

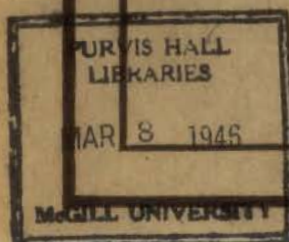
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Twenty-Fifth
Annual Report

JUNE 30, 1945

NATIONAL STEEL CAR
CORPORATION, LIMITED

HAMILTON - ONTARIO - CANADA



Corp.

NATIONAL STEEL CAR CORPORATION LIMITED

MONTREAL OFFICE
437 ST. JAMES STREET WEST
NEW YORK OFFICE
50 CHURCH ST.

CABLE ADDRESS
NASTEEL
WESTERN UNION CODE

HAMILTON, CANADA

March 7, 1946,

PLEASE ADDRESS ALL COMMUNICATIONS TO THE COMPANY

McGill University,
1020 Pine Ave. W.
MONTREAL, Quebec,

Dear Sirs:-

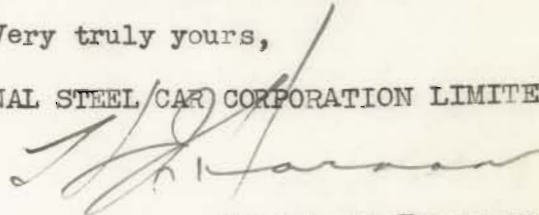
Attention:- Librarian, Purvis Hall,
Law Library - Commerce Library,

In accordance with your request of February 27, we enclose herewith one copy each of our Annual Reports for the fiscal years ended June 30, 1921 to 1929 inclusive and 1931 to 1945 inclusive. We do not appear to have any additional copies of our 1930 Report.

Also, as requested, we have placed your name on our mailing list to receive copy of our future Annual Reports.

Very truly yours,

NATIONAL STEEL CAR CORPORATION LIMITED.

