

ANNUAL

Report

1953



INTERNATIONAL METAL INDUSTRIES, LIMITED
and its subsidiaries

JOHN WOOD COMPANY • JOHN WOOD COMPANY LIMITED



● JOHN WOOD COMPANY

★ JOHN WOOD COMPANY LIMITED



...for the year ended December 31



INTERNATIONAL METAL INDUSTRIES, LIMITED

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CORPORATE HIGHLIGHTS

	1953	1952
Net Sales.....	\$35,673,686	\$27,779,475
Income before taxes.....	\$ 2,701,341	\$ 1,909,505
Income taxes.....	\$ 1,500,000	\$ 857,000
Net income.....	\$ 1,201,341	\$ 1,052,505
Earnings per share on the preferred stock.....	\$ 42.69	\$ 35.31
Earnings per share on the Class "A" and "B" common stocks after allowing for preferred dividends.....	\$ 4.49	\$ 3.85
Total dividends paid.....	\$ 608,790	\$ 634,597
Preferred stock.....	\$ 132,166	\$ 134,140
Class "A" common stock.....	\$ 376,624	\$ 395,457
Class "B" common stock.....	\$ 100,000	\$ 105,000
Number of stockholders.....	\$ 2,556	2,574
Earnings for year retained in the business.....	\$ 592,551	\$ 417,908
Retained Earnings (accumulated).....	\$ 9,569,897	\$ 8,977,346
Preferred shares redeemed during the year.....	1,665	—0—
Cost of preferred shares redeemed during the year.....	\$ 164,655	—0—
Current assets.....	\$16,335,655	\$14,610,774
Current liabilities.....	\$ 4,833,253	\$ 3,606,533
Working capital.....	\$11,502,402	\$11,004,241
Wages, salaries, and pension plan payments.....	\$ 9,754,384	\$ 7,725,392
Number of employees.....	2,347	1,973

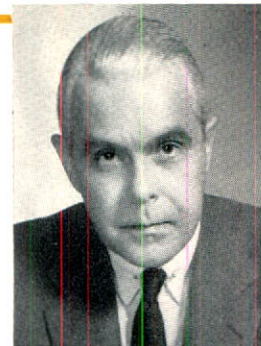
OFFICERS AND DIRECTORS



Victor Mauck
CHAIRMAN OF THE BOARD



Guy George Gabrielson
PRESIDENT



J. B. Balmer
VICE-PRESIDENT
AND CHAIRMAN OF THE
EXECUTIVE COMMITTEE

INTERNATIONAL METAL INDUSTRIES, LIMITED

Officers

Guy George Gabrielson, President

Victor Mauck
J. B. Balmer
H. J. Wesley
R. S. Owens
G. C. Berry

Chairman of the Board
Vice-President and General Manager
Controller
Secretary and Treasurer
Assistant Secretary

Board of Directors

Victor Mauck, Chairman

J. B. Balmer
Guy George Gabrielson
H. W. Knight

T. F. Rahilly
H. R. Tudhope
C. J. Younger

Executive Committee

J. B. Balmer, Chairman

Guy George Gabrielson

Victor Mauck

JOHN WOOD COMPANY • JOHN WOOD COMPANY LIMITED

Board of Directors

J. B. Balmer, President

Guy George Gabrielson

Victor Mauck

Management Committee

J. B. Balmer, Chairman

A. M. Aikman
V. G. Barnes
C. F. T. Hooper
A. F. Jordan
S. K. Makemson

M. N. McIlwain
R. S. Owens
R. W. Simpson
J. N. Welscher
H. J. Wesley

CONSOLIDATED INCOME AND RETAINED EARNINGS

CONSOLIDATED INCOME

	<i>Years ended December 31</i>	
	1953	1952
Net sales.....	\$35,673,686	\$27,779,475
Cost of sales, selling, general and administrative expenses and charges (less miscellaneous income).....	\$32,567,623	\$25,557,982
Depreciation charges.....	320,819	279,270
Interest on long-term debt.....	77,656	82,031
Loss or profit(—) on exchange.....	58,855	—10,921
	\$33,024,953	\$25,908,362
Investment income.....	\$ 2,648,733	\$ 1,871,113
Profit on disposal of fixed assets.....	37,511	17,573
	15,097	20,819
Income before taxes.....	\$ 2,701,341	\$ 1,909,505
Provision for taxes on income.....	1,500,000	857,000
Net income.....	\$ 1,201,341	\$ 1,052,505

NOTE: Payments by the company or its subsidiaries during the year ended December 31, 1953 include fees of \$40,500 paid to directors and members of the executive committee and remuneration of \$117,500 to executive officers and solicitors of the parent company.

