

International Metal Industries  
Limited

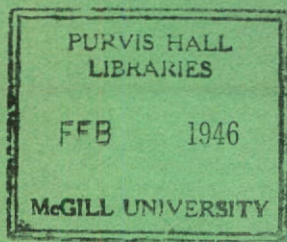
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ANNUAL REPORT

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*Year Ended December 31st*

**1940**







# 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, 1940



*Head Office*

WOODSTOCK, ONTARIO

*Toronto Office*

101 HANSON STREET

## 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, 1940, together with the Consolidated Balance Sheet and the Auditors' Report thereon.

After providing for depreciation and all other charges, including income and excess profits taxes of \$575,000, and after taking credit for an amount of \$100,000 representing unused portion of previous years tax reserve the balance transferred to surplus aggregated \$878,000 as compared with \$765,000 for the previous year and \$487,000 in 1938.

This represented \$19.43 per share on the 45,205 preference shares outstanding and after providing for the regular preference dividend of \$6 per share but before making any allowance for preference dividend arrears the balance of \$607,000 if applied to the 188,312 Class "A" Common Shares outstanding amounts to \$3.22 per Class "A" Common Share.

Profits exceeded those of any previous year since 1930 and were accounted for by a substantial increase in the volume of business transacted both in Canada and the United States which enabled the Canadian Subsidiary Companies to produce greater earnings, and the American Companies to show slightly improved results in spite of an adverse competitive price situation which prevailed throughout the year in connection with many of our product lines.

Your plants on both sides of the border have been occupied with a substantial amount of war or defense contracts and this portion of our aggregate production is expected to increase considerably.

Dividends on preference shares at the rate of \$6 per annum were maintained throughout the year and payments totalling \$12 per share were made on account of preference dividend arrears. In addition to this an amount of \$3 per share on account of arrears was recently declared payable May 1st which will reduce these arrears to \$13 per share as compared with \$28 per share at the end of 1939.

Notwithstanding the payment during 1940 of \$542,460 on account of preference dividend arrears and expenditures of some \$240,000 on plant and equipment, the working capital position continues to be strong, amounting to some \$4,590,000 at the end of the year.

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 22, 1941.

In conclusion, the Directors express their appreciation of the loyal support and co-operation of the officers and employees 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, 7th April, 1941.



# International Metal Industries Limited

AND ITS SUBSIDIARIES

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1940

Net operating profit before provision for depreciation,  
income and excess profits taxes, etc., as set out below.....\$1,614,667.34

*Deduct:*

Provision for depreciation.....	\$190,308.64	
Remuneration of executive officers.....	93,500.00	
Legal and patent attorneys' fees.....	38,931.54	
		<u>322,740.18</u>
		\$1,291,927.16

<i>Add:</i> Exchange premium on dividends re- ceived in U.S. funds from a subsidiary company.....	\$ 57,000.00	
Income from investments.....	4,400.36	
		<u>61,400.36</u>

Net profit before income and excess profits taxes.....	\$1,353,327.52	
Provision for income and excess profits taxes....	\$575,000.00	
Less reserve provided in previous years not now required .....	100,000.00	
		<u>475,000.00</u>

Balance transferred to consolidated surplus account.....	\$ 878,327.52	
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*Note:* No directors' fees have been paid.

## CONSOLIDATED EARNED SURPLUS ACCOUNT

Balance 1st January, 1940.....	\$1,190,802.05	
Add net profit for year.....	878,327.52	
		<u>\$2,069,129.57</u>

*Deduct dividends on preference and preference series  
"A" shares:*

Four quarterly dividends of \$1.50 each per share and \$12.00 per share on account of arrears, declared and paid in 1940.....	\$813,690.00	
One quarterly dividend of \$1.50 per share declared 20th December, 1940, payable 1st February, 1941.....	67,807.50	
		<u>881,497.50</u>

Balance 31st December, 1940.....	\$1,187,632.07	
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# INTERNATIONAL META

(Incorporated under the

AND ITS S

## CONSOLIDATED BALANCE

### ASSETS

#### CURRENT:

Cash on hand and in banks.....	\$1,581,879.44
Marketable securities (approximate market value \$53,000).....	44,211.78
Customers' instalment notes less unearned interest (maturity date not exceeding three years).....	143,249.95
Notes and accounts receivable less reserve.....	1,675,737.97
Inventories as determined and certified by company officials and valued at the lower of average cost or market value.....	3,027,226.22

\$6,472,305.36

#### FIXED:

Land, buildings, plant and equipment written down to less than cost at 1st January, 1933, with subsequent additions at cost.....	\$2,588,108.68
Less: Reserves for depreciation.....	908,052.50
	<u>1,680,056.18</u>

#### DEFERRED CHARGES AND OTHER ASSETS:

Mortgages receivable.....	\$ 17,000.00
Travelling advances and prepaid expenses....	99,129.45
Other assets less reserves.....	35,850.54
	<u>151,979.99</u>
PATENTS, RIGHTS AND LICENSES.....	1.00

Approved on behalf of the Board.

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.

\$8,304,342.53

#### AUDITORS' REPORT TO

We have examined the above consolidated balance sheet as at 31st December, 1941. Subject thereto we report that, in our opinion, it is drawn up so as to exhibit a true and its subsidiaries as at 31st December, 1940, according to the best of our information received all the information and explanations we have required.

Toronto, Canada, 24th March, 1941.

# INTERNATIONAL METAL INDUSTRIES LIMITED

(Incorporated in the Dominion of Wales under the Companies Act)

MEMORANDUM OF ASSOCIATED COMPANIES

STATEMENT OF FINANCIAL POSITION, 31ST DECEMBER, 1940

## LIABILITIES

### CURRENT:

Bank loan.....	\$ 600,000.00
Accounts payable and accrued charges.....	687,164.83
Reserve for taxes.....	526,302.13
Dividend on preference and preference series "A" shares payable 1st February, 1941.....	67,807.50
	<hr/>
	\$1,881,274.46

### CAPITAL:

30,820 shares 6% cumulative convertible preference, authorized and issued.....\$3,082,000.00  
(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.....	

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\$5,235,436.00

The arrears of dividends on the preference and series "A" preference shares amount to 16%.

EARNED SURPLUS..... 1,187,632.07

### CONTINGENT LIABILITY:

Customers' paper discounted \$425,449.86.

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6,423,068.07

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\$8,304,342.53

## THE SHAREHOLDERS

in which assets and liabilities in the United States are included at par of exchange. and correct view of the state of the affairs of International Metal Industries Limited in, the explanations given us and as shown by the books of the companies. We have

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



## 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.

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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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### **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*

## **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.

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## **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.

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## **Superior Metal Products Company**

ST. PAUL, MINN.

MILK AND ICE CREAM CANS  
AND OTHER DAIRY METALWARE AND SPECIALTIES

## *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.





