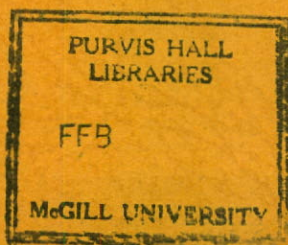


**International Metal Industries
Limited**

ANNUAL REPORT

Year Ended December 31st

1937



International Metal Industries Limited

Annual Report

Including

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



YEAR ENDED
DECEMBER 31ST, 1937



Executive Offices
101 HANSON STREET, TORONTO

TO THE SHAREHOLDERS:

The Directors present herewith the consolidated statements of income and expenditure and surplus of the Company and its subsidiaries for the year ended 31st December, 1937, together with the consolidated balance sheet and the auditors' report thereon, all of which are drawn up in the form required by the Dominion Companies Act.

After providing for depreciation and all other charges, including Income Taxes aggregating \$306,471.12, the operations for the year show a profit of \$605,464.22 as compared with a profit of \$351,365.06 for the previous year.

In view of the considerably improved showing, your Directors felt justified in resuming, on November 1st, 1937, the regular quarterly dividend on the Company's Preference Shares at the rate of 6% per annum, but subsequently decided to defer any further consideration of plans for disposition of arrears of Preference dividends until such time as the general business situation becomes more clearly defined.

After transferring the profit for the year and deducting the Preference dividends paid and declared, the Consolidated Surplus amounts to \$604,408.13 as compared with a surplus of \$134,561.91 at the beginning of the year.

As indicated in interim reports to shareholders, the volume of business transacted during 1937 was considerably in excess of the previous year, although the operations during the latter part of the year were sharply affected by the recession in general business in the United States and to a lesser extent in Canada on certain lines.

During the year net working capital was increased from \$3,827,235.76 to \$4,102,502.15, represented by current assets of \$4,936,690.28 less current liabilities of \$834,188.13.

The various items on the balance sheet and the operations of the Company will be dealt with in further detail at the annual meeting to be held April 28th, 1938.

By Order of the Board,

W. E. MAUN,
Vice-President and General Manager.

Toronto, April 12th, 1938.

International Metal Industries Limited

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDED 31ST DECEMBER, 1937

Net Operating Profit before provision for Depreciation and Income Taxes, etc., as set out below.....	\$1,252,615.97	
Provision for Depreciation.....	\$125,732.23	
Provision for Income Taxes.....	306,471.12	
Remuneration of Executive Officers.....	71,699.60	
Legal and Patent Attorneys' Fees.....	48,056.16	
Provision for Contingencies.....	100,000.00	
		<u>651,959.11</u>
		\$ 600,656.86
Income from Investments.....	\$ 3,720.60	
Profit on sale of securities less adjustment of reserve.....	1,086.76	
		<u>4,807.36</u>
Profit for the year transferred to Consolidated Surplus Account.....	\$ 605,464.22	

Note: No Directors' fees have been paid.

CONSOLIDATED SURPLUS ACCOUNT FOR YEAR ENDED 31ST DECEMBER, 1937

Surplus 1st January, 1937.....	\$134,561.91	
Net Profit for year.....	605,464.22	
		<u>\$740,026.13</u>
Less Dividends on 30,821 Preference Shares and 14,385 Class "A" Preference Shares—		
\$1.50 per Share paid November, 1937.....	\$67,809	
\$1.50 per Share payable 1st February, 1938..	67,809	
		<u>135,618.00</u>
Surplus, 31st December, 1937.....	\$604,408.13	

INTERNATIONAL METAL INDUSTRIES LIMITED

(Incorporated under the laws of the Province of Ontario)

AND ITS

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT:

Cash on hand and in banks.....	\$ 840,203.92
Marketable securities at market value.....	90,163.88
Bills and accounts receivable less reserve.....	1,050,755.44
Inventories as determined and certified by the management and valued at the lower of cost or market value.....	2,955,567.04
	<u>\$4,936,690.28</u>

DEFERRED CHARGES AND OTHER ASSETS:

Other Assets less Reserves.....	\$ 35,407.70
Mortgage Receivable.....	24,500.00
Advances and Prepaid Expenses.....	71,664.45
Cost of special plant alterations and engineers' expenses deferred.....	59,072.75
	<u>190,644.90</u>

FIXED:

Land, Buildings, Plant and Equipment written down to less than cost at 1st January, 1933, with subsequent additions at cost.....	\$2,090,573.72
Less: Reserves for Depreciation.....	479,777.64
	<u>1,610,796.08</u>
PATENTS, RIGHTS AND LICENSES.....	1.00

\$6,738,132.26

AUDITORS' REPORT TO SHAREHOLDERS

We have examined the above consolidated balance sheet as at 31st December, 1937, 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 31st December, 1937, 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.

