

General Steel Wares
Limited
and Subsidiary Companies

ANNUAL REPORT
FOR THE
Year ended 31st December, 1931

OFFICERS:

J. C. NEWMAN	President
F. S. CORRIGAN	Vice-President and General Manager
G. K. SHEILS	Vice-President and Asst. General Manager
W. F. HOLDING, Jr.	Comptroller and Treasurer
D. W. DICKSON	Secretary

DIRECTORS:

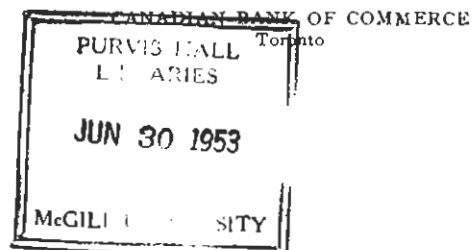
J. C. NEWMAN	F. M. ROSS
F. S. CORRIGAN	H. H. HORSFALL
W. S. HODGENS	A. J. CLARK

HON. DONAT RAYMOND

STOCK TRANSFER AGENTS:

NATIONAL TRUST COMPANY
Montreal and Toronto

BANKERS:



General Steel Wares Limited

AND SUBSIDIARY COMPANIES

ANNUAL REPORT

FOR THE YEAR ENDING 31ST DECEMBER, 1931

TO THE SHAREHOLDERS:

The Board of Directors submits herewith a consolidated balance sheet and profit and loss statement as at 31st December, 1931.

During the year under review, inventories have been reduced by \$1,088,212.27 through more effective concentration of stocks and the disposal of surpluses. While the liquidation of these surplus stocks has adversely affected our operating results, the funds which have been made available in this manner have enabled your Company to maintain the very satisfactory ratio of current assets to current liabilities, viz., 6.1 to 1.

In the past year the Company retired \$123,500.00 of First Mortgage bonds and of the amount of cash on deposit with the trustee at 31st December, \$126,098.29, has been used during the month of January to retire a further \$281,000.00, making a total reduction in bonded indebtedness of \$404,500.00. In addition to this, bonds of subsidiary companies have been reduced by \$15,000.00.

Operations for the year 1931 were seriously affected by a further decline in sales volume, and by a general reduction in the selling price of commodities. To offset this curtailment in revenue, comprehensive plans for the reduction of operating expenses were made, and the annual rate of savings effected approximates \$1,000,000.00. These savings did not become operative until the latter months of the year, and the full benefits will not be noticed until the year 1932.

Bond interest of \$569,936.38 paid during the year includes an amount of \$30,813.59, representing exchange on November 1st coupons cashed in United States' funds.

Your Directors take this opportunity of placing on record their appreciation of the loyal co-operation of the staff and employees of the Company.

Submitted on behalf of the Board of Directors.

J. C. NEWMAN,
PRESIDENT

Montreal, 12th February, 1932.

General Steel Wares Limited

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND DEFICIT

YEAR ENDING 31ST DECEMBER, 1931

Surplus as at 1st January, 1931.....	\$ 102,631.64
DEDUCT:	
Dividend on Preferred Stock for quarter ending 31st January, 1931	78,750.00
	\$ 23,881.64
LOSS FOR THE YEAR, before providing for depreciation, as follows:	
Loss from operations.....	\$ 349,406.79
Additional loss incurred in writing down inventories to market or replacement cost.....	200,562.00
	\$ 549,968.79
Interest on Bonds.....	569,936.38
	1,119,905.17
Deficit as at 31st December, 1931.....	\$1,096,023.53

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 1931

<u>ASSETS</u>	<u>LIABILITIES</u>
CURRENT ASSETS:	CURRENT LIABILITIES:
Cash on Hand and in Banks.....\$ 26,381.00	Bank Loans (Secured Under Sec. 88 of Bank Act)..... \$ 630,447.58
Accounts Receivable, After Providing for Doubtful Debts..... 1,428,224.49	Accounts Payable and Accrued Liabilities..... 160,423.10
Sundry Debtors..... 52,567.92	Accrued Interest on Bonds..... 91,600.00
Inventories, at Market or Replacement Cost, whichever is the lower..... 3,909,400.30	\$ 882,470.68
\$ 5,416,573.71	PROPERTY, DEPRECIATION AND CONTINGENCY RESERVES..... 3,524,530.75
SINKING FUND CASH:	FIRST MORTGAGE BONDS OF SUBSIDIARY COMPANY..... 240,000.00
Balance on Deposit with the Trustee for First Mortgage Bondholders..... 126,762.28*	FIRST MORTGAGE BONDS:
INVESTMENTS, MORTGAGES, ETC..... 10,531.27	Authorized..... \$25,000,000.00
DEFERRED CHARGES..... 48,484.10	Series "A" 6%, due 1st November, 1952—
FIXED ASSETS:	Issued..... \$ 9,000,000.00
Land, Buildings and Equipment as at 1st January, 1931.....\$12,023,070.54	LESS: Redeemed and Cancelled..... 321,000.00
Additions (net) during year 104,691.00	8,679,000.00
12,127,761.54	CAPITAL:
\$17,730,112.90	Preferred Stock 7% Cumulative, callable at 110—
	Authorized.....\$10,000,000.00
	Issued — 45,000 shares of \$100.00 each.....\$ 4,500,000.00
	(Dividends paid to 31st January, 1931).
	Preferred Stock Management: 3 Shares Without Nominal or Par Value, Fully Paid..... 75.00
	Common Stock, Represented by 199,997 Shares, Without Nominal or Par Value, Fully Paid..... 1,000,060.00
	\$ 5,500,135.00
	LESS—Deficit, as per Accompanying Statement..... 1,096,023.53
	4,404,111.47
	\$17,730,112.90

