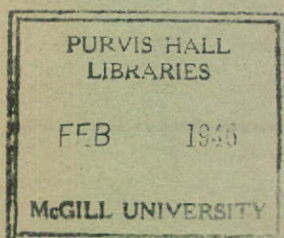


International Metal Industries Limited

ANNUAL REPORT

Year Ended December 31st

1939



International Metal Industries Limited

Annual Report

Including

REPORT OF DIRECTORS TO THE SHAREHOLDERS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

CONSOLIDATED SURPLUS ACCOUNT

and

CONSOLIDATED BALANCE SHEET



YEAR ENDED

DECEMBER 31ST, 1939



Head Office

WOODSTOCK, ONTARIO

Toronto Office

101 HANSON STREET

TO THE SHAREHOLDERS:

The Directors present herewith the Consolidated Statement of Profit and Loss and Surplus of the Company and its Subsidiaries for the year ended 31st December, 1939, together with the Consolidated Balance Sheet and the Auditors' report thereon.

After providing for depreciation and all other charges, including Income Taxes of \$329,000.00, the net profits for the year amounted to \$765,489.55, as compared with \$487,692.87 for the previous year.

Earnings for the year under review were equal to \$16.93 per share on the 45,206 Preference Shares outstanding, and, after providing for the regular preference dividend of \$6.00 per share, there remained \$494,253.55 applicable to the 188,312 Class "A" Common Shares outstanding, or the equivalent of \$2.62 per share.

Profits for the year 1939 exceeded those of any previous year since 1930, and were accounted for by increased operating efficiency, the elimination of unprofitable lines, and a quickening of business over the last half of the year.

Dividends on the Preference Shares and the Preference Shares Series "A", at the rate of 6% per annum, were maintained throughout the year, and just recently an amount of \$6.00 per share was declared payable May 1st on account of the Preference dividend arrears. Payment of such amount will reduce Preference dividend arrears to \$22.00 per share, as compared with \$32.25 per share December 31st, 1938.

It will be noted that the Consolidated Surplus at the end of 1939 amounted to \$1,190,802.05, as compared with \$628,739.50 at the close of 1938.

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 26th, 1940.

The Directors and Officers of the Company desire to express their appreciation of the loyal support and co-operation of the members of the organization, to whose efforts the results for the year are due.

A. L. ELLSWORTH,
President.

Toronto, April 10th, 1940.

International Metal Industries Limited

AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1939

Net operating profit before provision for depreciation,
income taxes, etc., as set out below.....\$1,357,749.88

Deduct:

Provision for depreciation..... \$151,073.78
Remuneration of executive officers..... 90,499.60
Legal and patent attorneys' fees..... 28,537.75

270,111.13

\$1,087,638.75

Add: Income from investments..... 6,850.80

Net profit before taxes on income.....\$1,094,489.55

Provision for taxes on income..... 329,000.00

Profit transferred to consolidated surplus
account.....\$ 765,489.55

Note: No directors' fees have been paid.

CONSOLIDATED SURPLUS ACCOUNT

Balance 1st January, 1939.....\$ 628,739.50

Add net profit for year..... 765,489.55

\$1,394,229.05

Deduct dividends:

One quarterly dividend of \$1.50 per share and \$4.25 on
arrears paid 1st February, 1939, were provided for in
the statement of 31st December, 1938.

Three other quarterly dividends of \$1.50 each were
also declared and paid amounting to..... 203,427.00

Balance 31st December, 1939.....\$1,190,802.05

INTERNATIONAL METAL INDUSTRIES LIMITED

(Incorporated under the laws of the Province of Ontario)

AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT:

Cash on hand and in banks.....	\$1,745,668.76
Call loan.....	25,000.00
Marketable securities (approximate market value \$54,000).....	34,076.36
Notes and accounts receivable less reserve.....	1,544,136.92
Deposits on tenders.....	22,803.00
Inventories as determined and certified by the management and valued at the lower of cost or market value.....	2,307,249.44

\$5,678,934.48

DEFERRED CHARGES AND OTHER ASSETS:

Mortgages receivable.....	\$ 20,000.00
Travelling advances and prepaid expenses....	97,893.09
Other assets less reserves.....	11,340.21

129,233.30

FIXED:

Land, buildings, plant and equipment written down to less than cost at 1st January, 1933, with subsequent additions at cost.....	\$2,340,667.37
Less: Reserves for depreciation.....	736,689.99

1,603,977.38

PATENTS, RIGHTS AND LICENSES.....	1.00
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\$7,412,146.16

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above consolidated balance sheet as at 31st December, 1939, in which assets and liabilities 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, 1939, 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, 19th February, 1940.

L INDUSTRIES LIMITED

(Dominion Companies Act)

SUBSIDIARIES

STATEMENT, 31ST DECEMBER, 1939

LIABILITIES

CURRENT:

Accounts payable and accrued charges.....	\$ 524,567.74
Reserve for taxes.....	445,240.37
	<u>\$ 969,808.11</u>

OUTSTANDING DEBENTURES OF A SUBSIDIARY—

(Payable 1st January, 1941).....	16,000.00
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CAPITAL:

30,821 shares 6% cumulative convertible preference, authorized and issued.....\$3,082,100.00
(Par value \$100—redeemable at \$105 and accrued interest on 60 days' notice.)

14,385 shares 6% cumulative convertible preference series "A", authorized and issued..... 1,438,500.00
(Par value \$100—redeemable at \$105 and accrued interest on 60 days' notice.)

Common class "A"—300,000 shares (no par value) authorized, whereof issued 188,312 shares.....	} 714,936.00
Common class "B"—50,000 shares (no par value) authorized, and issued.....	

\$5,235,536.00

The arrears of dividends on the preference and series "A" preference shares amount to 28%.

EARNED SURPLUS.....	1,190,802.05	<u>6,426,338.05</u>
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CONTINGENT LIABILITY:

Customers' paper discounted \$162,475.91.

\$7,412,146.16

Approved on behalf of the Board.

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.

SUBSIDIARY MANUFACTURING

Operating in Canada

Canadian John Wood Manufacturing Company 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.

Fess Oil Burners of Canada Limited

TORONTO MONTREAL WINNIPEG VANCOUVER

FESS DOMESTIC OIL BURNERS AND
COMMERCIAL OIL HEATING EQUIPMENT

Service Station Equipment Company 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 Company

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.

Superior Metal Products Company

ST. PAUL, MINN.

MILK AND ICE CREAM CANS
AND OTHER DAIRY METALWARE AND SPECIALTIES

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

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.

Officers

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.