RETAINED EARNINGS

Balance at beginning of year.....	\$ 8,977,346	\$ 7,359,438
Net income from income statement.....	1,201,341	1,052,505
Prior years' tax provision no longer required.....		200,000
Reserve for contingencies provided in prior years restored to retained earnings.....		1,000,000
	\$10,178,687	\$ 9,611,943
Dividends:		
On first preferred stock—		
1953 and 1952—\$4.50 per share.....	\$ 132,166	\$ 134,140
On class "A" common stock—		
1953—\$2.00 per share; 1952—\$2.10 per share.....	376,624	395,457
On class "B" common stock—		
1953—\$2.00 per share; 1952—\$2.10 per share.....	100,000	105,000
	\$ 608,790	\$ 634,597
Balance at end of year.....	\$ 9,569,897	\$ 8,977,346

REPORT TO STOCKHOLDERS

To our Stockholders

On behalf of the Board of Directors, I submit herewith the annual report on the operations of the Company and its subsidiaries, John Wood Company in the United States and John Wood Company Limited in Canada, for the year ended December 31, 1953.

Net sales for the year were \$35,673,000, the highest in the history of the Company, and represent an increase of 28% over the sales of \$27,779,000 reported for 1952. This increase resulted chiefly from the production of defense supplies at the Conshohocken and Chicago plants, and also from higher volume of the Company's regular products. Marketing activities for the greater part of the year were again curtailed by continuing shortages of steel. However, mill deliveries improved during the third quarter of 1953 and tonnage is now available in required quantities.

Income before taxes, but after depreciation and all other charges, amounted to \$2,701,000, an increase of \$791,000 over the prior year. Operating profits were charged with excess cost on a considerable tonnage of steel purchased at premium prices throughout 1953 and with a foreign exchange loss in Brazil, both of which should be non-recurring expenses in 1954.

The 1953 provision for taxes on income aggregated \$1,500,000 but, due to a substantial excess profits tax credit for John Wood Company in the United States, no excess profits taxes were payable for the year. The tax accrual for 1953 is the equivalent to \$5.63 per share on all classes of stock outstanding. Total taxes in the United States and Canada, including income, real estate, payroll, franchise, etc., accrued for the year amounted to \$1,916,900 or \$7.19 per share on all classes of stock outstanding.

Net income for 1953 amounted to \$1,201,000 as

compared with \$1,052,000 for 1952. This income reflects earnings for the year of \$42.69 per share on the preferred stock and, after allowing for preferred dividends, earnings of \$4.49 per share on the combined Class A and Class B common stocks.

Regular quarterly dividends were paid during the year on the 4½% preferred stock and dividends of \$2.00 per share were paid on both classes of common stock which included an extra dividend in the amount of 40c. per share. Total dividends paid for the year represented 51% of net income, as compared with dividend payments of 60% of net income for 1952.

Retained earnings as of December 31, 1953 were in the amount of \$9,569,000, an increase of \$592,000 over the prior year.

Current assets amounted to \$16,336,000 and current liabilities \$4,833,000, a ratio of more than 3 to 1.

Current assets include cash and Government securities of \$5,169,000. Accounts and notes receivable, less reserves, amounted to \$3,685,000. Inventories aggregated \$7,481,000, an increase over the prior year, which can be attributed principally to higher sales of regular products and defense supplies.

Net working capital amounting to \$11,502,402 represents an increase of \$498,161 which is accounted for as follows:

FUNDS MADE AVAILABLE—

From operations	
Consolidated net profit for the year.....	\$1,201,341
Depreciation charges not requiring a cash outlay.....	320,819
Decrease in other assets	236,639
From acquisition of Subsidiary Working Capital of Subsidiary at date of acquisition.....	375,462
	<hr/>
	\$2,134,261

REPORT TO STOCKHOLDERS

FUNDS APPLIED—			
Investment in Subsidiary.....	350,009		
Expenditures on fixed assets less depreciated book value of assets disposed of.....	390,456		
Dividends—			
On first preferred stock	\$132,166		
On Common—			
Class A stock.....	376,624		
Class B stock.....	100,000		
		608,790	
Sinking Fund—			
Cash allocated to Sinking Fund for redemption of preferred stock....	160,000		
Discount on stock re- deemed.....	1,845		
		\$161,845	
3½% Note payable (\$125,000— payment due October 1, 1954)	125,000	1,636,100	
EXCESS OF FUNDS MADE AVAILABLE OVER FUNDS APPLIED			
—representing increase in working capital.		\$ 498,161	

During the year, \$160,000 was transferred to the sinking fund and 1,665 shares of preferred stock were redeemed and cancelled at a cost of \$164,655. The balance in the sinking fund, as of December 31, 1953, amounted to \$3,681. Since July 1, 1945, the issue date of the 4½% preferred stock, 11,856 shares have been purchased for redemption and cancellation, leaving a balance of 28,144 shares outstanding.

The corporate highlights on page 5, the consolidated income and retained earnings statements on page 7, and the consolidated balance sheets on pages 12 and 13 show a comparison of operations for the years 1953 and 1952.

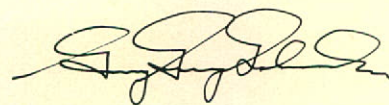
On September 1, 1953, John Wood Company purchased for cash all the issued and outstanding stock of the Floyd-Wells Company at Royersford, Pennsylvania, which has been manufacturing and selling gas and combination kitchen ranges since 1883. The assets acquired represented a book value

of \$468,160 in excess of the purchase price and this excess is reflected as a reserve on the balance sheet. The Floyd-Wells Company, operating as a division of John Wood Company, has had many years of porcelain enameling and foundry experience and is now engaged in the coating of water heater tanks and the production of burner castings for the Conshohocken plant. At the date of acquisition, Mr. Victor Mauck was elected as chairman and chief executive officer, Mr. J. B. Balmer as president, and Mr. W. Frank Fisher was re-elected as vice-president and general manager. The operating management and personnel of this division has otherwise remained unchanged.

