companies. We have received all the information and explanations we have required.

CLARKSON, GORDON, DILWORTH & NASH,

Chartered Accountants.

Toronto, April 8th, 1936.

# L INDUSTRIES LIMITED

(Dominion Companies Act)

SUBSIDIARIES

STATEMENT, DECEMBER 31ST, 1935

## LIABILITIES

Bank Loan (Secured).....	\$ 500,000.00	
Accounts Payable and Accrued Charges.....	443,036.80	
Reserve for Income and Other Taxes.....	30,894.82	
	<hr/>	\$ 973,931.62
Reserve for Contingencies.....		180,000.00
Outstanding Debentures of a Subsidiary.....		94,000.00

## CAPITAL:

### Authorized:

- 32,611 Shares 6% Cumulative Convertible Preference (Par Value \$100—Redeemable at \$105 and accrued interest on 60 days' notice)
- 14,950 Shares 6% Cumulative Convertible Preference Series "A" (Par Value \$100—Redeemable at \$105 and accrued interest on 60 days' notice)
- Common Class "A"
- 300,000 Shares (No Par Value)
- Common Class "B"
- 50,000 Shares (No Par Value)

### Issued (less 2,355 Preference Shares redeemed and cancelled):

30,821 Shares 6% Cumulative Convertible Redeemable Preference.....	\$3,082,100.00
14,385 Shares 6% Cumulative Convertible Redeemable Preference—Series "A".....	1,438,500.00
188,312 Shares Common Class "A" } .....	714,936.00
50,000 Shares Common Class "B" }	
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	\$5,235,536.00

Dividends are in arrears on the Preference and Preference Series "A" Shares to the extent of 21¾%.

Deficit.....	216,803.15	
	<hr/>	5,018,732.85

### Contingent Liability:

Instalment Notes discounted \$79,355.17		<hr/>
		\$6,266,664.47

Approved on behalf of the Board.

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.



# SUBSIDIARY MANUFACTURING

*Canada*

## Hostess Corporation Limited

TORONTO      MONTREAL      WINNIPEG      CALGARY      VANCOUVER

HOSTESS ELECTRIC REFRIGERATORS  
VACU-DRAFT COAL HEATING EQUIPMENT

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## Fess Oil Burners of Canada Limited

TORONTO      MONTREAL      WINNIPEG      VANCOUVER

FESS DOMESTIC OIL BURNERS AND  
COMMERCIAL OIL HEATING EQUIPMENT

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## Service Station Equipment Co. Limited

TORONTO      MONTREAL      WINNIPEG      CALGARY      VANCOUVER

A COMPLETE LINE OF OIL TRADE EQUIPMENT

Including

AIR COMPRESSORS, OIL AND GREASE EQUIPMENT,  
COMPUTING, METER AND CLEAR VISION  
GASOLINE PUMPS, TIREFLATORS, Etc.

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## Canadian John Wood Manufacturing Co. Limited

TORONTO      MONTREAL      WINNIPEG      CALGARY      VANCOUVER

A WIDE RANGE OF SHEET METAL PRODUCTS

Including

RANGE BOILERS, PNEUMATIC AND FUEL OIL TANKS,  
UNDERGROUND STORAGE TANKS, BARRELS,  
MILK AND ICE CREAM CANS, DRUMS, Etc.



# AND SALES COMPANIES

*Canada (Cont'd.)*

## Canadian John Wood (Vancouver) Limited

VANCOUVER, B.C.

RANGE BOILERS, DRUMS, TANKS, Etc.

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*United States*

## John Wood Manufacturing Company Inc.

CONSHOHOCKEN, PA.

CHICAGO, ILL.

RICHMOND HILL, N.Y.

GAS AND ELECTRIC HOT WATER HEATERS, RANGE  
BOILERS, COAL STOKERS, PNEUMATIC AND FUEL  
OIL TANKS, UNDERGROUND STORAGE  
TANKS, DRUMS, Etc.

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## Service Station Equipment Co. (Delaware)

CONSHOHOCKEN, PA.

A COMPLETE LINE OF OIL TRADE EQUIPMENT

Including

LUBRICATING AND GREASE EQUIPMENT, TIREFLATORS,  
COMPUTING AND METER GASOLINE PUMPS,  
AIR COMPRESSORS, Etc.

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## Superior Metal Products Company

ST. PAUL, MINN.

MILK AND ICE CREAM CANS  
AND OTHER DAIRY PRODUCTS

## *Board of Directors*

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A. L. ELLSWORTH	-	-	-	-	Toronto, Ont.
H. R. TUDHOPE	-	-	-	-	Toronto, Ont.
H. W. KNIGHT	-	-	-	-	Toronto, Ont.
VICTOR MAUCK	-	-	-	-	Conshohocken, Pa.
W. E. MAUN	-	-	-	-	Conshohocken, Pa.

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## *Officers*

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### *President*

A. L. ELLSWORTH, Toronto, Ont.

### *Vice-President*

VICTOR MAUCK, Conshohocken, Pa.

### *General Manager*

W. E. MAUN, Conshohocken, Pa.

### *Secretary*

J. B. BALMER, Toronto, Ont.

### *Comptroller*

H. J. WESLEY, C.A., Conshohocken, Pa.

### *Transfer Agent and Registrar*

CHARTERED TRUST & EXECUTOR COMPANY

Toronto, Ont.







