

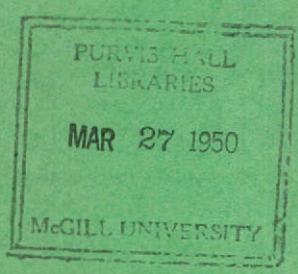
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**International Metal Industries,
—
Limited**

ANNUAL REPORT

**Year Ended December 31,
1949**



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

DECEMBER 31, 1949

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 December 31, 1949.

Sales for 1949 in both Canada and the United States 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 \$2,337,000, as compared with \$2,066,000 for the previous year, and the net profit after deducting provision for income taxes of \$915,000 amounted to \$1,422,000 as compared with \$1,366,000 for 1948.

This net profit of \$1,422,000 represents earnings of \$40.03 per share on the Preferred stock and, after allowing for Preference dividends, earnings of \$5.30 on the combined Class "A" and "B" Common stocks.

During the year regular dividends were declared on the 4½% Preferred stock and quarterly dividends aggregating \$1.60 per share were paid on both classes of the Common stock. Quarterly dividends on both classes of Common shares were increased from 40c to 50c per share with the January, 1950 payment, which is at the rate of \$2.00 annually. Total dividends declared during 1949 amounted to \$567,612.50 leaving a surplus for the year of \$854,300, which increased the earned surplus to \$5,190,900.

Current assets amounted to \$12,906,500 and current liabilities to \$2,940,800, with working capital of \$9,965,700, increased by \$1,941,700, which included additional term borrowings of \$1,500,000.

The cash held for Sinking Fund of \$250,000 is the balance after transferring \$248,100.50 to this account during 1949 and after deducting the cost of 998 Preferred shares redeemed during the year. Since the inception of the Sinking Fund, 4,473 Preferred shares have been redeemed, leaving 35,527 Preferred shares outstanding.

Inventories aggregated \$5,297,000 as compared with \$5,940,000 as at December 31, 1948.

For the purpose of general simplification and the maintenance of long established goodwill and trade identity, certain changes have been recently made in the names and corporate structures of the subsidiary companies.

In Canada, Canadian John Wood Manufacturing Company, Limited has been renamed John Wood Company Limited. Canadian John Wood Vancouver Limited, Service Station Equipment Company Limited, and Fess Oil Burners of Canada, Limited have been merged with John Wood Company Limited. The plants at Toronto, Montreal, Winnipeg and Vancouver are now operated as Heater and Tank Division, Bennett Pump Division and Fess Burner Division of John Wood Company Limited.

In the United States, John Wood Manufacturing Company, Inc. has been renamed John Wood Company and the plants at Conshohocken, Pennsylvania and Chicago, Illinois are now operated as Heater and Tank Division. Service Station Equipment Company of Muskegon and Hart, Michigan, and Superior Metal Products Company of St. Paul, Minnesota have been merged with John Wood Company and their respective plants are operated as Bennett Pump Division and Superior Metalware Division.

John Wood International Corporation has been formed to consolidate and further develop the distribution in foreign markets of the products of John Wood Company.

The operations of the Company will be dealt with in more detail at the Annual Meeting to be held on April 10, 1950.

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, 20th March, 1950

International Metal Industries, Limited

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 1949

Operating profit before depreciation.....	\$2,608,957
Deduct provision for depreciation.....	272,043
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Profit before taxes on income.....	\$2,336,914
Provision for taxes on income.....	915,000
	<hr/>
Net profit for year transferred to consolidated earned surplus..	<u>\$1,421,914</u>

Note: Payments by the company or its subsidiaries include fees of \$18,000 to directors and members of the executive committee and remuneration of \$95,850 to the executive officers and solicitors of the parent company.

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Balance January 1, 1949.....	\$4,336,591
Add net profit for year.....	1,421,914
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	\$5,758,505

Deduct:

Dividends—

On first preferred shares:

Three dividends of \$1.12½ per share declared and paid in 1949 and one dividend of \$1.12½ per share declared payable January 3, 1950..... \$162,482

On common class "A" shares:

Three dividends of 40c. per share declared and paid in 1949 and one dividend of 50c. per share declared payable January 3, 1950..... 320,130

On common class "B" shares:

Three dividends of 40c. per share declared and paid in 1949 and one dividend of 50c. per share declared payable January 3, 1950..... 85,000

	<hr/>	567,612
Balance December 31, 1949.....		<u>\$5,190,893</u>

INTERNATIONAL METAL INDUSTRIES, LIMITED

(Incorporated under the laws of the Province of Ontario)

AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT:

Cash on hand and in banks.....	\$ 5,430,421
Accounts and notes receivable (less reserves of \$144,117).....	2,178,570
Inventories as determined and certified by company officials, and valued at the lower of cost or market value.....	5,297,479
	<u>\$12,906,470</u>

SINKING FUND:

Cash held for redemption of first preferred shares.....	250,000
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FIXED:

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

Land.....	\$ 243,986
Buildings.....	\$1,401,709
Machinery and equipment....	3,542,612
	<u>4,944,321</u>
Less Reserve for depreciation	2,773,450
	<u>2,170,871</u>
	\$2,414,857
Patents, rights and licenses.....	1
	<u>2,414,858</u>

OTHER ASSETS:

Sundry receivables, etc.	\$ 75,567
Prepaid insurance and other expenses.....	252,474
	<u>328,041</u>

Note: At December 31, 1949 the United States dollar was at a premium in terms of the Canadian dollar; the assets, liabilities and earnings of the United States subsidiary are nevertheless included in the above consolidated balance sheet and the related statement of profit and loss on the basis of U.S. \$1 = Can. \$1. The net current assets of the subsidiary so included in the balance sheet amounted to approximately U.S. \$8,100,000.

