

International Metal Industries,
Limited

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ANNUAL REPORT

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Year Ended 31st December

1944

MCGILL UNIVERSITY

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, 1944



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, 1944.

Profit before income and excess profits taxes but after providing for all charges including depreciation amounted to \$2,294,380.27, as compared with \$2,007,442.91 for the previous year.

Provision for income and excess profits taxes aggregated \$1,452,600.00 leaving a net profit of \$841,780.27 as compared with \$811,642.91 for 1943. This profit reflects earnings of \$18.62 per share on both classes of the preferred stock and after payment of the regular preference dividends, there remained earnings equivalent to \$3.03 per share on the Class "A" common stock, or, considering Class "B" common stock upon which no dividends are being presently paid, \$2.39 per share upon the combined Classes "A" and "B" common shares outstanding.

During the year quarterly dividends of \$1.50 per share were regularly paid upon the 6% preferred and preferred Series "A" stock, and quarterly dividends were declared and paid on the Class "A" common stock at the rate of .25c for the quarter ending March 31st; .30c for the quarter ending June 30th; .30c for the quarter ending September 30th; and declared for the quarter ending December 31st (payable January 2nd, 1945) in the amount of .35c per share—a total of dividends per share on the Class "A" common shares applicable to the statement under review of \$1.20 for the year. After deducting total dividends of \$497,204.40 from the net profit of \$841,780.27 there remained a balance of \$344,575.87 which has been added to surplus, bringing this account to \$2,301,227.20 including post-war refund of excess profits taxes amounting to \$197,914.06.

The financial position of the Company was strengthened during the year, current assets now appearing at \$8,799,025.12 and current liabilities at \$3,378,544.34 leaving working capital of \$5,420,480.78, an increase of \$344,306.84 over that reported in 1943.

Considerable progress was made throughout the year in reconverting plant facilities to the manufacture of normal lines and having regard to the nature of the war work undertaken, it is anticipated that the reconversion program can be completed after the cessation of hostilities without excessive costs or major delays in production.

The operations of the Company will be dealt with in more complete detail at the annual meeting to be held on 19th April, 1945.

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, 27th March, 1945.

International Metal Industries, Limited

AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 1944

Operating profit before provision for depreciation, income and excess profits taxes and other charges as set out below	\$2,516,465.00	
<i>Deduct:</i>		
Provision for depreciation.....	\$ 163,152.48	
Remuneration of executive officers.....	79,000.00	
Legal and patent attorneys' fees.....	35,996.70	
Directors' fees.....	3,000.00	281,149.18
		<hr/>
		\$2,235,315.82
<i>Add:</i> Exchange premium on U.S. funds received from a subsidiary company.....	\$ 42,500.00	
Income from investments.....	16,564.45	59,064.45
		<hr/>
		\$2,294,380.27
<i>Deduct:</i>		
Provision for income and excess profits taxes.....	\$1,562,900.00	
<i>Less:</i> Refundable portion thereof.....	110,300.00	1,452,600.00
		<hr/>
Net profit for year.....		<u>\$ 841,780.27</u>

CONSOLIDATED EARNED SURPLUS STATEMENT

Balance 1st January, 1944.....	\$1,956,651.33	
Add net profit for year ending 31st December, 1944.....	841,780.27	
		<hr/>
		\$2,798,431.60
<i>Deduct:</i>		
<i>Dividends on preference and preference series "A" shares—</i>		
Three dividends of \$1.50 per share declared and paid in 1944 and one dividend of \$1.50 per share declared payable 1st February, 1945.....	\$ 271,230.00	
<i>Dividends on common class "A" shares—</i>		
Three dividends totalling 85c. per share declared and paid in 1944 and one dividend of 35c. per share declared payable 2nd January, 1945.....	225,974.40	497,204.40
		<hr/>
Balance 31st December, 1944.....		<u>\$2,301,227.20</u>

INTERNATIONAL META

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CONSOLIDATED BALANCE SHE

ASSETS

CURRENT:

Cash on hand and in banks.....\$3,250,950.20

Marketable securities:

Dominion of Canada and United States

Government bonds at cost and accrued

interest thereon.....\$1,040,185.93

Other securities..... 17,128.23

(Approximate market value \$1,076,000) ————— 1,057,314.16

Accounts and notes receivable less reserves..... 1,501,628.00

Inventories as determined and certified by

company officials and valued at the lower

of cost or market value..... 2,989,132.76

—————
\$8,799,025.12

FIXED:

Land, buildings, plant and equipment

written down to less than cost at 1st

January, 1933, with subsequent additions

at cost.....\$3,874,154.63

Less: Reserves for depreciation..... 2,148,276.31

—————
\$1,725,878.32

Patents, rights and licenses..... 1.00

—————
1,725,879.32

OTHER ASSETS:

Post-war refund of excess profits taxes..... \$ 197,914.06

Prepaid insurance and other expenses, etc..... 104,733.87

Dies, tools and other expenditures on war

contracts recoverable from governments.... 87,655.17

—————
390,303.10

—————
\$10,915,207.54
—————

NOTE: In accordance with the company's usual accounting policy the assets, liabilities and profit and loss and earned surplus for the year ended that date. In connection therewith we examined or from their officers and employees; we also made a general review of the accounting methods and of the state of the combined companies' affairs as at 31st December, 1944, and of the results of their operations.

AUDITORS' REPORT T

We have made an examination of the above consolidated balance sheet of International Metal Industry profit and loss and earned surplus for the year ended that date. In connection therewith we examined or from their officers and employees; we also made a general review of the accounting methods and of the state of the combined companies' affairs as at 31st December, 1944, and of the results of their operations.

We report that in our opinion the above consolidated balance sheet and related statements of consolidated profit and loss and earned surplus for the year ended that date, and of the results of their operations, are correct in all material respects.

Toronto, Canada, 17th March, 1945.

L INDUSTRIES, LIMITED

(Dominion Companies Act)

SUBSIDIARIES

STATEMENTS AS AT 31ST DECEMBER, 1944

LIABILITIES

CURRENT:

Bank loan.....	\$ 500,000.00	
Accounts payable and accrued charges.....	1,042,077.50	
Reserve for taxes.....	1,502,750.14	
Reserve for contingencies.....	200,000.00	
Dividends payable—		
On preference and preference series "A" shares payable 1st February, 1945.....	\$ 67,807.50	
On common class "A" shares payable 2nd January, 1945.....	65,909.20	133,716.70
		<u>\$3,378,544.34</u>

CAPITAL:

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

EARNED SURPLUS.....	2,301,227.20	<u>7,536,663.20</u>
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Approved on behalf of the Board.

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.

\$10,915,207.54

The earnings of United States subsidiaries which constitute the greater part of the total are stated at par of exchange. Throughout the year ended 31st December, 1944, United States

STATEMENTS TO THE SHAREHOLDERS

of L Industries, Limited and its subsidiaries as at 31st December, 1944, and of the attached statements of consolidated financial statements, tested accounting records of the companies and obtained all the information and explanations we required for the purpose of operating and income accounts for the year but we did not make a detailed audit of the transactions. The consolidated profit and loss and earned surplus have been drawn up so as to exhibit a true and correct view of the financial position for the year, according to the best of our information, the explanations given us and as shown by the

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.

