



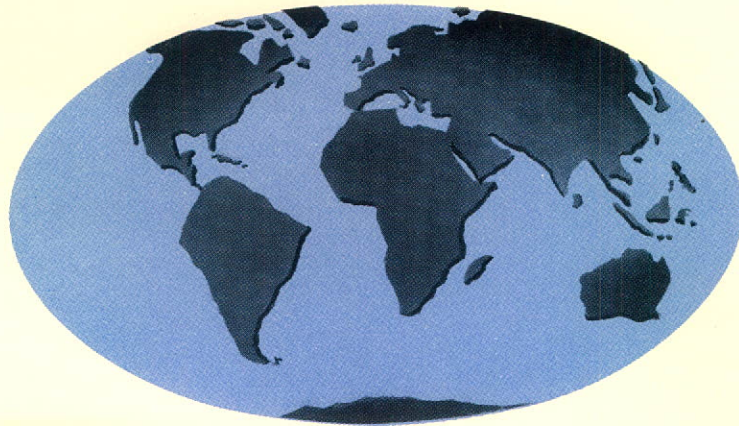
INTERNATIONAL METAL INDUSTRIES, LIMITED
and its subsidiaries
JOHN WOOD COMPANY • JOHN WOOD COMPANY LIMITED

Annual Report 1954



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Annual Report 1954

... for the year ended December 31

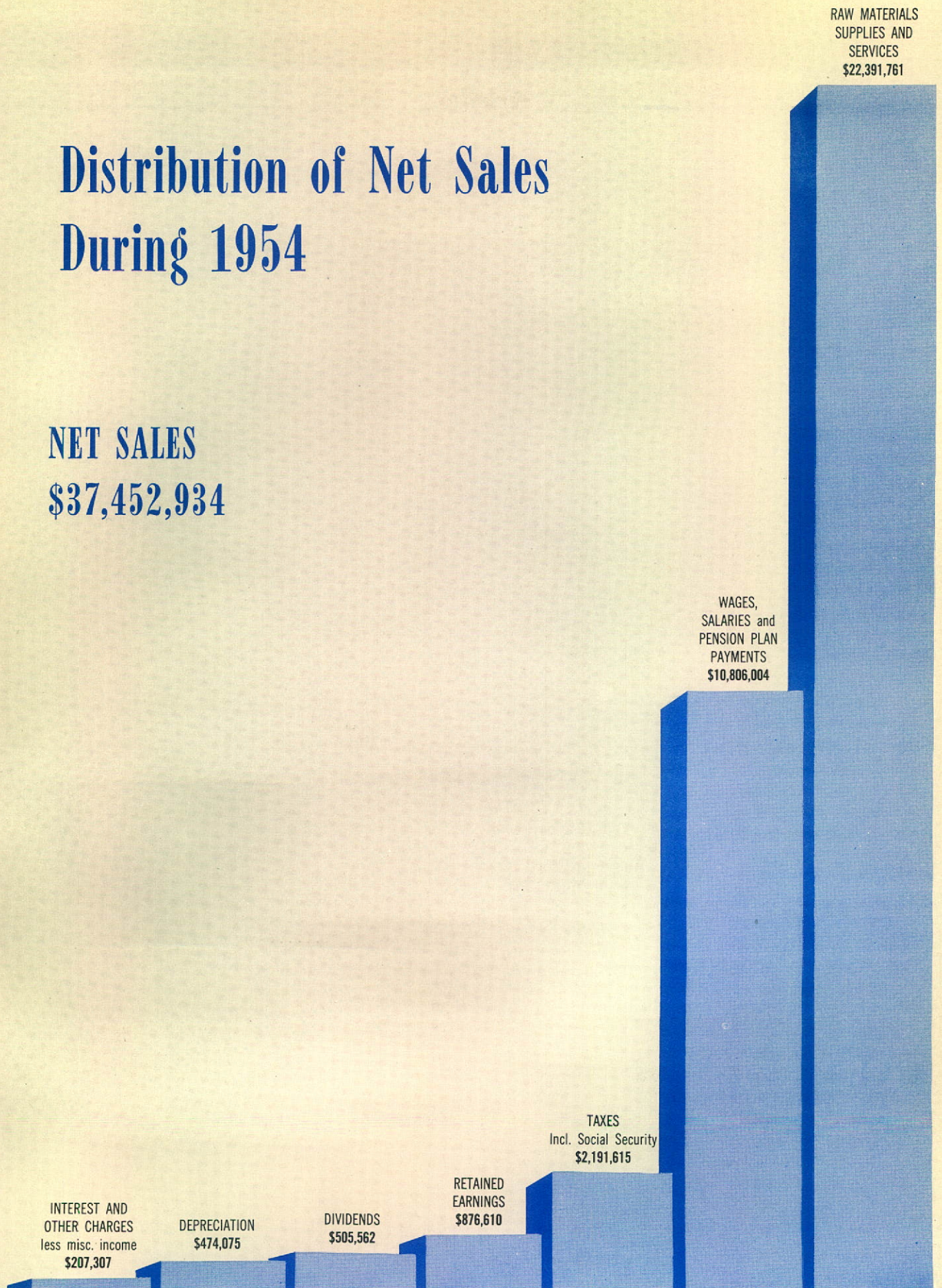
INTERNATIONAL METAL INDUSTRIES, LIMITED

CORPORATE HIGHLIGHTS

	1954	1953
Net sales.....	\$37,452,934	\$35,673,686
Income before taxes.....	\$ 3,042,172	\$ 2,701,341
Income taxes.....	\$ 1,660,000	\$ 1,500,000
Net income.....	\$ 1,382,172	\$ 1,201,341
Earnings per share on the preferred stock.....	\$ 50.05	\$ 42.69
Earnings per share on the Class "A" and "B" common stocks after allowing for preferred dividends.....	\$ 5.28	\$ 4.49
Total dividends paid.....	\$ 505,562	\$ 608,790
Preferred stock.....	\$ 124,263	\$ 132,166
Class "A" common stock.....	\$ 301,299	\$ 376,624
Class "B" common stock.....	\$ 80,000	\$ 100,000
Number of stockholders.....	2,569	2,556
Earnings for year retained in the business.....	\$ 876,610	\$ 592,551
Retained earnings (accumulated).....	\$10,446,507	\$ 9,569,897
Preferred shares redeemed during the year.....	530	1,665
Cost of preferred shares redeemed during the year.....	\$ 53,251	\$ 164,655
Current assets.....	\$16,265,981	\$16,335,655
Current liabilities.....	\$ 5,356,592	\$ 4,833,253
Working capital.....	\$10,909,389	\$11,502,402
Wages, salaries and pension plan payments.....	\$10,806,004	\$ 9,754,384
Number of employees.....	2,483	2,347

Distribution of Net Sales During 1954

NET SALES
\$37,452,934



REPORT TO STOCKHOLDERS

To our Stockholders:

On behalf of the Board of Directors and the Officers, I submit herewith statements of financial position and operations of the Company and its subsidiaries, John Wood Company and its subsidiaries in the United States, and John Wood Company Limited in Canada, for the year ended December 31, 1954.

Net sales for the year were \$37,452,000, the highest in the history of the Company, an increase of 5% over the prior year. The increase reflects the results of new and improved product lines introduced during 1954 which included the new Bennett gasoline pump, and the John Wood glass-lined water heater. In addition, the John Wood Company continued to produce powder boxes, cartridge storage cases, and bomb fin assemblies for the U. S. Army and Navy at its Conshohocken, Chicago and St. Paul plants.

Income before taxes but after depreciation and all other charges amounted to \$3,042,000, an increase of \$341,000 over the prior year. Operating profits have been charged with reserves set aside to take care of certain estimated expenses in the current and subsequent years which were permitted by the U. S. Tax Code of 1954. At this date it appears possible that the provisions of the code permitting these reserves for tax purposes will be repealed. However, the Company plans to continue the policy of providing additional reserves irrespective of the tax incidence.

