

INTERNATIONAL METAL INDUSTRIES,  
LIMITED

ANNUAL REPORT

YEAR ENDED 31<sup>ST</sup> DECEMBER

**1946**

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# 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

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YEAR ENDED

31st DECEMBER, 1946

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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 for the year ended 31st December, 1946.

Operating profit before income taxes but after provision for depreciation and all other charges amounted to \$1,821,920 as compared with \$1,579,232 for the previous year. Provision for income and excess profits taxes, after deducting \$70,000 tax credit on United States subsidiaries, aggregated \$850,300, leaving a net profit of \$971,620, an increase of \$164,000 over 1945.

From the net profit of \$971,620, an amount of \$100,000 has been set aside for special inventory reserve, leaving a balance transferred to earned surplus of \$871,620.

The balance transferred to surplus represents earnings of \$21.86 per share on the preferred stock and, after allowing for preference dividends, earnings of \$3.67 per share on the Class "A" common stock, or \$2.90 per share on the combined Class "A" and Class "B" common stocks.

During the year regular quarterly dividends were paid on the 4½% Preferred Stock, and four quarterly dividends of 40c. per share were paid on the Class "A" common stock and, on the Class "B" common stock, four quarterly dividends of 25c. per share.

After providing for dividends, there was a balance of \$327,973 from the year's earnings which has been added to earned surplus, increasing this account to the amount of \$2,701,387.

The Company's financial position continues strong with current assets of \$8,502,485 and current liabilities of \$3,171,136 leaving net working capital of \$5,331,349.

Cash held under the provisions of our sinking fund for the redemption of preferred shares appears at \$137,446. This amount is after deducting the cost of 140 Preferred Shares purchased and cancelled and includes a transfer of \$80,000, representing 10% of the net profit for the year, after deducting Preferred Dividends.

Inventories totalled \$4,553,107 as compared with \$3,560,048 in 1945. This increase includes the rise in price levels during the year as well as the additional materials required by the increasing volume of sales.

Notwithstanding the fact that materials and labour remained generally in short supply and were controlling factors in restricting output for the full period under review, sales for 1946 were higher than the previous year. Brisk demand for the Company's products continues in both the domestic and foreign fields and from the business written in the first three months of 1947 it would appear that the dollar value of sales for the year 1946 will be exceeded.

The operations of the Company will be dealt with in more complete detail at the Annual Meeting to be held on 23rd April, 1947.

By Order of the Board,

A. L. ELLSWORTH,  
President.

Toronto, 8th April, 1947.

# INTERNATIONAL METAL INDUSTRIES, LIMITED

and its subsidiaries

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS

For the Year Ended 31st December, 1946

Operating profit before provision for depreciation, income and excess profits taxes and other charges set out below.....		\$2,052,304
Deduct:		
Provision for depreciation.....	\$173,297	
Remuneration of executive officers.....	72,500	
Legal and patent attorneys' fees.....	28,790	
Directors' fees.....	4,000	278,587
		<u>\$1,773,717</u>
Add:		
Exchange premium on U.S. funds received from a subsidiary company...	\$ 32,000	
Income from investments.....	16,203	48,203
		<u>\$1,821,920</u>
Provision for income and excess profits taxes (after deducting estimated carry-back tax credits of United States subsidiary of approximately \$70,000).....		<u>850,300</u>
Net profit for the year.....	\$	971,620
Deduct appropriation for special inventory reserve.....		<u>100,000</u>
Balance transferred to statement of consolidated earned surplus.....	\$	<u><u>871,620</u></u>

## STATEMENT OF CONSOLIDATED EARNED SURPLUS

Balance 1st January, 1946.....		\$2,373,414
Add balance transferred from statement of consolidated profit and loss.....		<u>871,620</u>
		\$3,245,034
Deduct:		
Dividends—		
On first preferred shares:		
Three dividends of \$1.12½ per share declared and paid in 1946 and one dividend of \$1.12½ per share declared payable 2nd January, 1947	\$179,848	
On common class "A" shares:		
Three dividends of 40c. per share declared and paid in 1946 and one dividend of 40c. per share declared payable 2nd January, 1947.....	301,299	
On common class "B" shares:		
Four dividends of 25c. per share declared and paid in 1946 and one dividend of 25c. per share declared payable 2nd January, 1947.....	62,500	543,647
Balance 31st December, 1946.....		<u><u>\$2,701,387</u></u>

