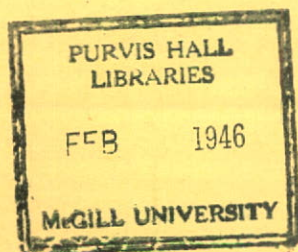


International Metal Industries,
Limited

ANNUAL REPORT

Year Ended 31st December

1943



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

31ST DECEMBER, 1943

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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 ended 31st December, 1943.

Profit before income and excess profits taxes, but after providing for all charges including depreciation and reserve for contingencies, amounted to \$2,007,442.91 which compared with \$1,955,393.73 for the previous year. Provision for income and excess profits taxes aggregated \$1,195,800.00, leaving a net profit of \$811,642.91 as compared with \$706,893.73 for 1942. This profit reflects earnings of \$17.95 per share on both classes of the preferred stocks and after payment of the regular preference dividends there remained earnings equivalent to \$2.87 per share on Class "A" common stock or \$2.26 per share on combined Class "A" and "B" common stocks.

During the year the regular dividends of \$6.00 per share on the preferred stocks were paid and a further disbursement of \$1.50 per share was declared payable 1st February, 1944. In addition, a payment of \$5.00 per share was made on preference dividend arrears, which eliminated all accrued arrears on these shares. Dividends on the Class "A" common stock were resumed with a payment of 25c. per share on 1st October, 1943, and the declaration of a dividend in similar amount payable 3rd January, 1944, provision for which has been made on the statement in respect of 1943 operations. These dividends to the preferred and common shareholders totalled \$659,218.50, leaving a balance of \$152,424.41, which has been added to surplus, bringing this account to \$1,956,651.33, including post-war refund of excess profits taxes amounting to \$103,800.00.

The financial position of the Company was strengthened during the year, current assets now appearing at \$7,906,296.47 and current liabilities at \$2,830,122.53, leaving working capital of \$5,076,173.94, an increase of \$182,850.29 over that reported in 1942.

At a meeting of the Board of Directors on 29th February, 1944, there were declared dividends of \$1.50 per share on the preferred stocks and 25c. per share on the Class "A" common stock, payable 1st May, 1944, and 1st April, 1944, respectively.

The operations of the Company will be dealt with in more complete detail at the Annual Meeting to be held on 4th May, 1944.

The Directors again take this opportunity of expressing their appreciation of the continued loyalty and efficiency of the officers and employees of the organization.

By Order of the Board,

W. E. MAUN,

Vice-President and General Manager.

Toronto, 11th April, 1944.

International Metal Industries, Limited

AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1943

Operating profit before provision for depreciation, income and excess profits taxes, and other charges, as set out below \$2,598,610.27

Deduct:

Provision for depreciation.....	\$ 471,012.83	
Provision for contingencies.....	100,000.00	
Remuneration of executive officers.....	79,666.79	
Legal and patent attorneys' fees.....	31,558.56	
Directors' fees.....	3,000.00	685,238.18
		<hr/>
		\$1,913,372.09

<i>Add:</i> Exchange premium on U.S. funds received from a subsidiary company.....	\$ 80,500.00	
Income from investments.....	13,570.82	94,070.82
		<hr/>
		\$2,007,442.91

Deduct:

Provision for income and excess profits taxes.....	\$1,276,800.00	
<i>Less:</i> Refundable portion thereof.....	81,000.00	1,195,800.00
		<hr/>

Net profit transferred to consolidated surplus account.....\$ 811,642.91

CONSOLIDATED EARNED SURPLUS ACCOUNT

Balance 1st January, 1943.....	\$1,804,226.92	
Add net profit transferred from profit and loss account.....	811,642.91	
		<hr/>

Deduct: \$2,615,869.83

Dividends on preference and preference series "A" shares—

Four dividends of \$1.50 per share and one dividend of \$5 per share being balance of arrears—declared and paid in 1943 and one dividend of \$1.50 per share declared payable 1st February, 1944.....	\$ 565,062.50	
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Dividends on common class "A" shares—

One dividend of 25c. per share declared and paid in 1943 and one dividend of 25c. per share declared payable 3rd January, 1944.....	94,156.00	659,218.50
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Balance 31st December, 1943.....\$1,956,651.33

INTERNATIONAL METAL INDUSTRIES

(Incorporated under the laws of the Province of Ontario)

AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT:

Cash on hand and in banks.....	\$2,921,358.79
Marketable securities:	
Dominion of Canada and United States Government bonds at cost and accrued interest thereon.....	\$ 572,375.00
Other securities.....	17,615.23
(Approximate market value \$604,500)	<u>589,990.23</u>
Accounts and notes receivable less reserve.....	1,588,833.58
Inventories as determined and certified by company officials and valued at the lower of cost or market value.....	<u>2,806,113.87</u>
	<u>\$7,906,296.47</u>

FIXED:

Land, buildings, plant and equipment written down to less than cost at 1st January, 1933, with subsequent additions at cost.....	\$3,664,030.42
Less: Reserves for depreciation.....	<u>2,015,812.01</u>
	\$1,648,218.41
Patents, rights and licenses.....	<u>1.00</u>
	1,648,219.41

OTHER ASSETS:

Dies, tools and other expenditures on war contracts—	
Recoverable from governments and other customers.....	\$201,998.17
Deferred to future operations..	<u>35,176.12</u>
	\$ 237,174.29
Prepaid insurance and other expenses, etc.....	126,719.69
Post-war refund of excess profits taxes.....	<u>103,800.00</u>
	467,693.98
	<u>\$10,022,209.86</u>

NOTE: In accordance with the company's usual accounting policy the assets, liabilities and equity are incorporated in the consolidated balance sheet and consolidated profit and loss account and the 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 and its subsidiaries 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 of the companies.

We report that in our opinion, based upon our examination, the above consolidated balance sheet and consolidated profit and loss account give a true and correct view of the state of the combined companies' affairs as at 31st December, 1943, and of the results of their operations for the year ended that date, and as shown by the books of the companies.

Toronto, Canada, 29th March, 1944.

UNITED STATES INDUSTRIES, LIMITED

(Incorporated in the Dominion Companies Act)

UNITED STATES SUBSIDIARIES

STATEMENT AS AT 31ST DECEMBER, 1943

LIABILITIES

CURRENT:

Bank loan.....	\$ 500,000.00	
Accounts payable and accrued charges.....	822,001.89	
Reserve for taxes.....	1,193,235.15	
Reserve for contingencies.....	200,000.00	
Dividends payable—		
On preference and preference series "A" shares payable 1st February, 1944.....	\$ 67,807.50	
On common class "A" shares payable 3rd January, 1944.....	47,077.99	114,885.49
		<hr/>
		\$2,830,122.53

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.....		
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	\$5,235,436.00	
EARNED SURPLUS.....	1,956,651.33	
		<hr/>
		7,192,087.33

Approved on behalf of the Board.

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.

\$10,022,209.86

and related statements of United States subsidiaries which constitute the greater part of the total account at par of exchange. Throughout the year ended 31st December, 1943, United States

STATEMENT TO THE SHAREHOLDERS

of United States Industries, Limited, and its subsidiaries as at 31st December, 1943, and of the attached statements of consolidated accounting records of the companies and obtained all the information and explanations we required from the companies and income accounts for the year but we did not make a detailed audit of the transactions. The consolidated statements of consolidated profit and loss and surplus have been drawn up so as to exhibit a true and correct statement 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.
L. A. PRESCOTT	- - - - -	Muskegon, Mich.

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.