The 1954 provision for taxes on income aggregates \$1,660,000. Total taxes in the United States and Canada, including income, real estate, payroll, franchise, etc., accrued for the year amounted to \$2,191,000 or \$8.24 per share on all classes of stock outstanding.

Net income for 1954 amounted to \$1,382,000 as compared with \$1,201,000 for 1953 or an increase of about 15%. Income reflects earnings for the year of \$50.05 per share on the preferred stock; and after allowing for the preferred dividends, earnings of \$5.28 per share on the combined Class "A" and "B" common stocks.

Regular quarterly dividends were paid during the year on the 4½% preferred stock and dividends of \$1.60 were paid on both classes of common stock.

During December, I forwarded a letter to all stockholders informing them of the reason why an extra dividend was not declared on the Class "A" and "B" common stocks of the Company for 1954. I pointed out that in 1953 total funds available from net earnings and depreciation exceeded expenditures affecting working capital by about \$500,000. In 1954, however, the situation was almost reversed. Total expenditures in 1954 for (1) capital improvements and expansion, (2) allocation for redemption of preferred shares, (3) reduction of long-term indebtedness, and (4) payment of dividends, exceeded the total funds realized from net income and depreciation by \$593,013.

In other words, net working capital at December 31, 1954 amounted to \$10,909,000, which represents a decrease of \$593,013 from December 31, 1953 accounted for as follows:

FUNDS APPLIED:

Expenditures on fixed assets (less depreciated book value of assets disposed of)		\$1,683,769
Dividends —		
On first preferred stock	\$124,263	
On class "A" common stock	301,299	
On class "B" common stock	<u>80,000</u>	505,562
Reduction in deferred liabilities — (instalment payment due October 1, 1955 on 3½% notes payable) ...		125,000
Sinking fund —		
Cash allocated to sinking fund for redemption of preferred stock ..	\$58,500	
Less expenses of redeeming preferred stock	<u>251</u>	58,249
Increase in other assets		76,680
		<u>\$2,449,260</u>

LESS FUNDS MADE AVAILABLE FROM OPERATIONS	1,856,247
Consisting of —	
Consolidated net income for the year	\$1,382,172
Depreciation charges not requiring a current cash outlay	474,075
	<u>\$1,856,247</u>
Excess of funds applied over funds made available, accounting for decrease in working capital referred to above	<u>\$ 593,013</u>

Retained earnings as of December 31, 1954 were in the amount of \$10,446,000, an increase of \$876,000 over the prior year.

Current assets amounted to \$16,265,000, and current liabilities \$5,356,000, a ratio of more than three to one. Current assets included cash and Government Securities of \$5,347,000, accounts and notes receivable, less reserves, of \$3,822,000, and inventories of \$7,096,000. The latter represents a decrease of \$385,000 over the prior year.

