

# Algoma Steel Corporation, Limited

## SECOND ANNUAL REPORT

YEAR ENDED 30TH APRIL, 1937

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# ALGOMA STEEL CORPORATION, LIMITED

BALANCE SHEET AS AT 30th APRIL, 1937

## ASSETS

### CURRENT ASSETS:

Cash .....	\$	75,933.65
Bills and Accounts Receivable, less reserve .....		2,712,019.85
Inventories:		
Valued at the lower cost or market:		
Raw materials, semi-finished products and supplies .....	\$	1,511,228.65
Ore—Subject to the lien of the supplier until discharge of \$98,630.01, shown as liability per contra .....		134,253.20
Saleable products .....		552,254.63
	\$	2,197,736.48
Rails rolled under contracts (valued at net selling prices) .....		948,336.43
		3,146,072.91
Advance payments on contracts .....		12,170.98
	\$	5,946,197.39

INVESTMENTS ..... 1,071,223.01

### PROPERTY AND EQUIPMENT:

As valued by the technical staff of the Company at 4th May, 1935, plus additions since that date at cost .....	\$	14,174,907.73
Deduct—Reserve for Depreciation .....		1,035,272.91
		13,139,634.82

PREPAYMENTS AND DEFERRED CHARGES ..... 77,102.39

\$20,234,157.61

## LIABILITIES

### CURRENT LIABILITIES:

Bank of Montreal, Loan, secured .....	\$	857,000.00
Accrued Wages and Salaries .....		147,754.10
Accounts Payable:		
Sundry Creditors .....	\$531,307.95	
Subsidiary Companies .....	14,167.88	
		545,475.83
Notes Payable .....		44,200.00
Accrued Liabilities:		
Contract Ores, secured .....	\$ 98,630.01	
Coal Duties .....	70,326.89	
Royalties and Sundries .....	61,575.92	
Taxes .....	118,429.11	351,961.93
		\$ 1,946,391.86

### RESERVES:

For Income Taxes .....	\$	78,085.11
For Rebuilding and Relining Furnaces, etc. ....		2,027,410.99
For Contingencies .....		266,676.05
		2,372,171.25

### CAPITAL STOCK AND SURPLUS:

5% Preference (Non-cumulative until January 1, 1940):		
Authorized—27,000 shares at \$100.00 Par Value		
Issued .....	26,390 shares	
Less—Purchased and Redeemed .....	2,215 "	
	24,175 "	
Converted into Common Stock .....	2,160 "	
	22,015 "	\$ 2,201,500.00
Outstanding .....		
Common—No Par Value .....		10,188,500.00
Authorized—1,000,000 shares		
Issued — 407,540 "		
Distributable Surplus .....		2,793,857.22
Earned Surplus:		
As at May 1, 1936 .....	\$541,814.63	
Net Surplus for the year ended April 30, 1937 .....	189,922.65	731,737.28
		15,915,594.50

\$20,234,157.61

THE SHAREHOLDERS,  
ALGOMA STEEL CORPORATION, LIMITED,  
Sault Ste. Marie,  
Ontario, Canada.

We have examined the books and accounts of Algoma Steel Corporation, Limited, for the year ended 30th April, 1937, and report that we have obtained all the information and explanations which we have required.

In our opinion, the accompanying Balance Sheet and relative Profit and Loss Account are properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as at 30th April, 1937, and the result of its operations for the year ended on that date, according to the best of our information and the explanations given to us, and as shown by the books of the Corporation.

Montreal, 28th May, 1937.

BARROW, WADE, GUTHRIE & CO.,  
Auditors.

# ALGOMA STEEL CORPORATION, LIMITED

## Profit and Loss Account

For the Year Ended 30th April, 1937

SALES OF ROLLED PRODUCTS, PIG IRON, COKE AND BY-PRODUCTS — including net selling price of contract rails not yet delivered.....	\$9,640,438.09
<i>Less</i> —Selling and Shipping Expenses, Royalties, etc. ....	217,886.27
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	\$9,422,551.82
COST OF PRODUCTS SOLD .....	8,665,680.66
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<i>Operating Profit</i> .....	\$ 756,871.16
OTHER INCOME:	
Profit on sale of investment .....	\$ 17,322.67
Interest earned .....	39,587.28
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	56,859.95
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	\$ 813,731.11
DEDUCT—Interest on Loans .....	75,680.46
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<i>Profit before Depreciation and Income Taxes</i> .....	\$ 738,050.65
DEPRECIATION—Plant and Equipment .....	540,917.73
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	\$ 197,132.92
PROVISION FOR INCOME TAXES, less over-accrual of prior year	7,210.27
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<i>Net addition to Surplus for year ended 30th     April, 1937</i> .....	\$ 189,922.65