*Of this amount, \$126,098.29 has been subsequently disbursed in retirement of 6% First Mortgage Bonds of a par value of \$281,000.00.

Approved on behalf of the Board,
J. C. NEWMAN,
F. S. CORRIGAN, } Directors.

AUDITORS' CERTIFICATE

TO THE SHAREHOLDERS:

We have examined the books and accounts of General Steel Wares Limited and of its subsidiary companies for the year ending 31st December, 1931, and have received all information and explanations we have required. Subject to the fact that no provision has been made for depreciation accruing during the year on buildings, plant and equipment, we report that, in our opinion, the above consolidated balance sheet is drawn up so as to exhibit a true and correct view of the state of the Companies' affairs according to the best of our information and the explanations given to us, and as shown by the books of the Companies.

TORONTO, February 11, 1932.

PRICE, WATERHOUSE & COMPANY, } Joint Auditors.
P. S. ROSS & SONS, }

SOME PERTINENT FACTS
EVERY SHAREHOLDER OF
General Steel Wares Limited
SHOULD KNOW

COMPANIES COMPRISING THE GENERAL STEEL WARES MERGER

The McClary Manufacturing Company The Happy Thought Foundry Co., Ltd. The Macdonald Manufacturing Co., Ltd.	The Sheet Metal Products Co. of Canada, Ltd. The Thos. Davidson Manufacturing Co., Ltd. E. T. Wright, Limited. McLaughlin-Fletcher Soda Fountains, Ltd.
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HEAD OFFICE—MONTREAL, QUEBEC

PLANTS LOCATED AT

Montreal	London (2)
Toronto (2)	Winnipeg
Vancouver	

EXECUTIVE OFFICES—TORONTO, ONTARIO

BRANCHES AND WAREHOUSES LOCATED AT

Saint John	London (2)
Montreal (2)	Winnipeg
Toronto (2)	Calgary
Vancouver	

**SOME OF THE PRINCIPAL PRODUCTS
OF YOUR COMPANY**

Under the "McCLARY" Trade-mark:

Electric Ranges
 Gas Ranges
 Gas Heaters and Plates
 Coal and Wood Ranges
 Coal and Wood Heaters
 Furnacettes
 Heavy Duty Ranges
 Warm Air Furnaces
 Registers
 Furnace Fittings
 Hotel, Cafeteria and Institutional Equipment
 Electric Water Heaters
 Gas Water Heaters
 Enameled Ware Utensils
 Cast Iron Hollow Ware
 Eavetrough
 Conductor Pipe and Elbows

Under the "HAPPY THOUGHT" Trademark:

Electric Ranges
 Gas Ranges
 Coal and Wood Ranges
 Heaters
 Circulating Heaters
 Furnaces

Under the "McLAUGHLIN-FLETCHER" Trademark:

Soda Fountains
 Soda Fountain Equipment and Sundries
 Ice Cream Packer Cans

Under the "S M P" Trademark:

Coal and Wood Ranges
 Heaters
 Refrigerators

Under the "S M P"

Trademark (Continued):

Plumbing Fixtures
 Range Boilers
 Railroad Milk Cans
 Enameled Ware Utensils
 Enameled Wash Boards
 Hospital Enameled Ware
 Aluminum Cooking Utensils
 Cast Aluminum Cooking Utensils
 Plain Japanned Tinware
 Bird Cages
 Dairy Pails and Utensils
 Shovels
 Sheet Iron Camp Stoves
 Galvanized Ware Utensils
 Poultry Supplies
 Stove Pipes
 Metal Window Screens
 Boys' Wagons and Sleighs

When buying any of the above lines of merchandise, BE SURE TO ASK FOR THE PRODUCTS OF YOUR COMPANY. By so doing you will be helping your Company, and, at the same time, helping yourself.