During the year \$58,500 was transferred to the sinking fund, and 530 shares of preferred stock were redeemed and cancelled at a cost of \$53,251. The balance in the sinking fund as of December 31, 1954 amounted to \$8,930. An additional 250 shares were purchased and redeemed during January of the current year at a cost of \$25,750. Since July 1, 1945, the day that the preferred stock was issued, 12,636 shares have been purchased for redemption and cancellation, leaving a balance as of the present date of 27,364 shares outstanding.

Corporate highlights are presented on page 3, a chart showing the distribution of net sales on page 4, the consolidated income and retained earnings on page 8, and consolidated balance sheet on page 11.

On November 30, 1954, John Wood Company purchased for cash the Norristown, Pennsylvania operation, including fixed assets and inventory, of the W. A. Case and Son Manufacturing Company. The production activities of this unit were moved to our Conshohocken plant. The Case building, which covers approximately 45,000 square feet and is located about three miles from our Conshohocken

plant, will now be used for warehousing the products of the Heater and Tank Division.

After the last annual meeting, Mr. Guy George Gabrielson, Jr. was appointed Secretary of the parent company and all subsidiary companies. On May 6, 1954 the John Wood Company adopted a new set of by-laws which provided for a board of sixteen members. The chairman and members of this board are shown on page 7 of this report.

Operations will be dealt with in further detail at the annual meeting to be held on April 26, 1955.

The volume of sales for the first quarter of 1955 is running slightly ahead of sales for the like period of 1954. However, profit has not increased proportionately because of higher costs while prices generally have remained the same and in some cases have been reduced. The Bennett Pump Division continues to maintain a dominant position in the oil trade equipment industry. Our line of glass-lined John Wood water heaters had immediate acceptance in the United States and sales volume continues to grow. Facilities for the manufacture of water heaters have been enlarged at our Chicago plant. The Superior Metalware Division produces a large share of the U. S. and Canadian supply of milk cans and crates. During the current year the Floyd-Wells Company Division introduced a completely new line of Bengal quality gas ranges featuring advanced styling and controls. The effect of these programs should continue to keep the Company in a strong competitive position.

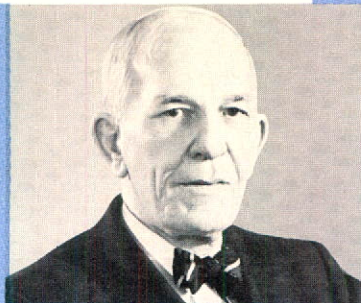
It appears that the year 1955 will be a highly competitive one. Throughout our organization, therefore, increased emphasis will be placed on cost reduction programs, new product development, and engineering research expansion.

The Directors take this opportunity of expressing their appreciation of the loyalty and cooperation of the officers and employees of the organization.

March 28, 1955

President.

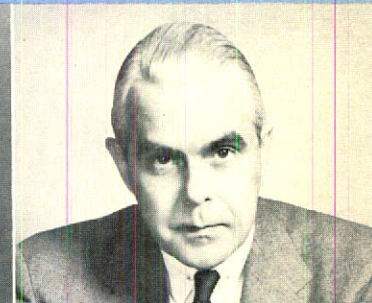
OFFICERS and DIRECTORS



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
R. S. Owens
Guy George Gabrielson, Jr.
G. C. Berry

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

Board of Directors

Guy George Gabrielson, Chairman

A. M. Aikman
J. B. Balmer
V. G. Barnes
W. T. Briggs
W. F. Fisher
J. F. Herbert
A. F. Jordan

C. M. Konvalinka
S. K. Makemson
Victor Mauck
M. N. Mellwain
G. W. Meehan
R. S. Owens
R. W. Simpson
J. N. Welscher

JOHN WOOD COMPANY LIMITED

Board of Directors

A. M. Aikman
J. B. Balmer

Guy George Gabrielson
Victor Mauck

CONSOLIDATED INCOME and RETAINED EARNINGS

CONSOLIDATED INCOME

	<i>Years ended December 31</i>	
	1954	1953
Net sales.....	<u>\$37,452,934</u>	<u>\$35,673,686</u>
Deduct:		
Cost of sales, selling, general and administrative expenses and charges (less miscellaneous income).....	\$33,891,965	\$32,567,623
Depreciation charges.....	474,075	320,819
Interest on long-term debt.....	73,281	77,656
Loss or profit (—) on disposal of fixed assets.....	1,282	—15,097
Loss on exchange.....	19,312	58,855
	<u>\$34,459,915</u>	<u>\$33,009,856</u>
	\$ 2,993,019	\$ 2,663,830
Add:		
Investment income.....	25,185	37,511
Profit on sale of investments.....	23,968	—
Income before taxes.....	<u>\$ 3,042,172</u>	<u>\$ 2,701,341</u>
Provision for taxes on income.....	1,660,000	1,500,000
Net income.....	<u>\$ 1,382,172</u>	<u>\$ 1,201,341</u>

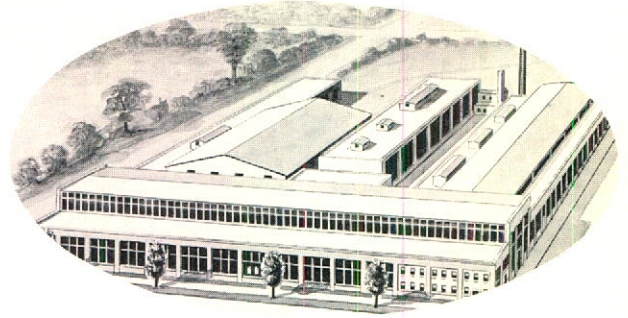
NOTE: Payments by the company or its subsidiaries during the year ended December 31, 1954 include fees of \$42,000 paid to directors and members of the executive committee and remuneration of \$118,705 to executive officers and solicitors of the parent company.