Operations will be dealt with in further detail at the annual meeting to be held on April 22, 1954.

The volume of both sales and income for the first quarter of 1954 is comparable to the like period of 1953. The Chicago and St. Paul plants are producing cartridge cases and bomb fin assemblies for the United States Army. With continuing high material and labor costs and with selling prices of many of the Company's products at unfavorable levels, a vigorous program providing for substantial economies is presently being effected in controllable operating expenses. The additional output of material for Government account, the introduction of new and improved lines to successfully compete in the prevailing highly competitive markets and the availability of steel and other supplies to meet the demand for the Company's products should all contribute to generally satisfactory results for the year 1954.

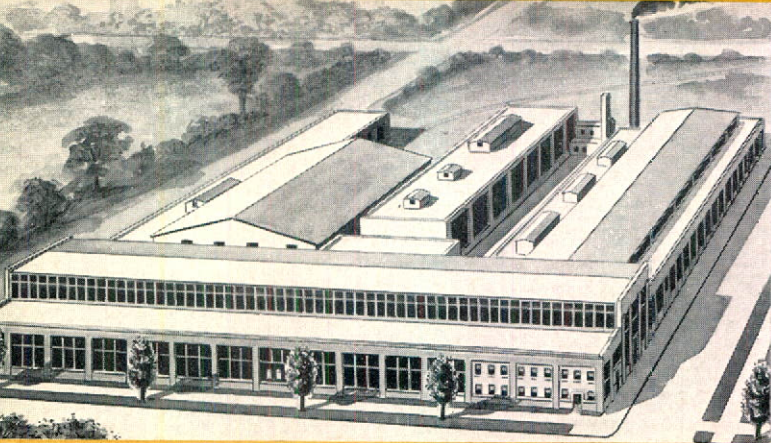
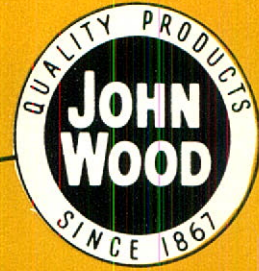
The directors take this opportunity of expressing their appreciation of the loyalty and co-operation of the officers and employees of the organization.



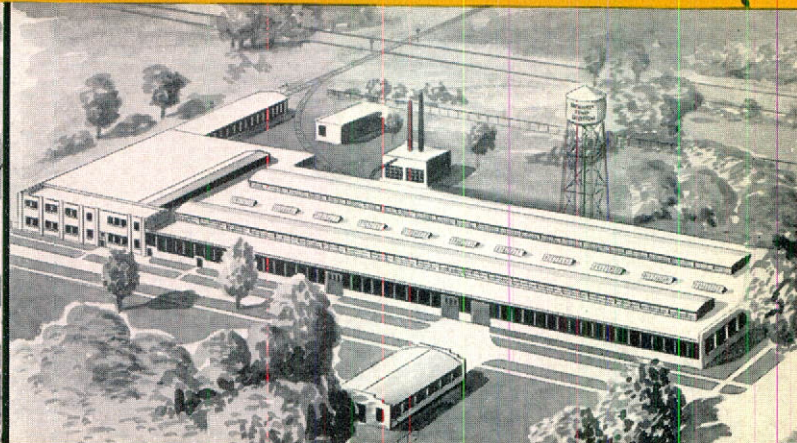
April 1, 1954

President.

