

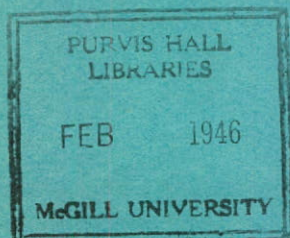
International Metal Industries,
Limited

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ANNUAL REPORT

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Year Ended 31st December
1942



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, 1942



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, 1942.

Notwithstanding conversion of a large portion of the company's manufacturing facilities, both in the United States and Canada, from peace to war products, the volume of business during 1942 was continued at record levels.

The profit for the year before income and excess profits taxes, but after providing for all charges including depreciation and a reserve of \$100,000 for contingencies, amounted to \$1,955,393.73 as compared with \$1,741,608.62 for the previous year. Provision for income and excess profits taxes, however, aggregated \$1,248,500 as compared with \$860,000 for 1941, leaving a net profit of \$706,893.73 as compared with \$881,608.62 for the previous year.

The regular dividends on preference shares at the rate of \$6 per annum were maintained throughout the year, and in addition \$5 per share was paid on account of the preference dividend arrears, thereby reducing these arrears to \$5 per share as of 31st December, 1942. These dividend payments during the year totalled \$429,447.50, leaving a balance from the year's operations of \$277,446.23, which has been added to surplus account.

The company's financial position has been strengthened during the year, current assets now being shown at \$7,934,854.98 and current liabilities at \$3,041,531.33, leaving working capital of \$4,893,323.65, an increase of \$343,000 during the year.

At a meeting of the Board of Directors held 8th April, 1943, there was declared for payment on 1st May next the regular quarterly preference dividend of \$1.50 per share, plus a preference dividend of \$5 per share being the remainder of the arrears of dividends on the preference stock.

The operations of the company will be dealt with in further detail at the annual meeting to be held 30th April, 1943.

The Directors express their appreciation of the loyal support and co-operation of the officers and employees of the organization, being not unmindful of the many difficulties occasioned by war regulations and restrictions and the expansion in war production.

By Order of the Board,

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

Toronto, 15th April, 1943.

International Metal Industries, Limited

AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1942

Operating profit before provision for depreciation, income and excess profits taxes, and other charges, as set out below \$2,572,082.96

Deduct:

Provision for depreciation.....	\$ 426,463.19	
Provision for contingencies.....	100,000.00	
Remuneration of executive officers.....	79,375.00	
Legal and patent attorneys' fees.....	39,160.42	
Directors' fees.....	3,000.00	647,998.61

\$1,924,084.35

<i>Add:</i> Exchange premium on U.S. funds received from a subsidiary company.....	\$ 26,500.00	
Income from investments.....	4,809.38	31,309.38

Profit before income and excess profits taxes.....\$1,955,393.73

Deduct:

Provision for income and excess profits taxes	\$1,343,700.00	
<i>Less:</i> Refundable portion thereof.....	95,200.00	1,248,500.00

Net profit transferred to consolidated surplus account.....\$ 706,893.73

CONSOLIDATED EARNED SURPLUS ACCOUNT

Balance 1st January, 1942.....\$1,526,780.69

Add net profit transferred from profit and loss account.. 706,893.73

\$2,233,674.42

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

Three quarterly dividends of \$1.50 each per share and \$5 per share on account of arrears declared and paid in 1942 (one dividend of \$1.50 per share paid 2nd February, 1942, was provided for at 31st December, 1941).....		429,447.50
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Balance 31st December, 1942.....\$ 1,804,226.92

INTERNATIONAL METAL

(Incorporated under the

AND ITS

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT:

Cash on hand and in banks.....	\$1,845,685.38
Marketable securities:	
Dominion of Canada and United States Government bonds at cost and accrued interest thereon.....	\$ 221,135.42
Other securities.....	33,011.36
(Approximate market value \$265,000.)	<u>254,146.78</u>
Accounts and notes receivable less reserve.....	2,083,276.04
Inventories as determined and certified by company officials and valued at the lower of cost or market value	<u>3,751,746.78</u>

FIXED:

Land, buildings, plant and equipment written down to less than cost at 1st January, 1933, with subsequent additions at cost.....	\$3,416,647.98
Less: Reserves for depreciation.....	<u>1,595,725.05</u>
	\$1,820,922.93
Patents, rights and licenses.....	<u>1.00</u>
	1,820,923.93

OTHER ASSETS:

Dies, tools and other expenditures on Government orders, deferred.....	\$ 130,580.03
Prepaid insurance and other expenses, etc.....	99,635.31
Post-war refund of excess profits taxes.....	<u>95,200.00</u>
	325,415.34

\$10,081,194.25

NOTE: In accordance with the company's usual accounting policy the assets, liabilities incorporated in the consolidated balance sheet and consolidated profit and loss funds were at a premium in terms of Canadian currency.

AUDITORS' REPORT

We have made an examination of the above consolidated balance sheet of International Metal Industries Ltd. for profit and loss and surplus for the year ended that date. In connection therewith we examined or tested their officers and employees; we also made a general review of the accounting methods and of the operations.

We report that in our opinion, based upon our examination, the above consolidated balance sheet and correct view of the state of the combined companies' affairs as at 31st December, 1942, and of the operations as shown by the books of the companies.

Toronto, Canada, 8th April, 1943.

L INDUSTRIES, LIMITED

(Dominion Companies Act)

SUBSIDIARIES

SET AS AT 31ST DECEMBER, 1942

LIABILITIES

CURRENT:

Bank loan.....	\$ 50,000.00
Accounts payable and accrued charges.....	982,405.54
Reserve for taxes.....	1,909,125.79
Reserve for contingencies.....	100,000.00

\$3,041,531.33

CAPITAL:

30,820 shares 6% cumulative convertible preference, authorized and issued.....	\$3,082,000.00
(Par value \$100—redeemable at \$105.)	
14,385 shares 6% cumulative convertible preference series "A", authorized and issued.....	1,438,500.00
(Par value \$100—redeemable at \$105.)	
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.....	

\$5,235,436.00

The arrears of dividends on the preference and series "A" preference shares amount to 5%.

EARNED SURPLUS..... 1,804,226.92

7,039,662.92

CONTINGENT LIABILITY:

Customers' paper discounted \$106,043.49.

Approved on behalf of the Board.

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.

\$10,081,194.25

and earnings of United States subsidiaries which constitute the greater part of the total are account at par of exchange. Throughout the year ended 31st December, 1942, United States

TO THE SHAREHOLDERS

ries, Limited, and its subsidiaries as at 31st December, 1942, and of the attached statement of consolidated and accounting records of the companies and obtained all the information and explanations we required from ating and income accounts for the year but we did not make a detailed audit of the transactions.

and related statement of consolidated profit and loss and surplus have been drawn up so as to exhibit a true results of their operations for the year, according to the best of our information, the explanations given us

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 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.