RETAINED EARNINGS

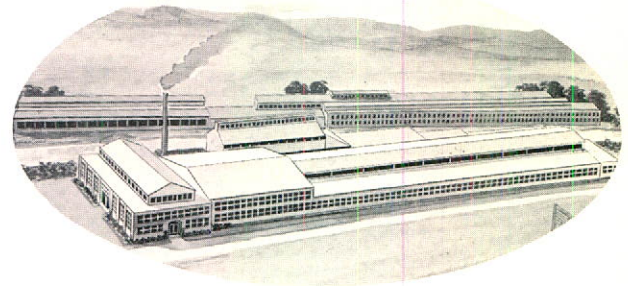
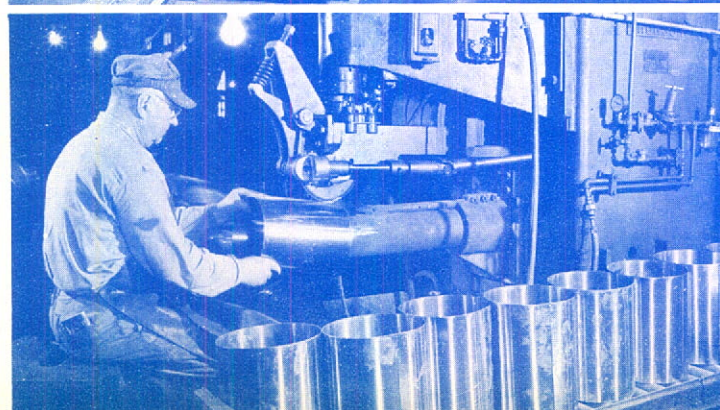
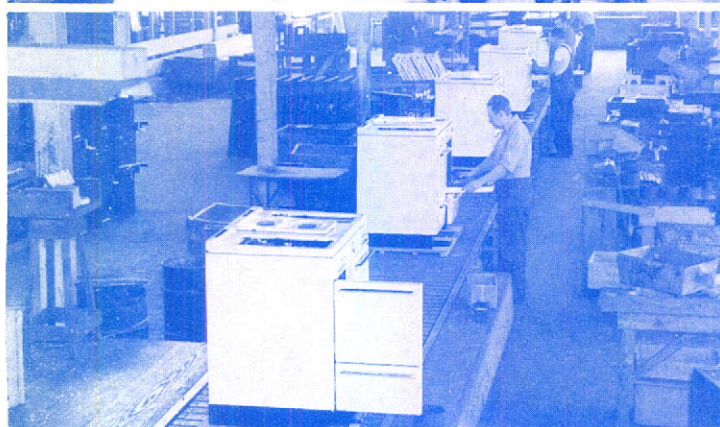
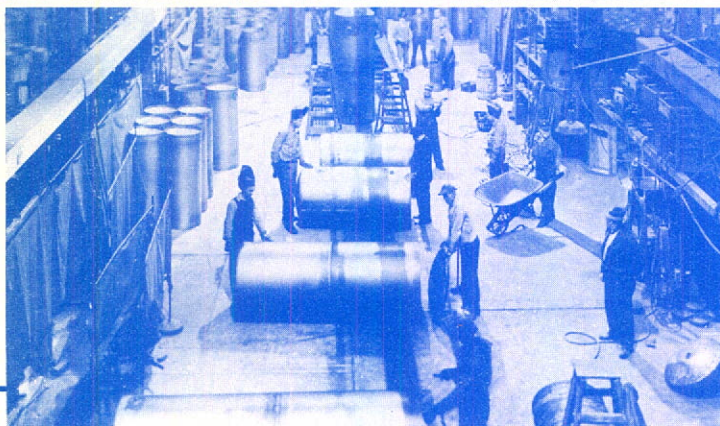
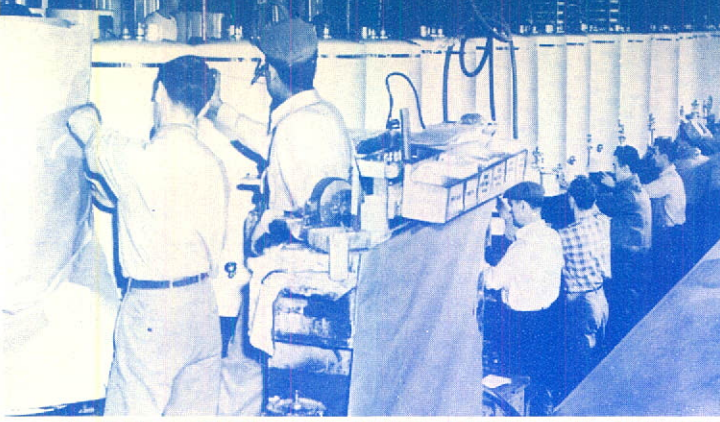
Balance at beginning of year.....	\$ 9,569,897	\$ 8,977,346
Net income from income statement.....	1,382,172	1,201,341
	<u>\$10,952,069</u>	<u>\$10,178,687</u>
Dividends:		
On first preferred stock — 1954 and 1953 — \$4.50 per share.....	\$ 124,263	\$ 132,166
On class "A" common stock — 1954 — \$1.60 per share; 1953 — \$2.00 per share.....	301,299	376,624
On class "B" common stock — 1954 — \$1.60 per share; 1953 — \$2.00 per share.....	80,000	100,000
	<u>\$ 505,562</u>	<u>\$ 608,790</u>
Balance at end of year.....	<u>\$10,446,507</u>	<u>\$ 9,569,897</u>

