

# General Steel Wares Limited and Subsidiary Companies

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## ANNUAL REPORT FOR THE Year ended 31st December, 1936

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### OFFICERS:

JOHN C. NEWMAN ..... President  
F. S. CORRIGAN ..... Vice-President  
and General Manager  
G. K. SHEILS ..... Vice-President  
and Asst. General Manager  
W. F. HOLDING, C.A. .... Comptroller  
and Treasurer  
F. S. BROPHY ..... Secretary

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### DIRECTORS:

JOHN C. NEWMAN                      F. M. ROSS  
F. S. CORRIGAN                      H. H. HORSFALL  
W. S. HODGENS                      HON. GORDON W. SCOTT  
JOHN McCLARY GUNN                HON. DONAT RAYMOND

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### STOCK TRANSFER AGENTS:

NATIONAL TRUST COMPANY LIMITED  
Montreal and Toronto

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### BANKERS:

CANADIAN BANK OF COMMERCE  
Toronto

# General Steel Wares Limited

## AND SUBSIDIARY COMPANIES

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### ANNUAL REPORT

FOR THE YEAR ENDING 31st DECEMBER, 1936

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#### TO THE SHAREHOLDERS:

Your Directors submit herewith a consolidated balance sheet as at December 31st, 1936, together with profit and loss account for the fiscal year which ended on that date.

Operating profits for the year before providing for bond interest, depreciation and premium on bonds retired, amounted to \$908,957, which represents an improvement of \$65,046 over the previous year's showing.

After deducting bond interest, depreciation and an amount of \$4,124 representing premium on bonds purchased for sinking fund during the year, there remained a surplus on the year's operations of \$236,346, which amount has been deducted from the deficit carried forward from the previous year.

Working capital at \$3,367,000 is \$87,000 greater than at December 31st, 1935; the ratio of current assets to current liabilities being 4.8 to 1.

Inventories, valued on the same basis as at the end of last year, are up \$49,566. In view of higher raw material prices and the increase in the volume of business, this increase in the inventory investment is very small.

Plant and equipment have been well maintained; expenditures on maintenance during the year amounted to \$265,780.

Federal, provincial and municipal taxes paid out during the year 1936, amounted to \$586,000.

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

Submitted on behalf of the Board of Directors.

JOHN C. NEWMAN,  
PRESIDENT

Montreal, February 1st, 1937.

# General Steel Wares Limited

## AND SUBSIDIARY COMPANIES

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND DEFICIT

YEAR ENDING 31ST DECEMBER, 1936

|   |    |                   |            |
|---|----|-------------------|------------|
| Deficit as at 1st January, 1936.....  |    | \$                | 870,821.62 |
| <b>DEDUCT:</b>  |    |                   |            |
| Profit from operations before providing for interest on bonds, depreciation, etc., as under ..... | \$ | 1,004,827.38      |            |
| <b>LESS:</b>  |    |                   |            |
| Interest on bonds including exchange thereon.....   | \$ | 418,486.60        |            |
| Premium on bonds redeemed .....   |    | 4,124.11          |            |
| Provision for depreciation.....   |    | 250,000.00        |            |
| Directors' fees and emoluments.....   |    | 3,150.00          |            |
| Legal fees.....   |    | 2,545.00          |            |
| Salaries of officers .....  |    | 55,175.20         |            |
| Reserved for Dominion and Provincial income taxes.....  |    | 35,000.00         |            |
|   |    | <u>768,480.91</u> |            |
| Net profit for the year.....  |    |                   | 236,346.47 |
| Deficit as at 31st December, 1936.....  |    | \$                | 634,475.15 |

### CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 1936

| ASSETS   |                        | LIABILITIES   |                        |
|--|------------------------|---|------------------------|
| <b>CURRENT ASSETS:</b>   |                        | <b>CURRENT LIABILITIES:</b>   |                        |
| Cash on hand and in banks.....   | \$ 9,312.87            | Bank Loans—Secured.....   | \$ 46,626.16           |
| Accounts receivable.....   | \$ 1,185,731.02        | Accounts payable and accrued liabilities..  | 693,060.92             |
| LESS—Reserves.....   | 193,088.12             | Taxes payable and accrued.....  | 69,362.87              |
|  | 992,642.90             | Accrued interest on bonds.....  | 68,432.84              |
| Sundry debtors.....  | 22,651.52              |   | <u>\$ 877,482.79</u>   |
| Inventories, as determined and certified<br>by responsible officials of the Company,<br>valued on the basis of cost or market<br>prices, whichever were lower.....   | 3,219,530.09           | <b>RESERVE FOR DEPRECIATION OF BUILDINGS AND EQUIP-<br/>MENT USED IN BUSINESS.....</b>          | 4,340,516.75           |
|  | <u>\$ 4,244,137.38</u> | <b>FIRST MORTGAGE BONDS OF A SUBSIDIARY COMPANY</b>   | 155,000.00             |
| AGREEMENTS FOR SALE, MORTGAGES, ETC.....   | 63,404.84              | <b>FIRST MORTGAGE BONDS:</b>  |                        |
| DEFERRED CHARGES.....  | 44,303.67              | Authorized.....   | <u>\$25,000,000.00</u> |
| <b>FIXED ASSETS:</b>   |                        | Series "A" 6%, due 1st November, 1952—  |                        |
| Land at cost, and buildings and equip-<br>ment used in business at replacement<br>values new as appraised on 31st Decem-<br>ber, 1932, by W. J. Moulton-Redwood,<br>R.P.E., with subsequent additions to<br>1st January, 1936, at cost \$11,098,088.53 |                        | Issued.....   | \$ 9,000,000.00        |
| Additions (net) during the<br>year at cost.....  | 69,812.98              | LESS—Redeemed and cancelled.....  | 2,423,000.00           |
|  | <u>\$11,167,901.51</u> |   | <u>6,577,000.00</u>    |
| Land, buildings and equipment not at<br>present used in business at gross book<br>values of predecessor or constituent<br>Companies as to \$1,495,422.59, and<br>remainder valued on basis of above<br>mentioned appraisal....                         | \$ 2,086,076.09        | <b>CAPITAL:</b>   |                        |
| LESS—Reserve for de-<br>preciation available in<br>respect thereto.....  | 797,164.10             | Preferred stock 7% Cumulative, callable<br>at 110—  |                        |
|  | <u>1,295,911.99</u>    | Authorized.....   | <u>\$10,000,000.00</u> |
|  | <u>12,463,813.50</u>   | Issued—45,000 shares of \$100.00 each..   | \$ 4,500,000.00        |
|  | <u>\$16,815,659.39</u> | (Dividends paid to 31st January, 1931)  |                        |
|  |                        | Common stock, represented by 200,000<br>shares without nominal or par value,<br>fully paid..... | 1,000,135.00           |
|  |                        |   | <u>\$ 5,500,135.00</u> |
|  |                        | LESS—Deficit, as per accompanying<br>statement.....   | 634,475.15             |
|  |                        |   | <u>4,865,659.85</u>    |
|  |                        |   | <u>\$16,815,659.39</u> |

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

### AUDITORS' REPORT

#### 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, 1936, and have received all the information and explanations we have required; and we report that, in our opinion, the above consolidated balance sheet is properly 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, 29th January, 1937.

