

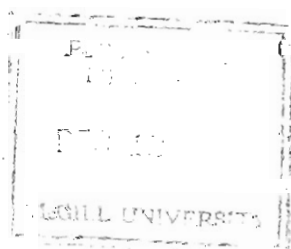
C.

# ALGOMA STEEL CORPORATION, LIMITED

## SEVENTH ANNUAL REPORT



FOR THE YEAR ENDED  
APRIL 30th, 1942



# ALGOMA STEEL CORPORATION, LIMITED



## DIRECTORS

SIR JAMES DUNN, Bart., President and Chairman Board of Directors.	-	-	-	Bathurst, N.B.
T. F. RAHILLY, First Vice-President and General Manager.	-	-	-	Sault Ste. Marie, Ontario
W. C. FRANZ, Vice-President	-	-	-	Sault Ste. Marie, Ontario
JOHN A. McPHAIL, K.C., Vice-President	-	-	-	Sault Ste. Marie, Ontario
A. A. AITKEN	-	-	-	Montreal, Quebec
THOMAS ARNOLD	-	-	-	Montreal, Quebec
JOHN W. HOBBS	-	-	-	Toronto, Ontario
E. GORDON McMILLAN, K. C.	-	-	-	Toronto, Ontario
JOSEPH SIMARD	-	-	-	Montreal, Quebec

## PRESIDENT'S REPORT

Sault Ste. Marie, Ontario

July 14th, 1942

To the Shareholders,

### ALGOMA STEEL CORPORATION, LIMITED

The Directors submit herewith the audited Balance Sheet and Profit and Loss Account of your Corporation for the fiscal year ended April 30th, 1942. The net addition to surplus for the year amounts to \$309,669.81 and has been added to the earned surplus which now amounts (after deduction of dividend of \$104,775.00 paid on Preferred stock during the year) to \$3,492,074.55. During the year net expenditures on property, plant and equipment were \$6,997,636.75 of which \$162,653.27 was provided out of rebuilding and relining reserves. During the year your Corporation's working capital decreased by \$1,274,677.29 by reason of further investment in plant and equipment.

In the Company's last Annual Report to its Shareholders mention was made of the installation of two new mills, a 44" Blooming Mill and a 25" Continuous Billet Mill—these two mills have lately come into operation and are working satisfactorily.

The Shareholders will note that the surplus for the year under review is \$497,371.55 less than for the previous year while the depreciation provided is \$998,935.33 more than for the previous year.

In conformity with the wishes of and in arrangement with His Majesty's Government at Ottawa, your Corporation is building Coke Ovens, Blast Furnaces, Coal Storage, Docks and other works and will operate the same. Progress is according to estimate and it is expected that all this work will be completed and in operation during the first half of 1943.

Your Corporation's wholly owned subsidiary, Algoma Ore Properties, Limited, produced and shipped during the year 487,865 tons of sinter of which 259,173 tons were sold to U.S. furnaces and 211,527 tons were used in your Corporation's furnaces at Sault Ste. Marie and 17,165 tons in other Canadian furnaces. 480,000 tons is expected to be the production of sinter for the current season.

During the year \$185,907.51 was expended chiefly on mining equipment and machinery spares at the Mine and Sintering Plant and \$165,000.00 of your Corporation's loan was repaid.

In the past twenty months Algoma Ore Properties has expended \$93,988.34 in extensive exploratory operations covering various of its properties and by stripping, trenching and diamond drilling has established the existence of a large quantity of low grade magnetite of a character now being worked successfully in the States of New Jersey, New York and Pennsylvania.

The Directors wish to express their thanks to the officers and employees for the loyal and efficient service rendered by them during the year.

JAMES DUNN,

President and Chairman,

Board of Directors.