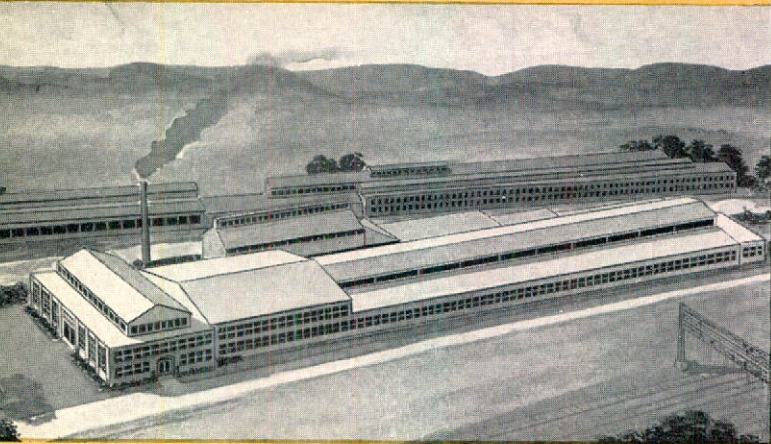
JOHN WOOD COMPANY



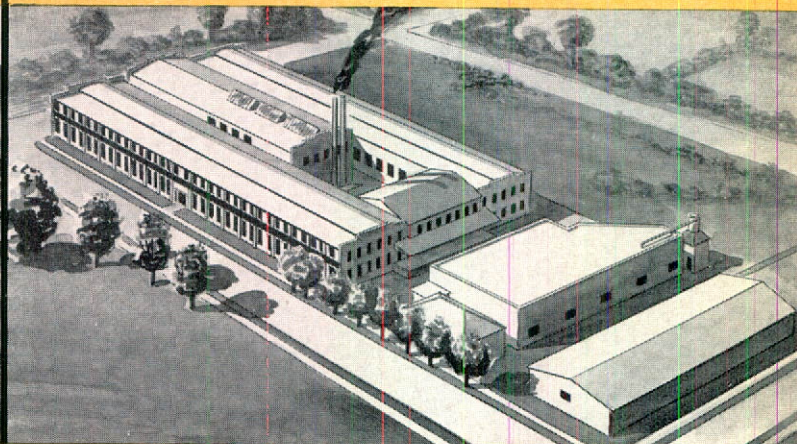
JOHN WOOD COMPANY
Heater and Tank Division
Chicago, Illinois



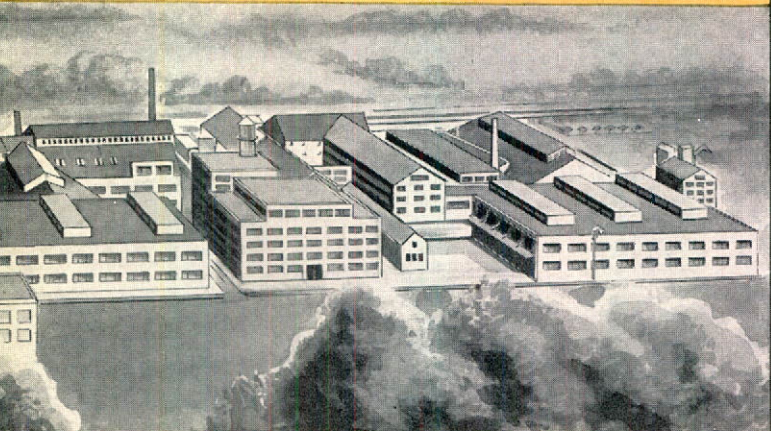
JOHN WOOD COMPANY
Bennett Pump Division
Muskegon and Hart, Michigan



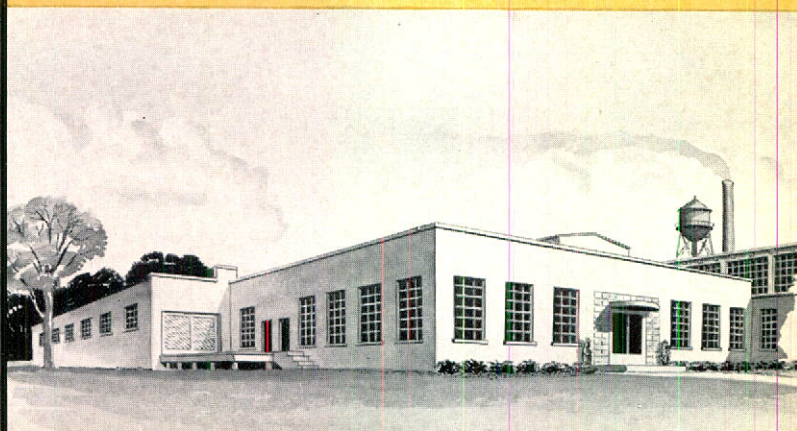
JOHN WOOD COMPANY
Heater and Tank Division
Conshohocken, Pennsylvania