See financial notes on page 13

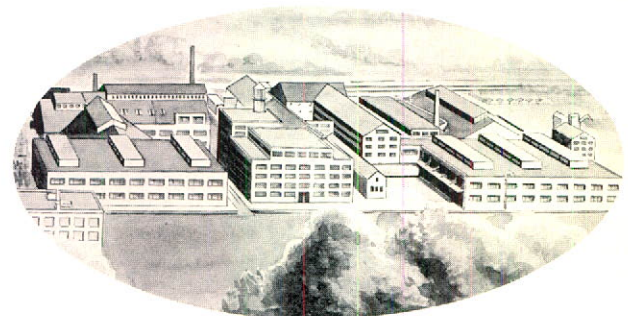
JOHN WOOD CO



JOHN WOOD COMPANY
Heater and Tank Division
Chicago, Illinois



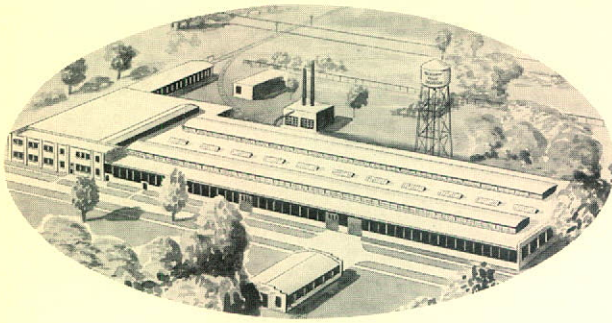
JOHN WOOD COMPANY
Heater and Tank Division
Conshohocken, Pennsylvania



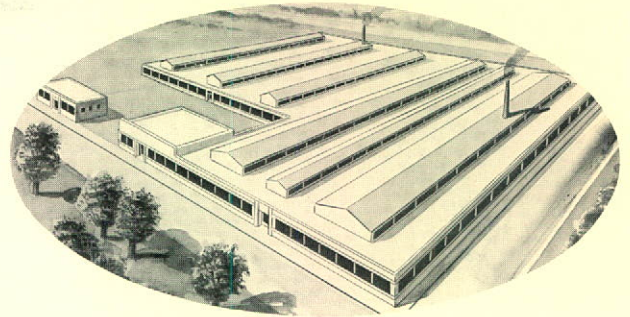
JOHN WOOD COMPANY
Floyd-Wells Division
Royersford, Pennsylvania

89 years

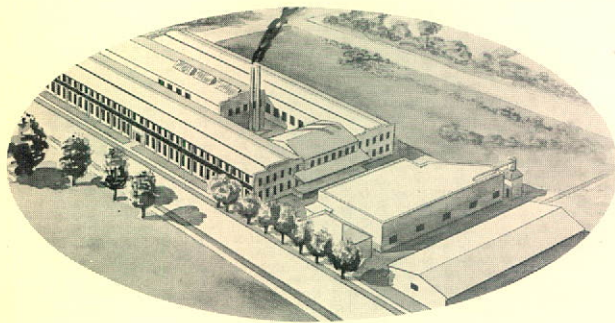
MPANY and affiliates



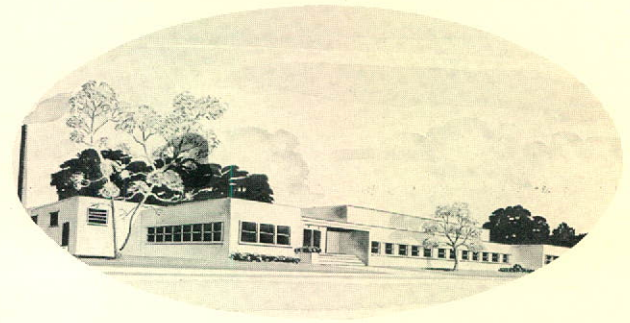
JOHN WOOD COMPANY
Bennett Pump Division
Muskegon and Hart, Michigan



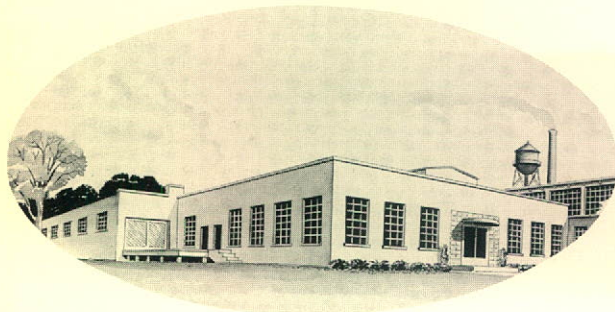
JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Bennett Pump Division
Fess Burner Division
Toronto, Ontario