# ALGOMA STEEL CORPORATION, LIMITED

BALANCE SHEET as at APRIL 30th, 1942

ASSETS		LIABILITIES	
<b>CURRENT</b>		<b>CURRENT</b>	
Cash	103,495.23	Bank Loans Secured	
Cash—Employees' deposits for War		General Loan	1,886,000.00
Savings Certificates per Contra	1,017.00	Special Loan, secured by Dominion of Canada Bonds	1,250,000.00
Bills and Accounts Receivable:			3,136,000.00
Sundry Debtors	3,101,765.70	Interest—First Mortgage Bonds due May 1st, 1942	55,850.00
Subsidiary Companies	150,874.97	Employees' Subscriptions for War Savings Certificates per contra	1,017.00
Claims—Provincial Income Taxes	26,325.38	Accrued Wages and Salaries	377,123.94
Dominion of Canada 2nd Victory War Loan Bonds	1,250,000.00	Accounts Payable:	
Accrued Interest	4,700.33	Sundry Creditors	2,023,618.93
Inventories:		Subsidiary Companies	328,961.39
As determined by the Management valued at the lower of cost or market:		Current Liability re Plant Extension	920,912.09
Raw Materials, semi-finished products and supplies	6,082,251.49	Unclaimed Dividends	805.94
Saleable Products	398,742.16	Unclaimed Interest on First Mortgage Bonds	3,050.00
Advance Payments on Contracts	290,613.58	Provision for Income and Excess Profits Taxes	258,188.84
ADVANCES TO SUBSIDIARY COMPANIES	1,258,038.62	DEFERRED LIABILITY RE PLANT EXTENSION	3,019,087.91
INVESTMENTS:		RESERVES:	
Subsidiary Companies	1,062,924.01	For Rebuilding and Relining Furnaces, etc.	3,325,584.69
Other	16,666.00	For Contingencies	94,051.72
PROPERTY AND EQUIPMENT:		FUNDED DEBT:	
Land, Buildings, Plant and Equipment	26,115,377.33	First Mortgage Bonds—Series "A"	
Less: Reserve for Depreciation	5,392,156.87	Serial Bonds—1942-1944	600,000.00
PREPAYMENTS AND DEFERRED CHARGES	106,290.71	Convertible Bonds due 1948	1,714,000.00
		CAPITAL STOCK AND SURPLUS	
		5% Cumulative Redeemable Preference Stock	
		Authorized—27,000 Shares of \$100.00 par value	
		Issued	26,390 Shares
		Less: Purchased and Redeemed	3,275
		Converted into Common Stock	2,160 5,435 "
		Outstanding	20,955 " 2,095,500.00
		Common Stock—No par value	
		Authorized — 1,000,000 Shares	
		Issued	412,700 " 10,274,500.00
		Distributable Surplus	12,370,000.00
		Earned Surplus:	2,796,598.64
		As at May 1st, 1941	3,182,404.74
		Surplus for year ended April 30th, 1942	414,444.81
		Deduct: Dividends on Preference Stock	3,596,849.55
			104,775.00
			3,492,074.55
			18,658,673.19
			• Of this issue \$ 200,000.00 matures November 1st, 1942.
	<b>\$ 34,576,925.64</b>		<b>\$ 34,576,925.64</b>

Note: Outstanding commitments on uncompleted Construction amount to approximately \$ 980,000.00

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 April 30th, 1942 and report that we have obtained all the information and explanations which we have required.

In our opinion, the above Balance Sheet and accompanying 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 April 30th, 1942, and the result of its operations, for the year ended that date, according to the best of our information and the explanations given to us, and as shown by the books of the Corporation.

Toronto, June 29th, 1942.

BARROW, WADE, GUTHRIE & CO.

Chartered Accountants.

# ALGOMA STEEL CORPORATION, LIMITED

## Profit and Loss Account

For the Year Ended April 30th, 1942

PROFIT FROM OPERATIONS.....		\$ 2,626,788.43
OTHER INCOME:		
Interest Earned, etc.....		<u>70,527.73</u>
		2,897,316.16
INTEREST:		
On Loans .....	\$ 129,061.85	
On First Mortgage Bonds .....	<u>115,700.00</u>	<u>244,761.85</u>
PROFIT BEFORE DEPRECIATION.....		2,452,554.31
DEPRECIATION—Plant and Equipment Including special depreciation for “War” plant and equipment as authorized by the War Contracts Depreciation Board .....		<u>1,790,306.92</u>
NET PROFIT FOR YEAR before providing for Income and Excess Profits Taxes,		662,247.39
PROVISION FOR INCOME AND EXCESS PROFITS TAXES		247,802.58
SURPLUS FOR YEAR ENDED APRIL 30th, 1942		<u><u>\$ 414,444.81</u></u>

# ALGOMA STEEL CORPORATION, LIMITED

## Wholly Owned Subsidiaries



ALGOMA ORE PROPERTIES, LIMITED (An Ontario Corporation).

ALGOMA STEEL PRODUCTS COMPANY LIMITED (A Manitoba Corporation).

ALGOMA TRAMWAYS LIMITED (An Ontario Corporation).

CANNELTON COAL AND COKE COMPANY (A West Virginia Corporation).

FIBORN LIMESTONE COMPANY (A Michigan Corporation).

LAKE SUPERIOR COAL COMPANY (A West Virginia Corporation).