\$15,899,369

AUDITORS' REPORT

We have examined the consolidated balance sheet of International Metal Industries, Limited and its subsidiaries for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing procedures as we considered necessary in the circumstances. We received all the information and explanations that we considered necessary.

In our opinion the above consolidated balance sheet and related statements of consolidated profit and loss of the company and its subsidiaries at December 31, 1949 and the results of their operations for the year then ended in conformity with the accounting principles generally accepted in Canada, according to the best of our information, the explanations given us and as shown by the books.

Toronto, Canada, March 3, 1950.

INDUSTRIES, LIMITED

(Companies Act, Canada)

SUBSIDIARIES

SHEET DECEMBER 31, 1949

LIABILITIES

CURRENT:

Accounts payable and accrued charges.....	\$ 1,706,038
Reserve for taxes.....	1,075,258
Dividends payable January 3, 1950.....	159,544
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	\$ 2,940,840

DEFERRED:

3½% note of United States subsidiary—payable in U.S. Dollars	2,500,000
(Due \$125,000 annually 1951-1962, balance 1963)	

RESERVE FOR CONTINGENCIES.....	1,000,000
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CAPITAL:

Authorized—

50,000 preferred shares, par value \$100 each, less 4,473 shares redeemed	
300,000 common class "A" shares of no par value	
50,000 common class "B" shares of no par value	

Outstanding—

35,527 4½% cumulative redeemable sinking fund first preferred shares, par value \$100 each—redeemable at \$103	\$3,552,700
188,312 common class "A" shares of no par value	
50,000 common class "B" shares of no par value	714,936

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	\$4,267,636	
EARNED SURPLUS.....	5,190,893	
	<hr/>	9,458,529
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		\$15,899,369
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Approved on behalf of the Board.

H. W. KNIGHT, Director.

H. R. TUDHOPE, Director.

TO THE SHAREHOLDERS

subsidaries as at December 31, 1949 and the statements of consolidated profit and loss and earned surplus
ing standards, and accordingly included such tests of the accounting records and such other auditing
ions we required from the companies' officers and employees.

loss and earned surplus present fairly the position of International Metal Industries, Limited and its sub-
generally accepted principles of accounting applied on a basis consistent with that of the preceding year,

CLARKSON, GORDON & Co.
Chartered Accountants.

SUBSIDIARY MANUFACTURING

John Wood Company Limited

Executive Offices Toronto 6, Ontario

Plants

TORONTO, ONT.
WINNIPEG, MAN.

MONTREAL, QUE.
VANCOUVER, B.C.

Heater and Tank Division

AUTOMATIC ELECTRIC WATER HEATERS
STORAGE TANKS • RANGE BOILERS
PNEUMATIC AND SEPTIC TANKS
MILK CANS • DAIRY METALWARE
OTHER SHEET STEEL PRODUCTS

Bennett Pump Division

GASOLINE PUMPS • TIRE INFLATORS
LUBRICATING AND GREASE EQUIPMENT
BARRELS • DRUMS • STEEL CONTAINERS
UNDERGROUND AND FARM STORAGE TANKS
AND OTHER OIL TRADE EQUIPMENT

Fess Burner Division

OIL BURNERS • FUEL STORAGE TANKS
SPACE HEATERS • WARM AIR FURNACES
AND OTHER HEATING EQUIPMENT

AND SALES COMPANIES

John Wood Company

Executive Offices New York 5, New York

Plants

CONSHOHOCKEN, PA. CHICAGO, ILL.
MUSKEGON, MICH. HART, MICH. ST. PAUL, MINN.

Heater and Tank Division

GAS AND ELECTRIC WATER HEATERS
STORAGE TANKS • RANGE BOILERS
PNEUMATIC AND SEPTIC TANKS
OTHER SHEET STEEL PRODUCTS

Bennett Pump Division

GASOLINE PUMPS • TIRE INFLATORS
LUBRICATING AND GREASE EQUIPMENT
AND OTHER OIL TRADE EQUIPMENT

Superior Metalware Division

MILK AND CREAM CANS • PAILS
STRAINERS • BOTTLE CRATES
AND OTHER DAIRY METALWARE

John Wood International Corporation

Executive Offices New York 5, New York

OPERATING THROUGH SALES AGENTS
IN PRINCIPAL FOREIGN COUNTRIES

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 Agents and Registrars

CHARTERED TRUST COMPANY
Toronto, Ontario

THE NEW YORK TRUST COMPANY
New York, New York

THE TORONTO GENERAL TRUSTS CORPORATION
Vancouver, British Columbia