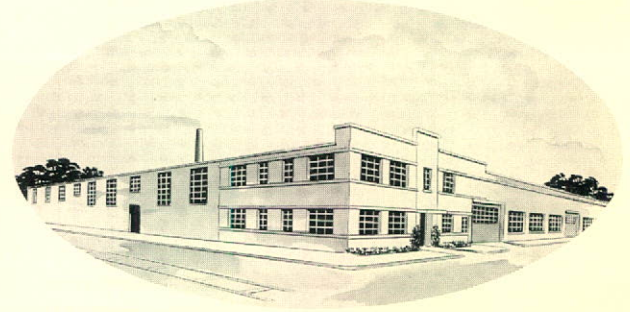
JOHN WOOD COMPANY
Superior Metalware Division
St. Paul, Minnesota



JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Winnipeg, Manitoba



JOHN WOOD COMPANY LIMITED
Heater and Tank Division
Montreal, Quebec



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

of progress



CONSOLIDATED BALANCE SHEET

ASSETS

	<i>December 31</i>	
	1954	1953
CURRENT:		
Cash	\$ 4,133,324	\$ 2,746,474
Government securities, at cost (approximate market value 1954 — \$1,228,500; 1953 — \$2,443,000)	1,213,538	2,422,813
Accounts and notes receivable (less allowance 1954, \$283,000; 1953, \$275,000)	3,822,626	3,685,126
Inventories as determined and certified by company officials, and valued at the lower of cost or market value	7,096,493	7,481,242
	<u>\$16,265,981</u>	<u>\$16,335,655</u>
SINKING FUND:		
Cash held for redemption of first preferred shares	\$ 8,930	\$ 3,681
FIXED:		
Land, buildings and equipment as written down to less than cost at January 1, 1933, with subsequent additions at cost	\$ 9,487,793	\$ 7,925,889
Less accumulated depreciation	4,362,986	4,010,776
	<u>\$ 5,124,807</u>	<u>\$ 3,915,113</u>
PATENTS, RIGHTS AND LICENSES	\$ 1	\$ 1
OTHER ASSETS:		
Prepaid expenses and deferred charges	\$ 188,327	\$ 115,187
Sundry receivables, etc.	34,549	31,009
	<u>\$ 222,876</u>	<u>\$ 146,196</u>
	<u>\$21,622,595</u>	<u>\$20,400,646</u>

See financial notes on page 13

CONSOLIDATED BALANCE SHEET

LIABILITIES

	<i>December 31</i>	
	1954	1953
CURRENT:		
Accounts payable and accrued charges.....	\$ 2,948,921	\$ 2,671,368
Taxes payable (estimated).....	2,156,281	1,814,572
Dividends payable.....	126,390	222,313
Current instalment of U. S. subsidiary's 3½% notes.....	125,000	125,000
	<u>\$ 5,356,592</u>	<u>\$ 4,833,253</u>
DEFERRED:		
3½% notes of United States subsidiary, due \$125,000 annually 1955-1962, balance 1963 (payable in U. S. dollars).....	\$ 2,000,000	\$ 2,125,000
Less instalment maturing within one year included under current liabilities.....	125,000	125,000
	<u>\$ 1,875,000</u>	<u>\$ 2,000,000</u>
RESERVE:		
Excess of book value of net assets of subsidiary at date of acquisition in 1953 over cost of investment.....	\$ 468,160	\$ 468,160
CAPITAL:		
Authorized —		
50,000 shares preferred stock, par value \$100 each less 12,386 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 —		
27,614 shares 4½% cumulative redeemable sinking fund first preferred stock, par value \$100 each — redeemable at \$103	\$ 2,761,400	\$ 2,814,400
188,312 shares class "A" common stock of no par value }.....	714,936	714,936
50,000 shares class "B" common stock of no par value }		
	<u>\$ 3,476,336</u>	<u>\$ 3,529,336</u>
RETAINED EARNINGS	10,446,507	9,569,897
	<u>\$13,922,843</u>	<u>\$13,099,233</u>
	<u>\$21,622,595</u>	<u>\$20,400,646</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 attached consolidated balance sheet and the related statement of consolidated income on the basis of U.S. \$1 = Can. \$1. At December 31, 1954 the U.S. dollar was at a discount of 3-5/16% in terms of the Canadian dollar while on December 31, 1953 it was at a discount of 2-5/8%. The net current assets of the United States subsidiary amounted to U.S. \$8,700,000 at December 31, 1954 and U.S. \$9,100,000 at December 31, 1953.

(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.

(3) In 1954 the United States subsidiary provided certain accruals for expenses not heretofore recorded until paid. It also adopted new depreciation methods with respect to 1954 additions to fixed assets, and with respect to tools, dies and patterns previously expensed at the time of purchase. These changes in accounting practice had no material effect upon the net income for 1954.

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, 1954 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, and according to the best of our information and the explanations given to us and as shown by the books of the companies, 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, 1954 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, except for certain changes in accounting procedures effected by the United States subsidiary during the year (as explained in note 3 to the financial statements), which changes have our approval.

March 14, 1955.

ARTHUR YOUNG, CLARKSON, GORDON & Co.

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.

Charlotte, N. C., Atlanta, Ga.

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 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.

Warehouses:

Calgary, Alta., Edmonton, Alta.

Regina, Sask., Saskatoon, Sask.

Fess Burner Division

Plant:

Toronto, Ontario

Warehouses:

Montreal, Que., Winnipeg, Man.

Calgary, Alta., Vancouver, B. C.

Edmonton, Alta., Regina, Sask.

Saskatoon, Sask.

Bennett Pump Division

Plant:

Toronto, Ontario

Warehouses:

Montreal, Que., Winnipeg, Man.