JOHN WOOD COMPANY
Superior Metalware Division
St. Paul, Minnesota

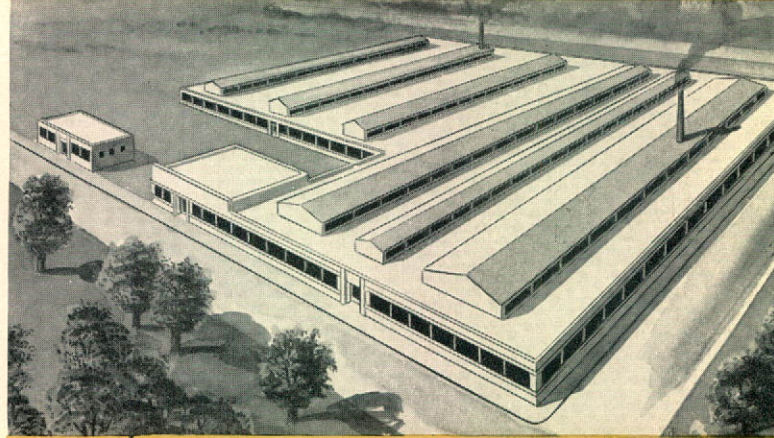
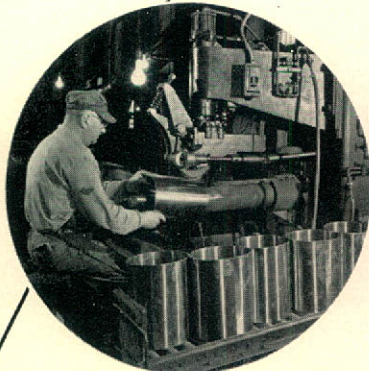
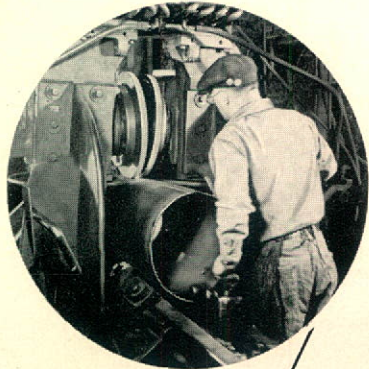
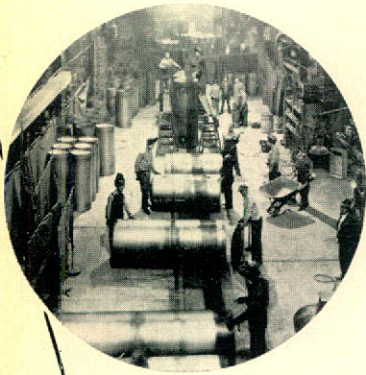
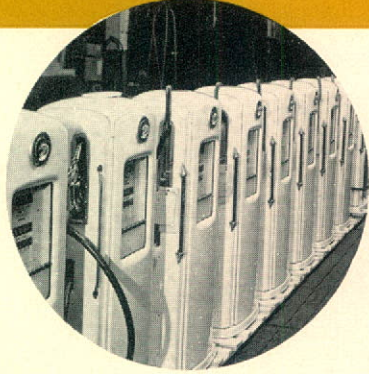
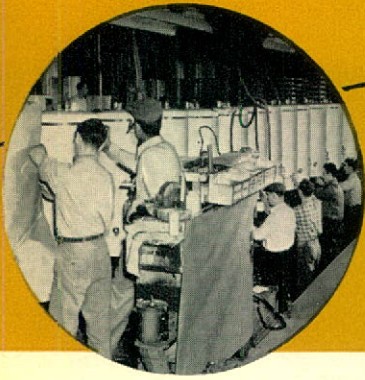


JOHN WOOD COMPANY
The Floyd-Wells Company Division
Royersford, Pennsylvania

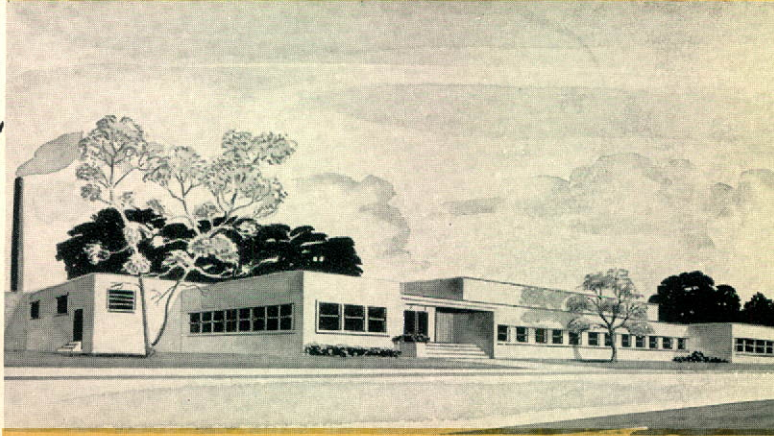


JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Montreal, Quebec

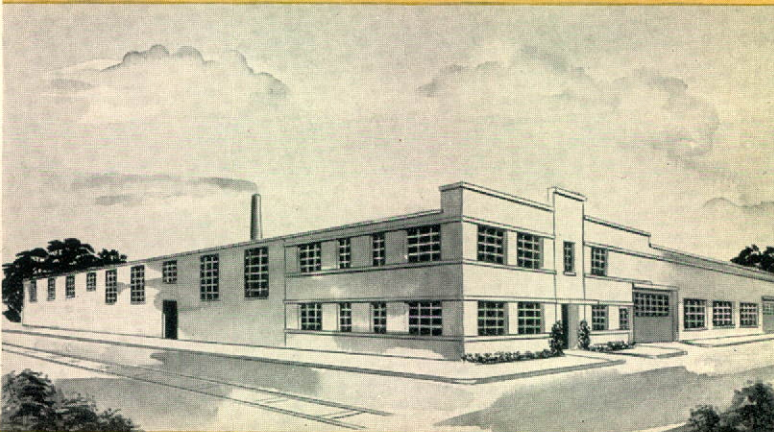
88 years of progress



JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Bennett Pump Division
Fess Burner Division
Toronto, Ontario



JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Winnipeg, Manitoba



JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Vancouver, British Columbia

