

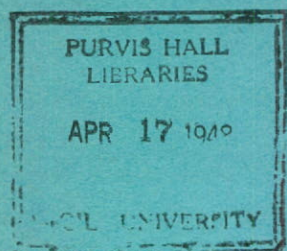
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International Metal Industries, Limited

ANNUAL REPORT

Year Ended 31st December

1947



International Metal Industries, Limited

Annual Report

Including

REPORT OF DIRECTORS TO THE SHAREHOLDERS
STATEMENT OF CONSOLIDATED PROFIT AND LOSS
STATEMENT OF CONSOLIDATED EARNED SURPLUS ACCOUNT

and

CONSOLIDATED BALANCE SHEET

YEAR ENDED

31ST DECEMBER 1947

Head Office

CHARLOTTETOWN, P.E.I.

Toronto Office

101 HANSON STREET

TO THE SHAREHOLDERS:

The Directors present herewith their Annual Report for the year ended 31st December 1947.

The volume of business transacted and the operating and net profits for the year were the highest in the history of the Company. The operating profit, before income taxes but after providing for depreciation and all other charges, amounted to \$3,571,000, as compared with \$1,822,000 in the previous year. Provisions for income taxes totalled \$1,500,000, leaving a net profit of \$2,071,000, an increase of \$1,100,000 over 1946.

From the net profit of \$2,071,000 an amount of \$700,000 has been appropriated for contingency reserve, thereby increasing this reserve to \$1,000,000. The balance of \$1,371,000 has been transferred to surplus and represents earnings of \$37.19 per share on the Preferred stock and, after allowance for Preference dividends, earnings of \$5.02 on the combined Class "A" and Class "B" Common stocks.

During the year regular dividends were declared on the 4 $\frac{1}{2}$ % Preferred stock and quarterly dividends aggregating \$1.60 per share were declared on both Classes of the Common stock. These dividends amounted to \$555,872, leaving a surplus for the year of \$815,000, which increased the earned surplus account to \$3,516,000.

Current assets amounted to \$10,135,000 and current liabilities \$3,608,000, with net working capital of \$6,527,000; an increase of \$1,096,000 over the previous year.

During the period under review 2,995 shares of Preferred stock were redeemed through the operation of the Sinking Fund, leaving a balance in this account of \$17,247 as of 31st December last. This completes Sinking Fund requirements in respect of 1947 earnings.

Inventories aggregated \$6,138,000 as compared with \$4,553,000 in 1946. This increase reflects the higher material and labour costs and the additional stocks required for the increased sales volume.

A Retirement Plan was established during the year for salaried employees of the American subsidiaries. The cost of benefits based on future service is contributory, with the Company assuming the entire cost of past service benefits. This past service expense will be funded over an extended period and 10% of this initial cost, together with the Company's share of the first year's premium on future service, was paid in 1947 and is represented by the charge of \$149,853 noted in the statement of consolidated profit and loss. A Retirement Plan for salaried employees of the Canadian subsidiaries, generally similar to that provided by the American contract, is under consideration for adoption at an early date.

As current operations have been restricted to the available supply of materials and by the curtailment of service station programmes within the oil industry, it is not anticipated that sales and earnings will equal those reported for 1947. From present indications, however, the year 1948 should reflect satisfactory results.

The operations of the Company will be dealt with in more detail at the Annual Meeting to be held on 29th April 1948.

The Directors take this opportunity of expressing their appreciation of the continued loyalty and co-operation of the officers and employees of the organization.

By order of the Board,

H. W. KNIGHT,
President.

Toronto, 7th April 1948.

International Metal Industries, Limited

AND ITS SUBSIDIARIES

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st DECEMBER 1947

Operating profit before depreciation.....	\$3,764,068	
Income from investments.....	9,214	
		<u>\$3,773,282</u>
Deduct provision for depreciation.....	202,177	
Profit before taxes on income.....	\$3,571,105	
Provision for taxes on income.....	1,500,000	
Net profit for year.....	\$2,071,105	
<i>Deduct:</i>		
Appropriation for contingency reserve.....	\$800,000	
Less amount transferred from prior year's special inventory reserve.....	100,000	700,000
Balance transferred to consolidated earned surplus.....		<u><u>\$1,371,105</u></u>

Note: The expenditures for the year include premiums for employees' retirement plan \$149,853, remuneration of executive officers and legal fees totalling \$83,509 and directors' fees \$9,000.

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Balance 1st January 1947.....	\$2,701,387	
Add balance transferred from statement of consolidated profit and loss.....	1,371,105	
		<u>\$4,072,492</u>
<i>Deduct:</i>		
<i>Dividends on first preferred shares:</i>		
Three dividends of \$1.12½ per share declared and paid in 1947 and one dividend of \$1.12½ per share declared payable 2nd January 1948.....	\$174,573	
<i>Dividends on class "A" common shares:</i>		
Three dividends of 40c. per share declared and paid in 1947 and one dividend of 40c. per share declared payable 2nd January 1948.	301,299	
<i>Dividends on class "B" common shares:</i>		
Three dividends totalling \$1.05 per share declared and paid in 1947 and one dividend of 55c. per share declared payable 2nd January 1948.....	80,000	555,872
Balance 31st December 1947.....		<u><u>\$3,516,620</u></u>

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.....		\$ 2,103,853
Accounts and notes receivable (less reserves of \$144,344).....		1,892,533
Inventories as determined and certified by company officials, and valued at the lower of cost or market value.....		6,138,600
		<u>\$10,134,986</u>