# INTERNATIONAL METAL

(Incorporated under the  
and its su

**CONSOLIDATED**

as at 31st Dec

## ASSETS

**CURRENT:**

Cash on hand and in banks.....		\$ 1,807,762
Marketable securities—		
Dominion of Canada and United States Government bonds at cost and accrued interest thereon.....	\$ 285,831	
Other securities at cost less reserve..... (approximate market value \$360,300)	15,352	301,183
Accounts and notes receivable less reserves.....		1,840,433
Inventories as determined and certified by company officials, and valued at the lower of cost or market value, (less special reserve of \$100,000).....		4,553,107
		\$ 8,502,485

**SINKING FUND:**

Cash held for redemption of first preferred shares.....		137,446
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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.....	\$4,313,732	
Less reserves for depreciation.....	2,351,977	
	\$1,961,755	
Patents, rights and licenses.....	1	1,961,756

**OTHER ASSETS:**

Prepaid insurance and other expenses, etc.....	\$ 131,072	
Refundable portion of taxes on income.....	40,700	171,772
		\$10,773,459

## AUDITORS' REPORT

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

We report that in our opinion the above consolidated balance sheet and related stateme and correct view of the state of the combined companies' affairs as at 31st December, 194 explanations given us and as shown by the books of the companies.

Toronto, Canada, 31st March, 1947.

# INDUSTRIES, LIMITED

(Dominion Companies Act)

Subsidiaries

## BALANCE SHEET

December, 1946

### LIABILITIES

#### CURRENT:

Bank loans.....		\$ 750,000
Accounts payable and accrued charges.....		1,409,754
Reserve for taxes .....		878,709
Dividends payable 2nd January, 1947—		
On preferred shares.....	\$ 44,848	
On common class "A" shares.....	75,325	
On common class "B" shares.....	12,500	132,673
		<hr/>
		\$ 3,171,136

RESERVE FOR CONTINGENCIES..... 200,000

#### CAPITAL:

##### Authorized—

50,000 preferred shares, par value \$100 each,  
less 140 shares redeemed

300,000 common class "A" shares (no par value)

50,000 common class "B" shares (no par value)

##### Issued—

39,860 4½% cumulative redeemable sinking fund first preferred  
shares, par value \$100 each—redeemable at \$103 ..... \$3,986,000

188,312 common class "A" shares (no par value) ..... 714,936

50,000 common class "B" shares (no par value).....

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\$4,700,936

EARNED SURPLUS..... 2,701,387 7,402,323

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\$10,773,459

Approved on behalf of the Board

A. L. ELLSWORTH, Director.

H. R. TUDHOPE, Director.

### TO THE SHAREHOLDERS

Industries, Limited and its subsidiaries as at 31st December, 1946 and of the statements of consolidated  
determined or tested accounting records of the companies and obtained all the information and explain-  
ing methods and of the operating and income accounts for the year but we did not make a detailed

statements of consolidated profit and loss and earned surplus have been drawn up so as to exhibit a true  
and correct view of the financial position of the companies at the end of the year, 1946 and of the results of their operations for the year, according to the best of our information, the

CLARKSON, GORDON & CO.

Chartered Accountants.

# SUBSIDIARY MANUFACTURING AND SALES COMPANIES

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

### Factories:

Toronto

Winnipeg

Vancouver

FESS DOMESTIC OIL BURNERS AND  
COMMERCIAL OIL HEATING EQUIPMENT



# SUBSIDIARY MANUFACTURING 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.
J. B. BALMER	- - - - -	Philadelphia, Pa.
T. F. RAHILLY	- - - - -	Toronto, Ont.
M. H. FELDMAN	- - - - -	Conshohocken, Pa.
L. A. PRESCOTT	- - - - -	Muskegon, Mich.

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## Officers

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### President

A. L. ELLSWORTH, Toronto, Ont.

### Vice-President and 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.