CONSOLIDATED BALANCE SHEET

ASSETS

	<i>December 31</i>	
	1953	1952
CURRENT:		
Cash on hand and in banks	\$ 2,746,474	\$ 3,581,366
Government securities, at cost	2,422,813	1,990,000
Accounts and notes receivable (less allowance 1953, \$275,000; 1952, \$265,000)	3,685,126	3,160,443
Inventories as determined and certified by company officials, and valued at the lower of cost or market value	7,481,242	5,878,965
	<u>\$16,335,655</u>	<u>\$14,610,774</u>
 SINKING FUND:		
Cash held for redemption of first preferred shares	\$ 3,681	\$ 8,336
	<u>\$ 3,681</u>	<u>\$ 8,336</u>
 FIXED:		
Land, buildings and equipment as written down to less than cost at January 1, 1933, with subsequent additions at cost	\$ 7,925,889	\$ 6,803,295
Less accumulated depreciation	4,010,776	3,379,965
	<u>\$ 3,915,113</u>	<u>\$ 3,423,330</u>
PATENTS, rights and licenses	\$ 1	\$ 1
	<u>\$ 1</u>	<u>\$ 1</u>
 OTHER ASSETS:		
Prepaid expenses and deferred charges	\$ 115,187	\$ 332,708
Sundry receivables, etc.	31,009	29,566
	<u>\$ 146,196</u>	<u>\$ 362,274</u>
	<u>\$20,400,646</u>	<u>\$18,404,715</u>

See financial notes on page 14.

CONSOLIDATED BALANCE SHEET

LIABILITIES

	<i>December 31</i>	
	1953	1952
CURRENT:		
Accounts payable and accrued charges.....	\$ 2,671,368	\$ 2,343,883
Taxes payable (estimated).....	1,814,572	1,008,790
Dividends payable.....	222,313	128,860
Current instalment of U.S. subsidiary's 3½% notes.....	125,000	125,000
	<u>\$ 4,833,253</u>	<u>\$ 3,606,533</u>
DEFERRED:		
3½% notes of United States subsidiary, due \$125,000 annually 1954-1962, balance 1963 (payable in U.S. dollars).....	\$ 2,125,000	\$ 2,250,000
Less instalment maturing within one year included under current liabilities.....	125,000	125,000
	<u>\$ 2,000,000</u>	<u>\$ 2,125,000</u>
RESERVE:		
Excess of book value of net assets of subsidiary at date of acquisition in 1953 over cost of investment.....	\$ 468,160	
CAPITAL:		
Authorized—		
50,000 shares preferred stock, par value \$100 each less 11,856 shares redeemed		
300,000 shares class "A" common stock of no par value		
50,000 shares class "B" common stock of no par value		
Outstanding—		
28,144 shares 4½% cumulative redeemable sinking fund first pre- ferred stock, par value \$100 each—redeemable at \$103.....	\$ 2,814,400	\$ 2,980,900
188,312 shares class "A" common stock of no par value } 50,000 shares class "B" common stock of no par value }	714,936	714,936
	<u>\$ 3,529,336</u>	<u>\$ 3,695,836</u>
RETAINED EARNINGS	9,569,897	8,977,346
	<u>\$13,099,233</u>	<u>\$12,673,182</u>
	<u>\$20,400,646</u>	<u>\$18,404,715</u>

Approved on behalf of the Board

GUY GEORGE GABRIELSON, Director
H. R. TUDHOPE, Director

FINANCIAL NOTES AND AUDITORS' REPORT

FINANCIAL NOTES

(1) The assets, liabilities and earnings of the United States subsidiary are included in the consolidated balance sheet and the related statement of consolidated income on the basis of U.S. \$1 = Can. \$1. At December 31, 1953 the U.S. dollar was at a discount of $2\frac{5}{8}\%$ in terms of the Canadian dollar while on December 31, 1952 it was at a discount of $2\frac{7}{8}\%$. The net current assets of the United States subsidiary amounted to U.S. \$9,100,000 at December 31, 1953 and U.S. \$8,200,000 at December 31, 1952.

(2) The class "A" shares are entitled to a fixed non-cumulative dividend at the rate of \$1.60 per share per annum payable quarterly before any dividend is payable on the class "B" shares. After payment of a like amount on the class "B" stock the "A" and "B" shareholders share equally in any further dividends.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF
INTERNATIONAL METAL INDUSTRIES, LIMITED:

We have examined the consolidated balance sheet of International Metal Industries, Limited and its subsidiaries as at December 31, 1953 and the related statements of consolidated income and retained earnings for the year then ended, and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of International Metal Industries, Limited and its subsidiaries at December 31, 1953 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, according to the best of our information and the explanations given to us, and as shown by the books of the companies.

ARTHUR YOUNG, CLARKSON, GORDON & Co.

March 17, 1954.

SUBSIDIARIES AND OPERATING DIVISIONS

JOHN WOOD COMPANY

Est. 1867

Executive Office

70 Pine Street, New York

Heater and Tank Division

Plants:

Conshohocken, Pennsylvania

Chicago, Illinois

Principal Warehouses:

New York, N.Y., Boston, Mass.

Washington, D.C., Philadelphia, Pa.

Raleigh, N.C.

Tampa, Fla., New Orleans, La.

Superior Metalware Division

Plant:

St. Paul, Minnesota

Principal Warehouses:

New York, N.Y., Atlanta, Ga.

San Francisco, Calif., Los Angeles, Calif.

Floyd-Wells Company Division

Plant:

Royersford, Pa.

Bennett Pump Division

Plant:

Muskegon, Michigan

Principal Warehouses:

New York, N.Y., Greensboro, N.C.

Atlanta, Ga., Memphis, Tenn.

Dallas, Tex., Los Angeles, Calif.