Calgary, Alta., Vancouver, B. C.

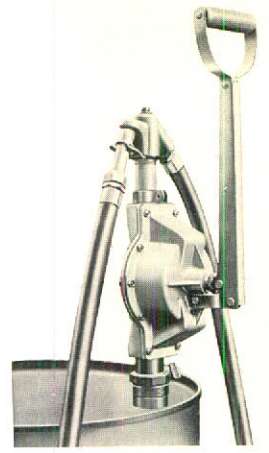
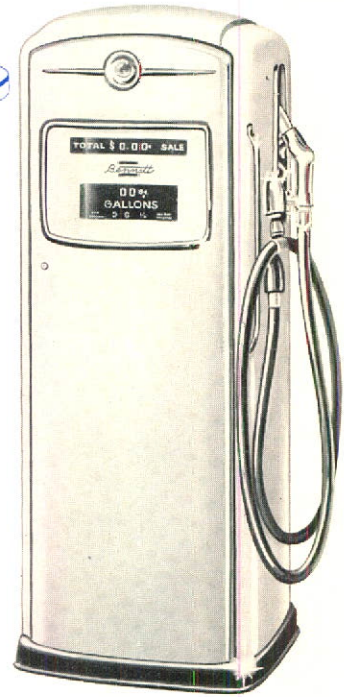
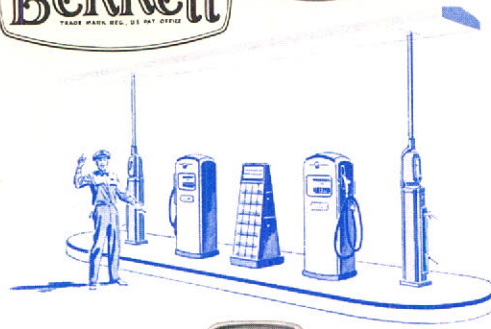
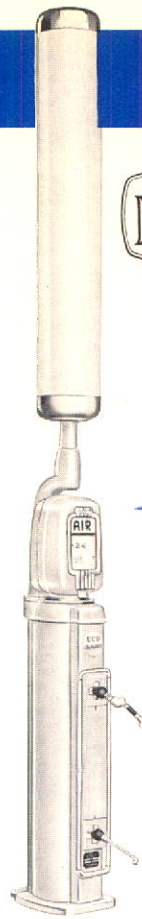
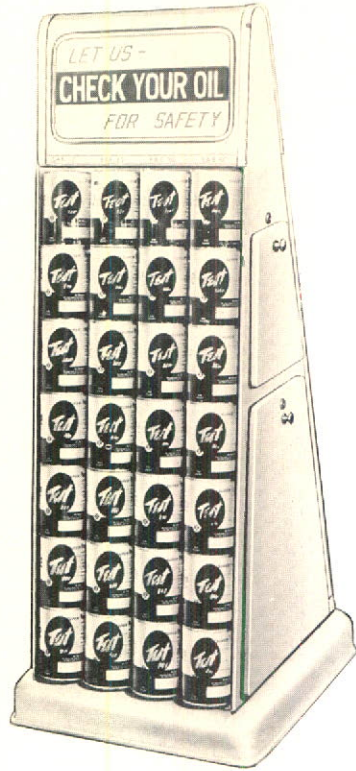
Edmonton, Alta., Regina, Sask.

Saskatoon, Sask.

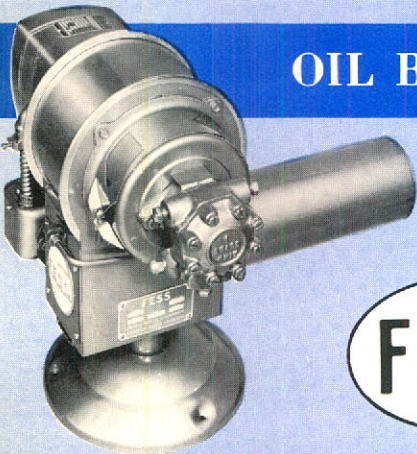
OIL TRADE EQUIPMENT

QUALITY BUILT
Bennett
TRADE MARK REG. U.S. PAT. OFFICE

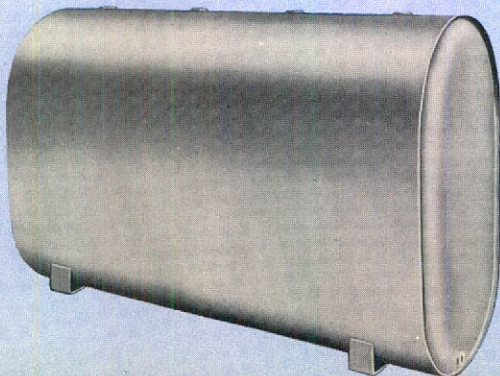
Precision Made
ECO
Automotive
Servicing Equipment



