

**International Metal Industries
Limited**

ANNUAL REPORT

Year Ended December 31st
1941

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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, 1941



Head Office

CHARLOTTETOWN, P.E.I.

Toronto Office

101 HANSON STREET

TO THE SHAREHOLDERS:

The Directors present herewith their Annual Report and accompanying financial statements for the year ending 31st December, 1941.

Sales during 1941 were at record levels and although costs were higher, selling prices were firm with the result that there was a substantial increase in earnings before depreciation and income and excess profits taxes. Depreciation has been provided for in the amount of \$318,000. as compared with \$190,000. in the previous year and includes provisions at accelerated rates on plant and equipment purchased for war contracts. The provision for income and excess profit taxes aggregates \$860,000. as compared with \$475,000. in 1940, leaving a net profit of \$881,000. as compared with \$878,000. in the previous year.

The regular dividends on preference shares at the rate of \$6.00 per annum were maintained throughout the year and, in addition, \$6.00 per share was paid on account of preference dividend arrears thereby reducing the arrears to \$10.00 per share. These dividend payments during the year totalled \$542,000. leaving a balance from the year's operations of \$339,000. which has been added to Surplus.

In both the United States and Canada the efforts of all plants are being directed increasingly to the manufacture of war products. This has necessitated substantial expenditures on plant and equipment, but notwithstanding this and the payment on account of preference dividend arrears, the working capital position has been well maintained.

The operations of the companies will be dealt with in further detail at the annual meeting to be held April 30, 1942.

The Directors express their appreciation of the loyal support and co-operation of the officers and employees of the organization.

By Order of the Board,

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

Toronto, April 15, 1942.

International Metal Industries Limited

AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1941

Net operating profit before provision for depreciation,
income and excess profits taxes, etc., as set out below.....\$2,140,760.20

Deduct:

| | | |
|---|--------------|-------------------|
| Provision for depreciation..... | \$318,834.24 | |
| Remuneration of executive officers..... | 103,781.25 | |
| Legal and patent attorneys' fees..... | 31,783.95 | |
| Directors' fees..... | 3,000.00 | |
| | | <u>457,399.44</u> |

\$1,683,360.76

Add: Exchange premium on U.S. funds re-
ceived from a subsidiary company..... \$ 54,000.00

| | | |
|------------------------------|----------|------------------|
| Income from investments..... | 4,247.86 | |
| | | <u>58,247.86</u> |

Net profit before income and excess profits taxes.....\$1,741,608.62

Provision for income and excess profits taxes..... 860,000.00

Net profit transferred to consolidated surplus account \$ 881,608.62

CONSOLIDATED EARNED SURPLUS ACCOUNT

Balance 1st January, 1941.....\$1,187,632.07

Add net profit for year..... 881,608.62

\$2,069,240.69

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

Three quarterly dividends of \$1.50 each per
share and \$6.00 per share on account of
arrears, declared and paid in 1941..... \$474,652.50

| | | |
|--|-----------|-------------------|
| One quarterly dividend of \$1.50 per share declared 29th December, 1941, payable 2nd February, 1942..... | 67,807.50 | |
| | | <u>542,460.00</u> |

Balance 31st December, 1941.....\$1,526,780.69

INTERNATIONAL META

(Incorporated under the

AND ITS S

CONSOLIDATED BALANCE

ASSETS

CURRENT:

| | |
|---|-----------------------|
| Cash on hand and in banks..... | \$1,792,273.14 |
| Marketable securities (approximate market value \$54,000)..... | 43,646.78 |
| Customers' instalment notes less unearned interest (maturity date not exceeding three years)..... | 206,909.17 |
| Notes and accounts receivable less reserve..... | 1,694,908.90 |
| Inventories as determined and certified by company officials and valued at the lower of average cost or market value..... | 3,593,853.81 |
| | <u>\$7,331,591.80</u> |

FIXED:

| | |
|--|---------------------|
| Land, buildings, plant and equipment written down to less than cost at 1st January, 1933, with subsequent additions at cost..... | \$3,164,032.04 |
| Less: Reserves for depreciation..... | 1,191,768.72 |
| | <u>1,972,263.32</u> |

DEFERRED CHARGES AND OTHER ASSETS:

| | |
|--|-------------------|
| Dies, tools and other expenditures on Government orders..... | \$ 137,876.11 |
| Insurance, travelling advances and other expenses..... | 90,431.60 |
| Other assets less reserves..... | 11,960.76 |
| | <u>240,268.47</u> |

| | |
|-----------------------------------|------|
| PATENTS, RIGHTS AND LICENSES..... | 1.00 |
|-----------------------------------|------|

Approved on behalf of the Board.

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.

\$9,544,124.59

AUDITORS' REPORT T

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 correct statement of the assets and liabilities of the company and its subsidiaries as at 31st December, 1941, according to the best of our information and belief, and that the information and explanations we have received all the information and explanations we have required.

Toronto, Canada, 8th April, 1942.

INTERNATIONAL METAL INDUSTRIES LIMITED

(Dominion Companies Act)

SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 1941

LIABILITIES

CURRENT:

| | |
|--|----------------|
| Bank loan..... | \$ 300,000.00 |
| Accounts payable and accrued charges..... | 1,198,499.09 |
| Reserve for taxes..... | 1,215,601.31 |
| Dividend on preference and preference series "A" shares payable 2nd February, 1942..... | 67,807.50 |
| | <hr/> |
| | \$2,781,907.90 |

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..... | |
| | <hr/> |
| | \$5,235,436.00 |

The arrears of dividends on the preference
and series "A" preference shares amount
to 10%.

| | |
|---------------------|--------------|
| EARNED SURPLUS..... | 1,526,780.69 |
| | <hr/> |
| | 6,762,216.69 |

CONTINGENT LIABILITY:

Customers' paper discounted \$291,576.47.

\$9,544,124.59

STATEMENT OF THE SHAREHOLDERS

1941, in which assets and liabilities in the United States are included at par of exchange value and correct view of the state of the affairs of International Metal Industries Limited is given, 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

Factories:

TORONTO WINNIPEG

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

Canadian John Wood Vancouver Limited

VANCOUVER

RANGE BOILERS, DRUMS, TANKS, Etc.

Service Station Equipment Company Limited

TORONTO

Factories:

TORONTO WINNIPEG VANCOUVER

A COMPLETE LINE OF OIL TRADE EQUIPMENT

Including

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

Fess Oil Burners of Canada Limited

TORONTO

Factories:

TORONTO WINNIPEG VANCOUVER

FESS DOMESTIC OIL BURNERS AND
COMMERCIAL OIL HEATING EQUIPMENT

AND SALES COMPANIES

Operating in the United States

John Wood Manufacturing Company Inc.

PHILADELPHIA, PA.

Factories:

CONSHOHOCKEN, PA.

CHICAGO, ILL.

MUSKEGON, MICH.

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

Service Station Equipment Company

PHILADELPHIA, PA.

Factories:

MUSKEGON, MICH.

CONSHOHOCKEN, PA.

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

PHILADELPHIA, PA.

Factory:

ST. PAUL, MINN.

MILK AND ICE CREAM CANS
AND OTHER METAL DAIRY WARE AND SPECIALTIES

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, Philadelphia, Pa.

Assistant Secretary

T. H. GIBSON, Toronto, Ont.

Transfer Agent and Registrar

CHARTERED TRUST & EXECUTOR COMPANY
Toronto, Ont.

