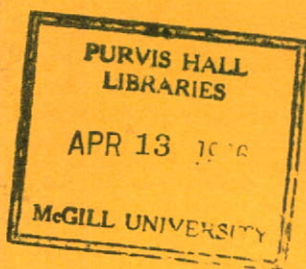


**International Metal Industries,  
Limited**

**ANNUAL REPORT**

*Year Ended 31st December*

**1945**





# 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

31ST DECEMBER, 1945

•

*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, 1945.

Profits for the year, before taxes on income but after provision for depreciation and all other charges, amounted to \$1,579,232.55 and after deducting \$772,350.00 for income and excess profits taxes there remained a net profit of \$806,882.55 as compared with \$841,780.27 for the previous year.

On 15th August, 1945 the then outstanding 45,205 shares of 6% Preference Stock, having a par value of \$4,520,500, were redeemed and 40,000 shares of 4½% First Preferred Stock, having a par value of \$4,000,000 were issued. This transaction had the effect of retiring \$520,500 Preference Stock and will result in an annual reduction in Preferred dividends of \$91,230.

The profits for the year represent earnings of \$20.17 per share on the presently outstanding 4½% Preferred Stock and, after allowing for dividends on the 6% Preference Stock and the 4½% Preferred Stock for the respective periods during which they were outstanding, represent earnings of \$3.09 per share on the Class "A" Common Stock, or \$2.44 per share on the Class "A" and Class "B" Stocks combined.

Regular quarterly dividends on the previously outstanding 6% Preference Stock were paid to date of redemption, and quarterly dividends on the 4½% Preferred Stock were paid or declared payable for the remainder of the year. The Class "A" Common Stock received three quarterly dividends of 35c each, at the rate of \$1.40 annually, and one quarterly dividend of 40c, at the annual rate of \$1.60 per share, was declared payable 1st January, 1946. No dividends were paid on the Class "B" Common Stock during 1945. Two dividends of 25c per share on this stock were declared and paid in January and April, 1946.

After providing for the dividends declared there was a balance of \$309,152.60 from the year's earnings, to which has been added \$132,000, representing a recovery of income taxes relating to previous years. After deducting the premium on Preference Stock redeemed and the expenses related to the issue of the new Preferred, there remained \$72,187.63 to be added to surplus which now stands at \$2,373,414.83.

The Company's financial position continues to be strong with current assets of \$7,775,904.45 and current liabilities of \$2,512,174.02 or net working capital of \$5,263,730.43.

War contracts were completed during the year and the Company's manufacturing facilities were reconverted to peacetime production without extended delays. In common with other industries, considerable difficulty is being experienced in meeting the unprecedented demand for normal products, because of the generally unfavourable labour situation and the acute shortage of materials. It is hoped that the substantial increases already reflected this year in labour, material and other manufacturing costs will eventually be offset by higher selling prices.

The operations of the Company will be dealt with in more complete detail at the Annual Meeting to be held on 25th April, 1946.

By Order of the Board,

A. L. ELLSWORTH,

*President.*

Toronto, 10th April, 1946.

# International Metal Industries, Limited

AND ITS SUBSIDIARIES

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED 31st DECEMBER, 1945

Operating profit before provision for depreciation, income and excess profits taxes and other charges as set out below .....		\$1,720,281.24	
<i>Deduct:</i>			
Provision for depreciation .....	\$ 154,232.76		
Remuneration of executive officers .....	75,750.00		
Legal and patent attorneys' fees .....	33,157.50		
Directors' fees .....	3,000.00	266,140.26	
			\$1,454,140.98
<i>Add</i> Exchange premium on U.S. funds received from a subsidiary company .....	\$ 105,250.00		
Income from investments .....	19,841.57	125,091.57	
			\$1,579,232.55
<i>Deduct:</i>			
Provision for income and excess profits taxes .....	\$ 775,150.00		
<i>Less:</i> Refundable portion thereof .....	2,800.00	772,350.00	
Net profit for year .....			\$ 806,882.55

## CONSOLIDATED EARNED SURPLUS STATEMENT

Balance 1st January, 1945 .....		\$2,301,227.20	
<i>Add:</i> Net profit for year as above .....	806,882.55		
Reduction in prior years' tax liability arising from the shortening of the period for amortizing emergency plant facilities in United States .....	132,000.00	938,882.55	
			3,240,109.75
<i>Deduct:</i>			
<i>Dividends on preference and preference Series "A" shares prior to redemption of such shares—</i>			
Two dividends of \$1.50 per share .....	\$ 134,677.50		
<i>On first preferred shares—</i>			
One dividend of \$1.12½ per share declared and paid in 1945 and one dividend of \$1.12½ per share declared payable 2nd January, 1946 .....	90,000.00		
<i>On common class "A" shares—</i>			
Three dividends totalling \$1.05 per share declared and paid in 1945 and one dividend of 40c per share declared payable 2nd January, 1946 .....	273,052.45		
			497,729.95
Premium paid on redemption of preference and preference Series "A" shares .....	226,025.00		
Expenses in connection with issue of first preferred shares .....	142,939.97	866,694.92	
Balance 31st December, 1945 .....			\$2,373,414.83