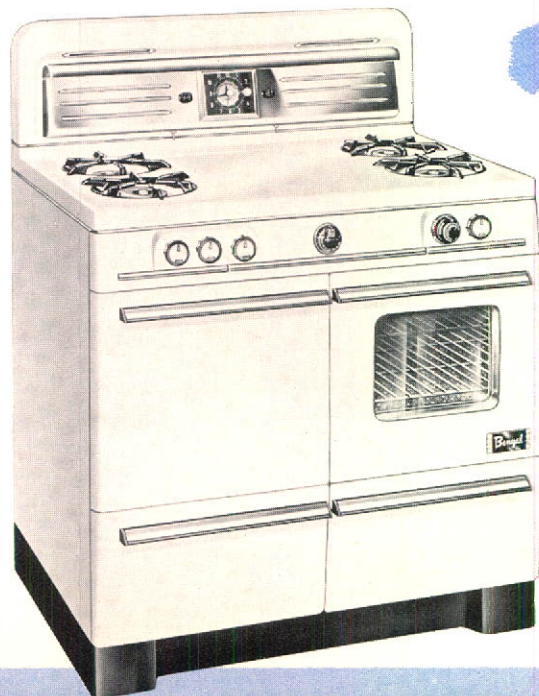
OIL BURNERS



FESS

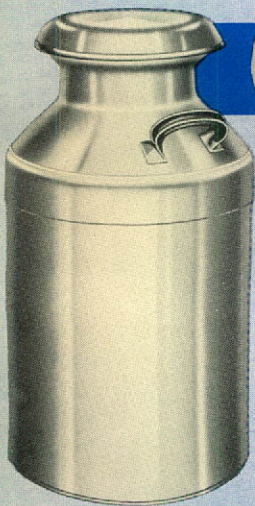
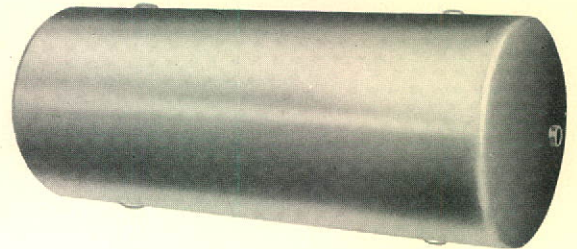
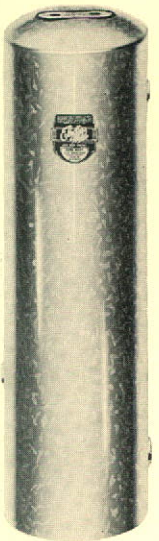
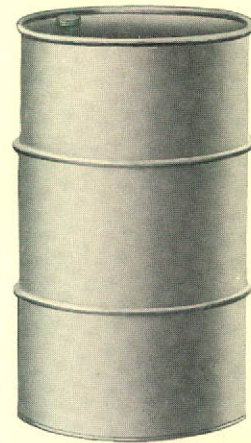
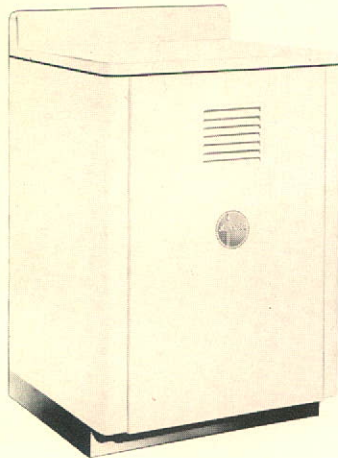
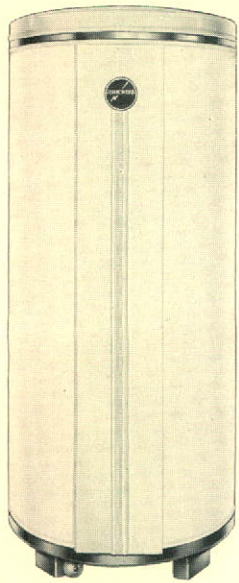
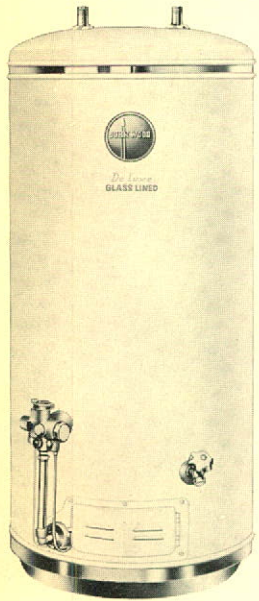


DOMESTIC RANGES

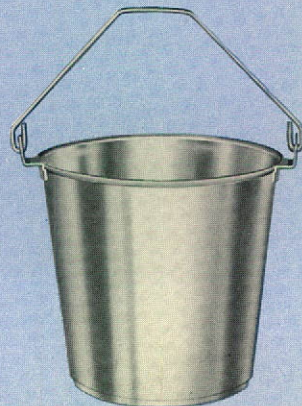
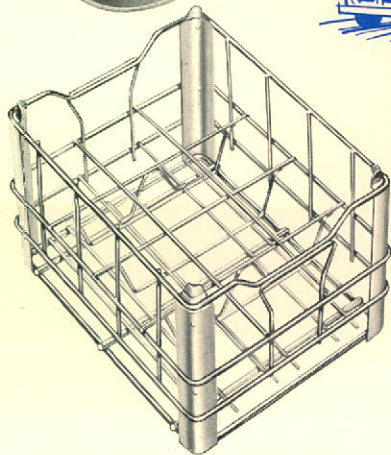
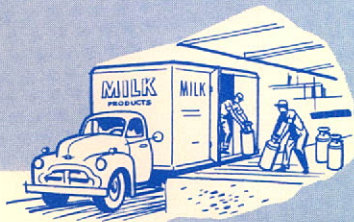


Bengal

TANKS AND WATER HEATERS



DAIRY INDUSTRY METALWARE



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