Toronto, Canada, 31st March, 1938.

CLARKSON, GORDON, DILWORTH & NASH,
Chartered Accountants.

L INDUSTRIES LIMITED

(Dominion Companies Act)

SUBSIDIARIES

SHEET, 31ST DECEMBER, 1937

LIABILITIES

CURRENT:

Accounts Payable and Accrued Charges.....	\$ 351,378.21	
Reserve for Contingencies.....	100,000.00	
Reserve for Income and Other Taxes.....	315,000.92	
Dividend on Preference Shares payable 1st February, 1938.....	67,809.00	
	<u> </u>	\$ 834,188.13

OUTSTANDING DEBENTURES OF A SUBSIDIARY—

(Payable \$16,000 annually).....		64,000.00
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CAPITAL:

Authorized:

32,611 Shares 6% Cumulative Convertible
Preference (Par Value \$100—Redeem-
able 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" }
50,000 Shares Common Class "B" } 714,936.00

\$5,235,536.00

A dividend on Preference and Preference Series
"A" Shares payable 1st February 1938 has
been provided for as shown above. Arrears of
dividends on these Shares amount to 32¼%.

EARNED SURPLUS..... 604,408.13

5,839,944.13

CONTINGENT LIABILITY:

Instalment notes discounted \$144,318.19. \$6,738,132.26

Approved on behalf of the Board.

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.

SUBSIDIARY MANUFACTURING

Operating in Canada

Hostess Corporation Limited

TORONTO MONTREAL MONCTON WINNIPEG
 CALGARY VANCOUVER
HOSTESS ELECTRIC REFRIGERATORS

Fess Oil Burners of Canada Limited

TORONTO MONTREAL WINNIPEG VANCOUVER
FESS DOMESTIC OIL BURNERS AND
COMMERCIAL OIL HEATING EQUIPMENT

Service Station Equipment Co. Limited

TORONTO MONTREAL MONCTON 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.

Canadian John Wood Manufacturing Co. Limited

TORONTO MONTREAL MONCTON 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.

Canadian John Wood (Vancouver) Limited

VANCOUVER, B.C.
RANGE BOILERS, DRUMS, TANKS, Etc.

AND SALES COMPANIES

Operating in the United States

John Wood Manufacturing Company Inc.

CONSHOHOCKEN, PA. CHICAGO, ILL. RICHMOND HILL, N.Y.
MUSKEGON, MICH.

Divisional Offices Located in Principal American Cities

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

Service Station Equipment Co. (Delaware)

CONSHOHOCKEN, PA. MUSKEGON, MICH.

Divisional Offices Located in Principal American Cities

A COMPLETE LINE OF OIL TRADE EQUIPMENT

Including

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

Superior Metal Products Company

ST. PAUL, MINN.

MILK AND ICE CREAM CANS
AND OTHER DAIRY METALWARE AND SPECIALTIES

Super Stoker Inc.

CONSHOHOCKEN, PA.

AUTOMATIC COAL STOKERS
AND COAL BURNING EQUIPMENT

Board of Directors

A. L. ELLSWORTH	-	-	-	-	-	Toronto, Ont.
H. R. TUDHOPE	-	-	-	-	-	Toronto, Ont.
H. W. KNIGHT	-	-	-	-	-	Toronto, Ont.
W. E. MAUN	-	-	-	-	-	Conshohocken, Pa.
M. H. FELDMAN	-	-	-	-	-	Conshohocken, Pa.
J. B. BALMER	-	-	-	-	-	Toronto, Ont.

Officers

President

A. L. ELLSWORTH, Toronto, Ont.

Vice-President and General Manager

W. E. MAUN, Conshohocken, Pa.

Secretary, Treasurer and Comptroller

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

Assistant Secretary

T. H. GIBSON, C.A., Toronto, Ont.

Transfer Agent and Registrar

CHARTERED TRUST & EXECUTOR COMPANY
Toronto, Ont.

