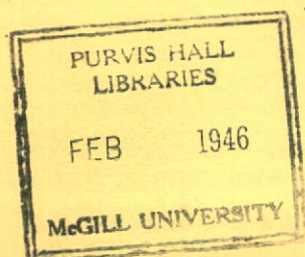


# International Metal Industries Limited

## ANNUAL REPORT

*Year Ended December 31st*

**1938**





# International Metal Industries Limited

## Annual Report

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*Including*

REPORT OF DIRECTORS TO THE SHAREHOLDERS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

CONSOLIDATED SURPLUS ACCOUNT

and

CONSOLIDATED BALANCE SHEET



YEAR ENDED

DECEMBER 31ST, 1938



*Head Office*

WOODSTOCK, ONTARIO

*Toronto Office*

101 HANSON STREET, TORONTO

TO THE SHAREHOLDERS:

The directors present herewith the consolidated statements of profit and loss and surplus of the company and its subsidiaries for the year ended 31st December, 1938, together with the consolidated balance sheet and the auditors' report thereon.

After providing for depreciation and all other charges including income taxes, the net profit for the year amounted to \$487,692.87 as compared with a profit of \$605,464.22 for the previous year.

The operations during the year continued to be affected by the recession in general business which resulted in a substantial reduction in the volume of business transacted, particularly in the United States.

In view of the lower volume of business your directors feel the profits reported should be regarded as satisfactory. In addition to continuing the regular quarterly dividend on the preference shares at the rate of 6% per annum, the directors felt justified at their December meeting in declaring a dividend of \$4.25 per share on account of the preference dividend arrears, which special dividend was paid along with the regular quarterly dividend on 1st February, 1939.

After transferring the profit for the year and deducting dividends paid and declared, the consolidated surplus amounted to \$628,739.50 as compared with a surplus of \$604,408.13 at the beginning of the year.

During the year net working capital was increased from \$4,102,502.15 to \$4,184,774.63 represented by current assets of \$5,635,588.63 less current liabilities of \$1,450,814.00.

In conclusion, may I express my appreciation of the loyal support and co-operation of the officers and members of the organization to whose efforts the foregoing results are due.

By Order of the Board,

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

Toronto, April 12th, 1939.



# International Metal Industries Limited

AND ITS SUBSIDIARIES

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1938

Net operating profit before provision for depreciation, income taxes, etc., as set out below .....	\$ 762,204.55
<i>Deduct:</i>	
Provision for depreciation .....	\$137,252.83
Remuneration of executive officers .....	75,766.61
Legal and patent attorneys fees .....	22,857.34
	<u>235,876.78</u>
	\$ 526,327.77
<i>Add:</i> Income from investments .....	8,176.26
	<u>534,504.03</u>
Net profit before taxes on income .....	\$ 534,504.03
Provision for taxes on income .....	46,811.16
	<u>Profit transferred to consolidated surplus account .....</u>
	<u>\$ 487,692.87</u>

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

## CONSOLIDATED SURPLUS ACCOUNT

Balance 1st January, 1938.....	\$604,408.13
Add net profit for year .....	487,692.87
	<u>\$1,092,101.00</u>
Deduct dividends on 30,821 preference shares and 14,385 series "A" preference shares:	
Four quarterly dividends of \$1.50 per share (one of which is not payable until 1st February, 1939).....	\$271,236.00
\$4.25 per share declared on arrears payable 1st February, 1939.....	192,125.50
	<u>463,361.50</u>
Balance 31st December, 1938.....	<u>\$628,739.50</u>

# INTERNATIONAL METAL

(Incorporated under the

AND ITS S

CONSOLIDATED BALANCE

## ASSETS

### CURRENT:

Cash on hand and in banks.....	\$2,150,556.28	
Marketable securities (approximate market value \$97,000.00).....	82,076.36	
Notes and accounts receivable less reserve.....	1,205,505.48	
Inventories as determined and certified by the management and valued at the lower of cost or market value.....	2,197,450.51	
		<u>\$5,635,588.63</u>

### DEFERRED CHARGES AND OTHER ASSETS:

Mortgages receivable.....	\$ 23,000.00	
Travelling advances and prepaid expenses....	94,977.37	
Other assets less reserves.....	11,554.50	
		<u>129,531.87</u>

### FIXED:

Land, buildings, plant and equipment written down to less than cost at 1st January, 1933, with subsequent additions at cost.....	\$2,187,832.11	
Less: Reserves for depreciation.....	605,864.11	
		<u>1,581,968.00</u>
PATENTS, RIGHTS AND LICENSES.....		1.00

\$7,347,089.50

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above consolidated balance sheet as at 31st December, 1938, 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, 1938, 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, Canada, 31st March, 1939.

# L INDUSTRIES LIMITED

(Dominion Companies Act)

SUBSIDIARIES

STATEMENT, 31ST DECEMBER, 1938

## LIABILITIES

### CURRENT:

Bank loan .....	\$ 500,000.00
Accounts payable and accrued charges.....	486,037.75
Reserve for taxes.....	204,841.75
Dividend on preference shares payable 1st February, 1939 (Regular quarterly dividend of 1½% plus ¼% on account of arrears.)	259,934.50
	<hr/>
	\$1,450,814.00

### OUTSTANDING DEBENTURES OF A SUBSIDIARY—

(Payable \$16,000 annually).....	32,000.00
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### 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" }  
50,000 shares common class "B" } 714,936.00

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\$5,235,536.00

After payment on 1st February, 1939, of 4¼% on account of arrears on preference and series "A" preference shares as provided above, the arrears of dividends on these shares will amount to 28%.

EARNED SURPLUS.....	628,739.50	
	<hr/>	5,864,275.50

### CONTINGENT LIABILITY:

Customers' paper discounted \$241,900.52.	<hr/>	\$7,347,089.50
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Approved on behalf of the Board.

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.



# SUBSIDIARY MANUFACTURING

*Operating in Canada*

## **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.

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## **Canadian John Wood (Vancouver) Limited**

VANCOUVER, B.C.

RANGE BOILERS, DRUMS, TANKS, Etc.

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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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## **Hostess Corporation Limited**

TORONTO      MONTREAL      MONCTON      WINNIPEG  
CALGARY      VANCOUVER

HOSTESS ELECTRIC REFRIGERATORS

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## **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.



## AND SALES COMPANIES

*Operating in the United States*

### **Service Station Equipment Co. (Delaware)**

PHILADELPHIA, 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.

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### **Superior Metal Products Company**

ST. PAUL, MINN.

MILK AND ICE CREAM CANS  
AND OTHER DAIRY METALWARE AND SPECIALTIES

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### **John Wood Manufacturing Company Inc.**

PHILADELPHIA, PA.      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.

## *Board of Directors*

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

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## *Officers*

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### *President*

A. L. ELLSWORTH, Toronto, Ont.

### *Vice-President and General Manager*

W. E. MAUN, Philadelphia, Pa.

### *Secretary, Treasurer and Comptroller*

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

### *Assistant Secretary*

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

### *Transfer Agent and Registrar*

CHARTERED TRUST & EXECUTOR COMPANY  
Toronto, Ont.