SINKING FUND:

Cash held for redemption of first preferred shares.....		17,247
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FIXED:

As written down to less than cost at 1st January 1933, with subsequent additions at cost

Land.....	\$ 243,986	
Buildings.....	\$1,331,576	
Machinery and equipment.....	3,027,438	
	<u>\$4,359,014</u>	
Less Reserve for depreciation	2,457,457	1,901,557

\$2,145,543

Patents, rights and licenses.....	1	2,145,544
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OTHER ASSETS:

Prepaid insurance and other expenses, etc.....	\$ 187,645	
Refundable portion of taxes on income.....	40,700	
		<u>228,345</u>

\$12,526,122

AUDITORS' REPORT TO SHAREHOLDERS

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

We report that in our opinion the above consolidated balance sheet and related statements of consolidated state of the combined companies' affairs as at 31st December 1947 and of the results of their operations of the company.

Toronto, Canada, 10th March 1948.

L INDUSTRIES, LIMITED

(Dominion Companies Act)

SI
DIARIES

STATEMENT AS AT 31ST DECEMBER 1947

LIABILITIES

CURRENT:

Bank loans.....	\$ 500,000
Accounts payable and accrued charges.....	1,542,959
Reserve for taxes.....	1,420,809
Dividends payable 2nd January 1948.....	144,298
	<hr/>
	\$ 3,608,066

RESERVE FOR CONTINGENCIES..... 1,000,000

CAPITAL:

Authorized

50,000 preferred shares, par value \$100 each, less 3,135 shares redeemed	
300,000 common class "A" shares (no par value)	
50,000 common class "B" shares (no par value)	

Outstanding

36,865 4½% cumulative redeemable sink- ing fund first preferred shares, par value \$100 each—redeemable at \$103	\$3,686,500
188,312 common class "A" shares (no par value)	} 714,936
50,000 common class "B" shares (no par value)	

\$4,401,436

EARNED SURPLUS..... 3,516,620

7,918,056

\$12,526,122

Approved on behalf of the Board.

H. W. KNIGHT, Director.

H. R. TUDHOPE, Director.

THE SHAREHOLDERS

Limited and its subsidiaries as at 31st December 1947, and of the statements of consolidated profit and
accounting records of the companies and obtained all the information and explanations we required from
ing and income accounts for the year but we did not make a detailed audit of the transactions.

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

CLARKSON, GORDON & Co.
Chartered Accountants.

SUBSIDIARY MANUFACTURING

Canadian John Wood Manufacturing Company, Limited

Executive Office TORONTO, ONT.

Plants:

TORONTO, ONT., MONTREAL, QUE., WINNIPEG, MAN.

WATER HEATERS AND METALWARES
RANGE BOILERS AND STORAGE TANKS
MILK CANS AND METAL DAIRYWARES

Canadian John Wood Vancouver Limited

Executive Office TORONTO, ONT.

Plant:

VANCOUVER, B.C.

WATER HEATERS AND RANGE BOILERS
STORAGE TANKS AND STEEL FURNACES
MILK CANS AND BARRELS AND DRUMS

Service Station Equipment Company Limited

Executive Office TORONTO, ONT.

Plants:

TORONTO, ONT. MONTREAL, QUE.
WINNIPEG, MAN. VANCOUVER, B.C.

GASOLINE PUMPS AND TIRE INFLATORS
LUBRICATING AND GREASE EQUIPMENT
BARRELS, DRUMS AND STEEL CONTAINERS

Fess Oil Burners of Canada, Limited

Executive Office TORONTO, ONT.

Plants:

TORONTO, ONT. MONTREAL, QUE.
WINNIPEG, MAN. VANCOUVER, B.C.

DOMESTIC AND COMMERCIAL HEATING EQUIPMENT

AND SALES COMPANIES

John Wood Manufacturing Company, Inc.

Executive Office PHILADELPHIA, PA.

Plants:

CONSHOHOCKEN, PA. CHICAGO, ILL.

GAS AND ELECTRIC WATER HEATERS
RANGE BOILERS AND STORAGE TANKS

Service Station Equipment Company

Executive Office PHILADELPHIA, PA.

Plants:

MUSKEGON, MICH. HART, MICH.

GASOLINE PUMPS AND TIRE INFLATORS
LUBRICATING AND GREASE EQUIPMENT

Superior Metal Products Company

Executive Office PHILADELPHIA, PA.

Plant:

ST. PAUL, MINN.

MILK CANS AND METAL DAIRYWARES

Bombas E. Equipamentos Bennett, Ltd.

Executive Office PHILADELPHIA, PA.

Branch:

RIO DE JANEIRO, BRAZIL

COMPLETE LINE OF OIL TRADE EQUIPMENT

Board of Directors

A. L. ELLSWORTH
Chairman

H. W. KNIGHT
President

H. R. TUDHOPE

J. B. BALMER

VICTOR MAUCK

GUY GEORGE GABRIELSON

T. F. RAHILLY

Executive Committee

J. B. BALMER
Chairman

GUY GEORGE GABRIELSON

VICTOR MAUCK

Officers

H. W. KNIGHT
President

A. L. ELLSWORTH
Chairman of Board of Directors

J. B. BALMER
Vice-President and General Manager

H. J. WESLEY
Secretary, Treasurer and Comptroller

T. H. GIBSON
Assistant Secretary

Transfer Agent and Registrar

CHARTERED TRUST & EXECUTOR COMPANY
Toronto, Canada