San Francisco, Calif., Portland, Oreg.

JOHN WOOD COMPANY

LIMITED

Executive Office

101 Hanson Street, Toronto

Heater and Tank Division

Plants:

Toronto, Ont., Montreal, Que.

Winnipeg, Man., Vancouver, B.C.

Warehouse:

Calgary, Alberta

Fess Burner Division

Plant:

Toronto, Ontario

Warehouses:

Montreal, Que., Winnipeg, Man.

Calgary, Alta., Vancouver, B.C.

Bennett Pump Division

Plant:

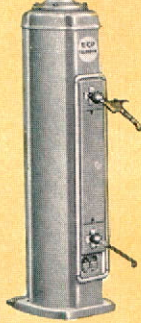
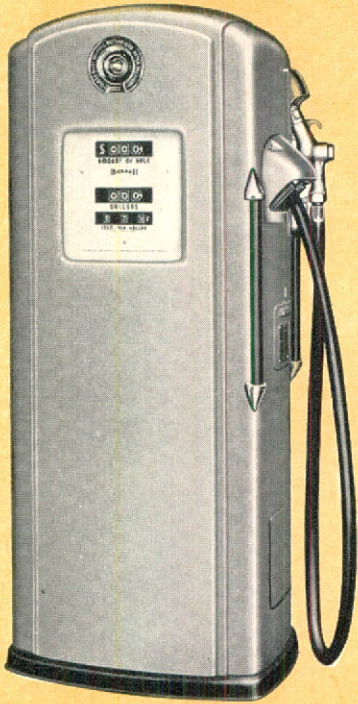
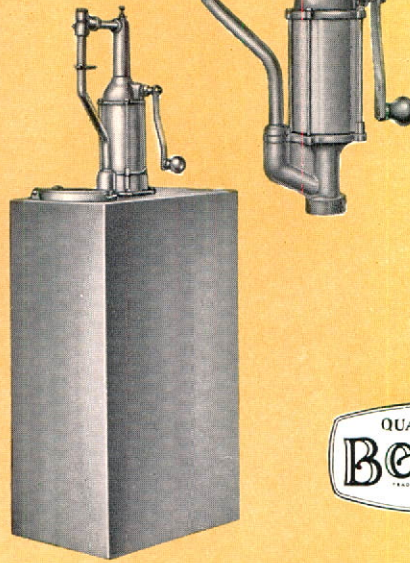
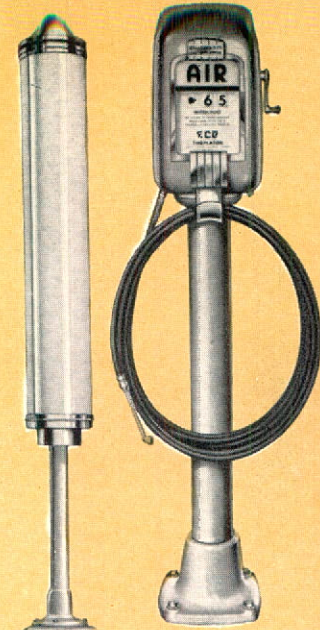
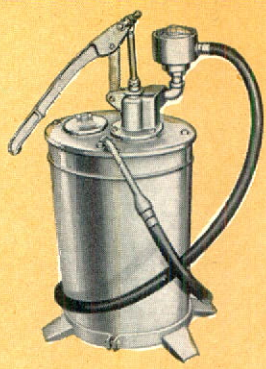
Toronto, Ontario

Warehouses:

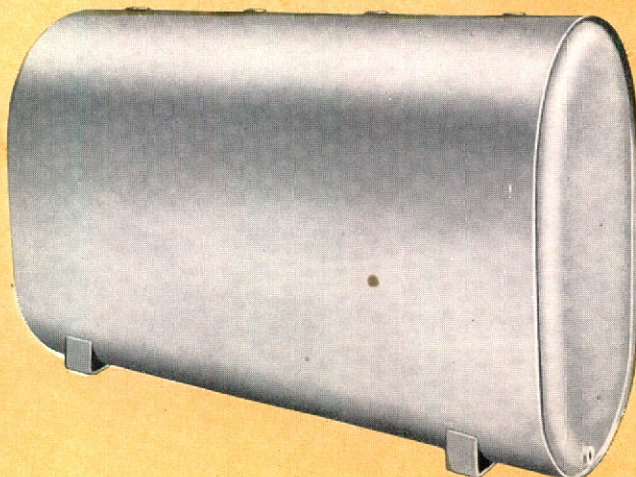
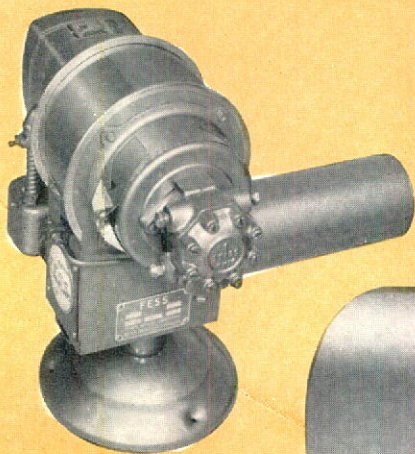
Montreal, Que., Winnipeg, Man.

