

Twenty-Fourth
Annual Report

JUNE 30, 1944

NATIONAL STEEL CAR
CORPORATION, LIMITED

HAMILTON - ONTARIO - CANADA

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Twenty-Fourth
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JUNE 30, 1944

NATIONAL STEEL CAR
CORPORATION, LIMITED

HAMILTON - ONTARIO - CANADA

NATIONAL STEEL CAR CORPORATION, LIMITED

BOARD OF DIRECTORS

HUGH N. BAIRD	- - -	Chairman
ROBERT S. HART		GLYN OSLER, K.C.
RUSSELL D. BELL		LEO C. McCLOSKEY
A. VAN HASSELL		LOUIS L. LANG

OFFICERS

HUGH N. BAIRD	- - - - -	Chairman
ROBERT S. HART	- - - - -	President
A. VAN HASSELL	- - - - -	Vice-President
O. H. ANDERSON	- - - - -	Vice-President
GLYN OSLER, K.C.	- - - - -	Executive Director
H. J. FARNAN	- - - - -	Secretary-Treasurer
J. A. KENDALL	- - - - -	Asst. Secy.-Treas.

BANKERS

THE CANADIAN BANK OF COMMERCE
BARCLAYS BANK LIMITED

SOLICITORS

BLAKE, ANGLIN, OSLER & CASSELS - Toronto, Ontario, Canada

HEAD OFFICE

HAMILTON - ONTARIO - CANADA

EXECUTIVE AND SALES OFFICE

437 ST. JAMES ST., MONTREAL, QUEBEC

NATIONAL STEEL CAR CORPORATION, LIMITED

To the Shareholders:

Your Directors submit herewith Balance Sheet, as at June 30th, 1944, and statements of Profit and Loss and Surplus for the year ended on that date.

Net operating profit for the year, after depreciation and all expenses amounted to \$3,003,626.87, as against \$2,465,282.13 last year. After deduction of income and excess profits taxes, the remaining profits for the year were \$788,626.87, as against \$818,973.31 last year.

By reference to the balance sheet you will observe that the Company's current assets at June 30th, 1944, amounted to \$12,421,225.99, and that the current liabilities amounted to \$4,972,362.86, leaving net current assets or working capital of \$7,448,863.13; this amount compares with net working capital of \$7,133,565.29 as of date June 30th, 1943, an increase of \$315,297.84.

The Board of Directors of the Company, at a meeting held on the 25th day of August, 1943, enacted By-law No. 11, sub-dividing the 250,000 shares without nominal or par value, comprising the total authorized capital stock of the Company, into 1,000,000 shares without nominal or par value, the 175,500 shares then issued and outstanding being thereby sub-divided into 702,000 shares without nominal or par value and the 74,500 unissued shares being sub-divided into 298,000 shares without nominal or par value. The said By-law No. 11 was subsequently sanctioned by the shareholders at a special General Meeting held on the 24th day of September, 1943, and confirmed by Supplementary Letters Patent dated October 21st, 1943.

Your property at Hamilton has been fully maintained and economically operated. Production of railway equipment on a substantial scale was undertaken during the year. Your Company's facilities for this having been maintained in a thoroughly efficient operating condition, notwithstanding the large volume of munitions which we are, and have been manufacturing.

Our Secretary-Treasurer, Mr. C. W. Adam, retired on account of ill-health. Mr. Adam has faithfully served the Corporation and its predecessor since 1912 and his resignation was accepted with great regret. Mr. H. J. Farnan was appointed to succeed him.

On behalf of the Directors and myself, I congratulate and express sincere thanks to the staff in all departments for faithful attention to their duty throughout the year. The whole of our organization is again to be commended for subscribing handsomely to Victory Loan issues.

Respectfully submitted on behalf of the Directors.

H. N. BAIRD,
Chairman.

September 5th, 1944.

NATIONAL STEEL CAR

BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash in bank and on hand.....	\$ 1,643,560.98	
Dominion of Canada bonds and treasury bills at cost and accrued interest (Market value \$7,854,076.30)	7,859,108.30	
Sixth Victory Loan Bonds subscribed for by employees but not yet paid for in full	261,500.00	
Accounts receivable	1,615,873.27	
Inventories of raw materials, supplies, work in process and finished stock, determined from the records in accordance with the Company's usual procedure, valued at the lower of cost or market, as certified to by responsible officials	\$ 1,256,183.44	
Less—Advances on contracts	215,000.00	
	<u>1,041,183.44</u>	
TOTAL CURRENT ASSETS		\$ 12,421,225.99

REFUNDABLE PORTION OF EXCESS PROFITS TAX.....	560,000.00
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DEFERRED CHARGES:

Prepaid insurance, taxes, etc.	27,981.33
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PATENTS AND GOODWILL	1.00
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FIXED ASSETS:

Land	\$ 438,319.28	
Buildings, machinery and equipment	7,923,519.46	
	<u>8,361,838.74</u>	

NOTE: The fixed assets are valued on the basis of the book value of the predecessor company, from whom they were acquired in December, 1919, plus subsequent additions at cost.