# INTERNATIONAL META

(Incorporated under the I

AND ITS S

CONSOLIDATED BALANCE SHEET

## ASSETS

### CURRENT:

Cash on hand and in banks .....	\$1,758,517.58
Marketable securities:	
Dominion of Canada and United States Government bonds at cost and accrued interest thereon .....	\$ 904,027.14
Other securities .....	17,128.23
(Approximate market value \$948,000).....	\$ 921,155.37
Accounts and notes receivable less reserves .....	1,536,182.53
Inventories as determined and certified by company officials and valued at the lower of cost or market value .....	3,560,048.97
	<hr/>
	\$7,775,904.45

### SINKING FUND:

Cash held for redemption of first preferred shares .....	71,700.00
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### FIXED:

Land, buildings, plant and equipment written down to less than cost at 1st January, 1933, with subsequent additions at cost.....	\$4,028,016.23
Less: Reserves for depreciation .....	2,234,657.48
	<hr/>
	\$1,793,358.75
Patents, rights and licenses .....	1.00
	<hr/>
	1,793,359.75

### OTHER ASSETS:

Prepaid insurance and other expenses, etc. ....	\$ 118,860.65
Refundable portion of taxes on income .....	40,700.00
	<hr/>
	159,560.65

\$9,800,524.85

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

### AUDITORS' REPORT TO THE

We have made an examination of the above consolidated balance sheet of International Metal consolidated profit and loss and earned surplus for the year ended that date. In connection therewith we were required from their officers and employees; we also made a general review of the accounting of the transactions.

We report that in our opinion the above consolidated balance sheet and related statements of consolidated profit and loss and earned surplus of the combined companies' affairs as at 31st December, 1945 and of the results of their operations are correct and in accordance with the books of the companies.

Toronto, Canada, 22nd March, 1946.

# L INDUSTRIES, LIMITED

(Dominion Companies Act)

SUBSIDIARIES

STATEMENT AS AT 31ST DECEMBER, 1945

## LIABILITIES

### CURRENT:

Bank loan .....	\$ 500,000.00
Accounts payable and accrued charges .....	1,055,667.99
Reserve for taxes .....	836,181.23
Dividends payable 2nd January, 1946:	
On preferred shares .....	\$ 45,000.00
On common class "A" shares .....	75,324.80

\$2,512,174.02

RESERVE FOR CONTINGENCIES ..... 200,000.00

### CAPITAL:

#### Authorized—

50,000 Preferred shares, par value \$100. each
300,000 Common Class "A" shares (no par value)
50,000 Common Class "B" shares (no par value)

#### Issued—

40,000 4½% Cumulative Redeemable Sinking Fund First Preferred shares, par value \$100 each—redeemable at \$103 .....	\$4,000,000.00
188,312 Common Class "A" shares (no par value)	} 714,936.00
50,000 Common Class "B" shares (no par value)	

\$4,714,936.00

EARNED SURPLUS ..... 2,373,414.83

\$7,088,350.83

Approved on behalf of the Board

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.

\$9,800,524.85

and earnings of United States subsidiaries which constitute the greater part of the total statement at par of exchange. Throughout the year ended 31st December, 1945 United

### SHAREHOLDERS

L Industries, Limited and its subsidiaries as at 31st December, 1945 and of the attached statements of the examined or tested accounting records of the companies and obtained all the information and explanations and of the operating and income accounts for the year but we did not make a detailed audit

validated profit and loss and earned surplus have been drawn up so as to exhibit a true and correct view of the operations for the year, according to the best of our information, the explanations given us and as shown by

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,  
MILK AND ICE CREAM CANS, Etc.

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### **Canadian John Wood Vancouver Limited**

VANCOUVER

RANGE BOILERS, DRUMS, TANKS, STEEL FURNACES, Etc.

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### **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, STEEL BARRELS, DRUMS, Etc.

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### **Fess Oil Burners of Canada, Limited**

TORONTO

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, Etc.

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**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.

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**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*

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A. L. ELLSWORTH	-	-	-	-	-	Toronto, Ont.
H. R. TUDHOPE	-	-	-	-	-	Toronto, Ont.
H. W. KNIGHT	-	-	-	-	-	Toronto, Ont.
M. H. FELDMAN	-	-	-	-	-	Conshohocken, Pa.
J. B. BALMER	-	-	-	-	-	Philadelphia, Pa.
L. A. PRESCOTT	-	-	-	-	-	Muskegon, Mich.
T. F. RAHILLY	-	-	-	-	-	Toronto, Ont.

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## *Officers*

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### *President*

A. L. ELLSWORTH, Toronto, Ont.

### *General Manager*

J. B. BALMER, 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.