Calgary, Alta., Vancouver, B.C.

**OIL
TRADE
EQUIPMENT**



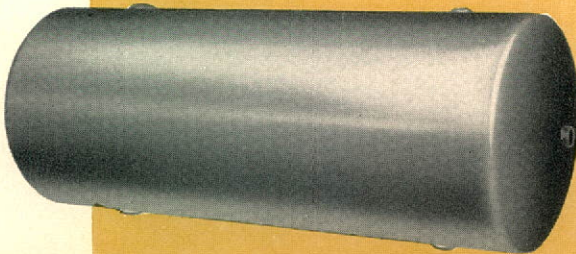
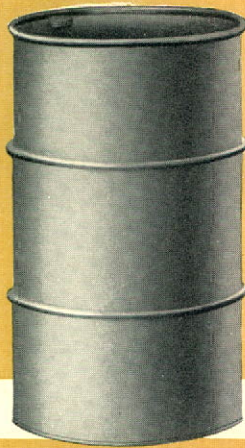
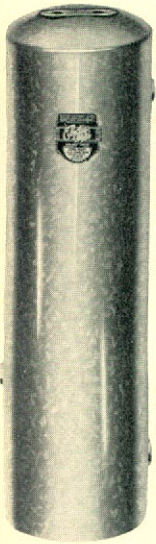
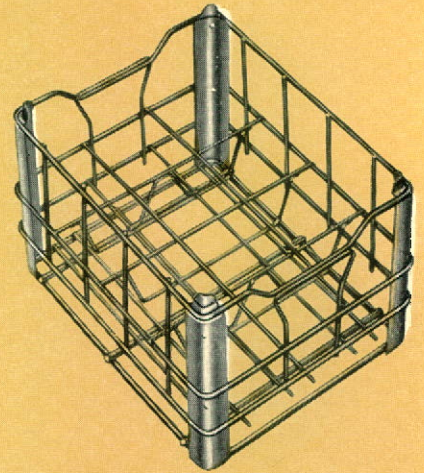
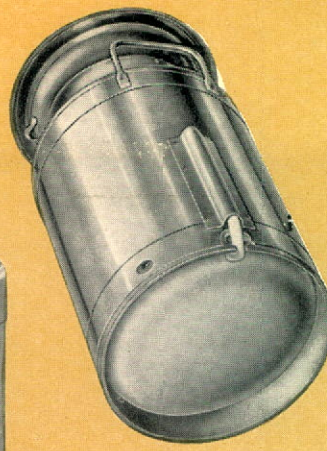
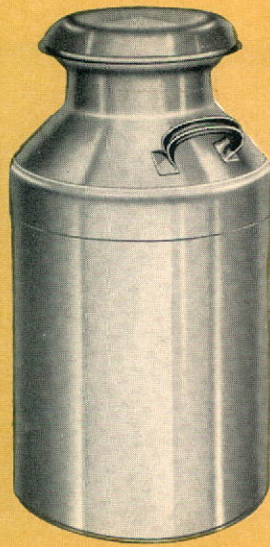
**TANKS
AND
WATER
HEATERS**



**OIL
BURNERS**



DAIRY
INDUSTRY
METALWARE



GAS AND
COMBINATION
RANGES



FOREIGN MARKETING SUBSIDIARIES

JOHN WOOD INTERNATIONAL CORPORATION

Executive Office

70 Pine Street, New York

John Wood International Corporation distributes through its sales agents in principal foreign countries the products of its parent, John Wood Company.

England	London	Portugal	Lisbon
France	Paris	Spain	Madrid
Belgium	Brussels	Turkey	Ankara
	Antwerp		
Western Germany	Hamburg	Israel	Tel Aviv
Switzerland	Zurich	South Africa	Cape Town
Italy	Rome		Durban
	Genoa		Johannesburg

JOHN WOOD PAN AMERICAN CORPORATION

Executive Office

70 Pine Street, New York

John Wood Pan American Corporation distributes through its sales agents in Latin American countries the products of its parent, John Wood Company.

Mexico	Mexico City	Argentina	Buenos Aires
	Guadalajara	Chile	Santiago
	Monterrey	Columbia	Bogota
			Barranquilla
Costa Rica	San Jose	Ecuador	Quito
Guatemala	Guatemala City		Guayaquil
Panama	Panama City		
Cuba	Havana	Peru	Lima
Dominican Republic	Ciudad Trujillo	Uruguay	Montevideo
Puerto Rico	San Juan	Venezuela	Caracas
			Maracaibo

BENNETT DO BRASIL LIMITADA

Executive Office

70 Pine Street, New York

Bennett Do Brasil Limitada, an operating subsidiary of John Wood Company, with branch office and warehouse in Rio de Janeiro, distributes directly and through its sales agents in the Republic of Brazil the products of the Bennett Pump Division, Muskegon, Michigan, and a wide range of oil trade equipment of other manufacture.

Rio de Janeiro
Sao Paulo
Recife

Porto Alegre
Bello Horizonte
Curitiba



★ JOHN WOOD PAN AMERICAN CORPORATION

● BENNETT DO BRASIL LIMITADA