\$ 21,371,047.06

APPROVED ON BEHALF OF THE BOARD,

GLYN OSLER, Director.

L. C. McCLOSKEY, Director.

CORPORATION, LIMITED

T, JUNE 30, 1944

LIABILITIES

CURRENT LIABILITIES:

Bank loans (secured by Dominion of Canada bonds) on Company's account	\$ 1,000,000.00
Bank loans (secured by Dominion of Canada bonds) on account of employees' subscriptions	261,500.00
Payments by employees on account of subscriptions to Sixth Victory Loan Bonds.....	77,852.80
Accounts payable	1,594,997.30
Accrued wages, etc.	220,627.99
Reserve for income and excess profits taxes (after deducting payments of \$588,292.14 on account)	1,641,884.77
Dividend payable, July 15, 1944	175,500.00

TOTAL CURRENT LIABILITIES \$ 4,972,362.86

RESERVE FOR DEPRECIATION OF BUILDINGS,

MACHINERY AND EQUIPMENT 5,862,532.00

CAPITAL AND SURPLUS:

Capital Stock—

Authorized—

*1,000,000 shares without nominal or par value

Issued for cash—

*702,000 shares without nominal or par value..... \$ 5,092,500.00

Earned Surplus—

As per statement attached 4,883,652.20

\$ 9,976,152.20

Refundable portion of excess profits tax 560,000.00

10,536,152.20

* During the year ended June 30, 1944, the then outstanding 250,000 Authorized shares and the 175,500 Issued shares were sub-divided into 1,000,000 shares and 702,000 shares, respectively, by Supplementary Letters Patent dated October 21, 1943.

\$ 21,371,047.06

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the balance sheet of National Steel Car Corporation, Limited, as at June 30, 1944, and of the statements of profit and loss and earned surplus for the year ending on that date. In this connection we examined or tested accounting records and other supporting evidence and obtained all the information and explanations which we required; we made a general review of the accounting methods and of the operating and income accounts for the year but our audit of the detail transactions was confined to tests thereof. We report that, in our opinion based upon such examination, the above balance sheet and related statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of affairs of the company as at June 30, 1944, and the results of the company's operations for the year ending on that date according to the best of our information and the explanations given to us and as shown by the books of the company.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Toronto, August 18, 1944.

NATIONAL STEEL CAR CORPORATION, LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING JUNE 30, 1944

PARTICULARS	AMOUNT
Operating profit for the year ending June 30, 1944, before providing for depreciation, income and excess profits taxes, etc.	\$ 3,180,444.14
Deduct—	
Executive officers' salaries	\$ 73,140.00
Directors' fees	9,850.00
Legal fees	6,887.68
	<hr/> 89,877.68
	\$ 3,090,566.46
Add—Net income from investments and profit on sales thereof.....	145,883.66
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Profit before providing for depreciation, income and excess profits taxes	\$ 3,236,450.12
Deduct—Provision for depreciation of buildings, plant and machinery	232,823.25
	<hr/>
Profit before providing for income and excess profits taxes.....	\$ 3,003,626.87
Deduct—Provision for income and excess profits taxes, including \$340,000.00 which is refundable	2,215,000.00
	<hr/>
NET PROFIT FOR THE YEAR.....	<hr/> \$ 788,626.87 <hr/>

NATIONAL STEEL CAR CORPORATION, LIMITED

STATEMENT OF EARNED SURPLUS
FOR THE YEAR ENDING JUNE 30, 1944

PARTICULARS	AMOUNT
Balance at credit June 30, 1943	\$ 4,797,025.33
Add—Net profit for the year ending June 30, 1944	788,626.87
	<u>\$ 5,585,652.20</u>
Deduct—Dividends declared during the year	702,000.00
Balance at credit June 30, 1944	<u>\$ 4,883,652.20</u>

Canadian war production has attracted the admiration of many of the leaders of Allied countries. The contribution of National Steel Car Corporation, Limited has been represented by important lines, such as:

● Railway Passenger and Freight Equipment.

Shell and Forgings of various sizes.

Anti-Aircraft Gun Mount Platforms and Legs, and
Miscellaneous Pressings.

Steel Cargo Bodies for Army Trucks.

Steel Stampings and Pressings for Army Universal
Carriers.

Miscellaneous Pressings for 6 Pdr. Guns.

Miscellaneous Pressings for Bofors Gun.

Armour Plate Pressings and Forgings for Tanks.

Light Alloy and Steel Drop Forgings for Aircraft.

Heavy Alloy Steel Drop Forgings for Guns.

Alloy Steel Forgings for the Navy.

Ore Cars for important Mining Industry.

Gun Cotton Cars.

Cordite Cars.

Locomotive Cranes for Steel Mills, Harbours and
Railways.

A large volume of miscellaneous parts for various
war production.