PRICE, WATERHOUSE & COMPANY,  
Chartered Accountants

**HEAD OFFICE—MONTREAL, QUEBEC**  
**EXECUTIVE OFFICES—TORONTO, ONTARIO**

| FACTORIES LOCATED AT |          | DISTRIBUTING WAREHOUSES LOCATED AT |           |
|----------------------|----------|------------------------------------|-----------|
| Montreal             | London   | Montreal                           | London    |
| Toronto              | Winnipeg | Toronto                            | Winnipeg  |
| Vancouver            |          | Calgary                            | Vancouver |

**COMPANIES COMPRISING GENERAL STEEL WARES LIMITED**

The McClary Manufacturing Company.  
 The Happy Thought Foundry Co., Ltd.  
 The Macdonald Manufacturing Co., Ltd.  
 McLaughlin-Fletcher Soda Fountains, Ltd.

The Sheet Metal Products Co. of Canada, Ltd.  
 The Thos. Davidson Manufacturing Co., Ltd.  
 E. T. Wright, Limited.  
 A. Aubry & Fils, Ltée.

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

**Under the "McCLARY" Trademark;**

Electric Ranges  
 Gas Ranges  
 Gas Heaters and Plates  
 Coal and Wood Ranges  
 Coal and Wood Heaters  
 Circulating Heaters  
 Furnacettes  
 Heavy Duty Ranges—Coal, Gas,  
 Electric  
 Warm Air Furnaces  
 Air-Conditioning Systems  
 Registers  
 Furnace Fittings  
 Hotel, Restaurant and Institutional  
 Kitchen Equipment  
 Electric Water Heaters  
 Humidifiers  
 Gas Water Heaters

**Under the "HAPPY THOUGHT"  
 Trademark;**

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

**Under the MACDONALD Names;**

Tin Cans and Boxes, Lithographed,  
 Plain & Decorated  
 Metal Containers for Oil, Grease,  
 Lard, Jam, Honey, Maple Syrup,  
 Candy, Waxes, Polishes, Tea,  
 Coffee, Spice, Milk Powder, Bis-  
 cuits, Tobacco, Talcum and Tooth  
 Powder, Drugs, Tablets, etc.  
 Trays, Displays, Novelties and  
 Sheet Metal Specialties  
 Metal Advertising Signs, Porcelain-  
 Enameled, Lithographed, Gum-  
 Processed and Screen  
 Steel Shipping Containers "Wedg-  
 Seal" Drums

**Under the "GSW" Trademark;**

Ice Refrigerators—Household and  
 Commercial  
 Plumbing Fixtures  
 Range Boilers — Galvanized and  
 "Everdur"  
 Railroad Milk Cans  
 Ice-Cream Packer Cans  
 Enameled Ware Utensils  
 Aluminum Cooking Utensils  
 Plain and Japanned Tinware  
 Bird Cages  
 Dairy Pails and Utensils  
 Sheet Iron Wares  
 Oil Stoves and Ovens

**Under the "GSW" Trademark;  
 (Continued)**

Coal Oil Lanterns  
 Copper Nickel-Plated Ware  
 Sheet Iron Camp Stoves  
 Galvanized Ware  
 Poultry Supplies  
 Stove Pipes and Elbows  
 Cast Iron Hollow Ware  
 Eavestrough; Galvanized and  
 Copper  
 Conductor Pipe and Elbows  
 "Kover-More" and Corrugated Gal-  
 vanized Roofing  
 Hospital Enameled Ware  
 Table Tops, Porcelain-Enameled  
 Ironer Tops, Porcelain-Enameled  
 Tubs for Washing Machines, Porce-  
 lain-Enameled  
 Crisper Pans, Porcelain-Enameled  
 Trays, Displays and Metal Special-  
 ties, Porcelain-Enameled  
 Metal Stampings  
 Refrigerator Parts  
 Job Enameling  
 Shovels  
 Trimline Sinks and Cabinets  
 Gas and Electric Clothes Dryers

**Under the "McLAUGHLIN-  
 FLETCHER" Trademark;**

Soda Fountains  
 Soda Fountain Equipment and  
 Sundries

A few of the above-mentioned lines are illustrated in the enclosed circular. Dealers throughout Canada carry our products, and will welcome your enquiries regarding same.