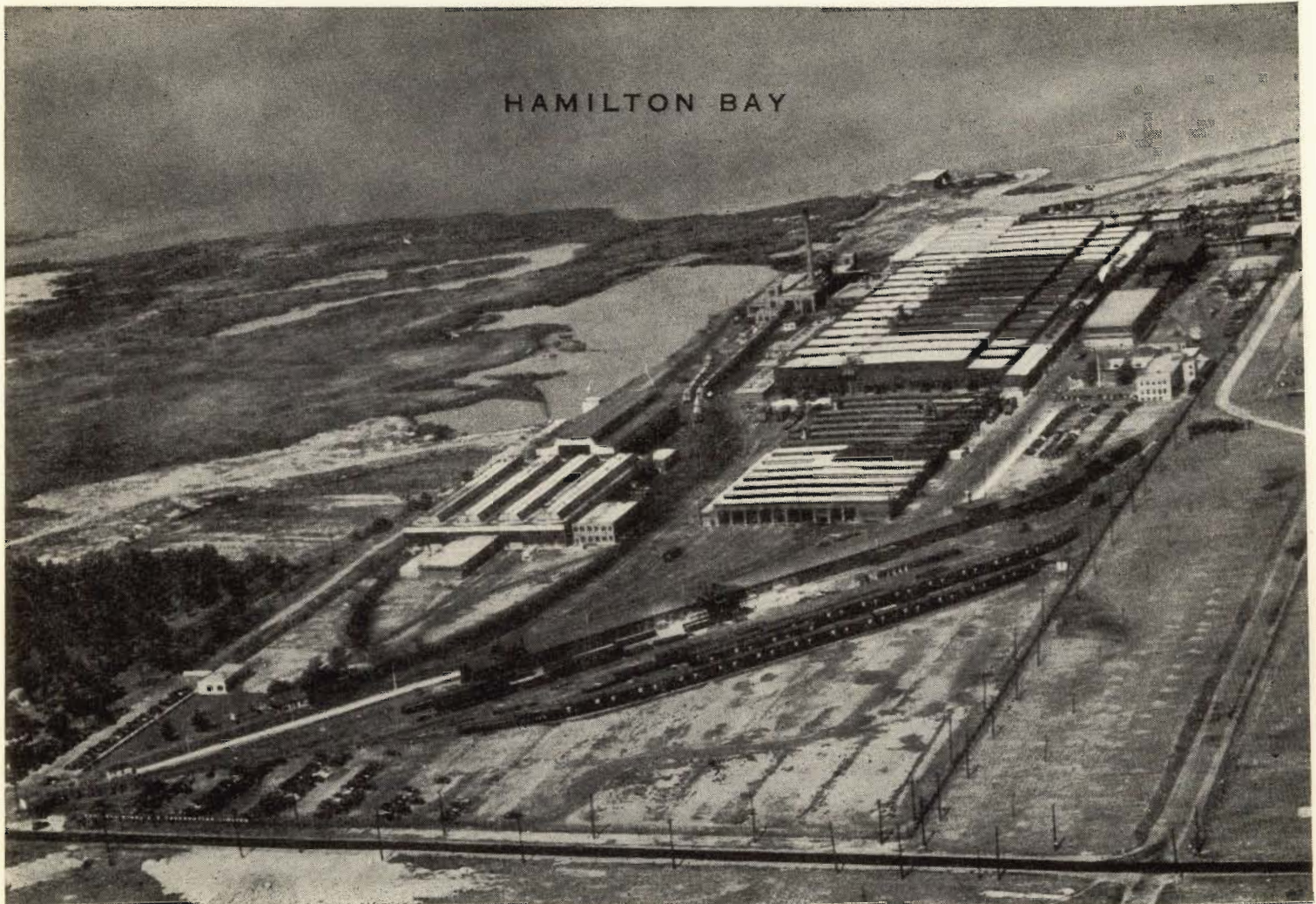


Secretary-Treasurer.

HJF/M.

Twenty-Fifth
Annual Report

JUNE 30, 1945



NATIONAL STEEL CAR CORPORATION, LIMITED

HAMILTON

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ONTARIO

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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 HASSEL		LOUIS L. LANG

OFFICERS

HUGH N. BAIRD	- - - - -	Chairman
ROBERT S. HART	- - - - -	President
A. VAN HASSEL	- - - - -	Vice-President
O. H. ANDERSON	- - - - -	Vice-President
A. W. FRASER	- - - - -	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

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, 1945, and statements of Profit and Loss and Surplus for the year ended on that date.

The statement, as presented, you will observe, covers the operations of National Steel Car Corporation, Limited, and its subsidiary company, the Valdes Lumber Company, Limited, located at Nanaimo, B.C., a property acquired about a year ago, as an essential and added source of supply of lumber, in the conduct of our building operations of railway equipment at our Works at Hamilton, Ontario.

Net operating profit for the year, after depreciation and all expenses, amounted to \$1,931,819.55, as against \$3,003,626.87 last year. After deduction of income and excess profits taxes, the remaining profits for the year were \$986,819.55, as against \$788,626.87 last year.

By reference to the balance sheet, you will observe that the Company's current assets at June 30th, 1945, amounted to \$10,549,050.55 and that the current liabilities amounted to \$3,314,137.47, leaving net current assets or working capital of \$7,234,913.08; this amount compares with net working capital of \$7,448,863.13 as of date June 30th, 1944, a decrease of \$213,950.05.

Total wages and salaries for the period under review amounted to \$5,286,553.35. Taxes for the same period amounted to \$987,822.90. Dividends paid amounted to \$702,000.00.

The Organization is to be again heartily commended on their splendid response to the Eighth Victory Loan. The Company anticipates that the "Eighth Victory Loan Bonds subscribed for by employees" will be fully paid for in due course by the employees interested.

With the cessation of hostilities, the large diversified programme of war materials your Company were identified with has been brought to an end. The conversion factor has been readily accomplished. Your Works have for some time and are now actively engaged in the preparation and production of railway equipment for domestic and foreign account (Russia, India, Belgium). The outlook for future business is encouraging for some time to come, based on the needs of equipment for foreign countries, for rehabilitation purposes and seasonal replacement by domestic railroads, as a result of record traffic figures that have been established by Canadian railroads during the conduct of the war programme.

Your property has been fully maintained and is being economically and efficiently operated.

We sincerely thank our employees and they are worthy of favourable comment for the work done.

Respectfully submitted on behalf of the Directors.

H. N. BAIRD,
Chairman.

September 11th, 1945.

NATIONAL STEEL CAR

CONSOLIDATED BALAN

ASSETS

CURRENT ASSETS:

Cash in bank and on hand	\$ 664,674.24	
Dominion of Canada bonds at cost and accrued interest (Market value \$6,763,825.22)	6,753,575.22	
Eighth Victory Loan Bonds subscribed for by employees but not yet paid for in full	234,750.00	
Accounts receivable	672,923.71	
Cash surrender value of life insurance policies	21,931.81	
Inventories of raw materials, supplies, work in process and finished stock, determined from the records in accordance with the Company's usual procedure and physical inventory of subsidiary company, valued at the lower of cost or market, as certified to by responsible officials	2,201,195.57	
TOTAL CURRENT ASSETS	—————	\$ 10,549,050.55

REFUNDABLE PORTION OF EXCESS PROFITS TAX	609,000.00
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DEFERRED CHARGES:

Prepaid insurance, taxes, etc.	53,393.78
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PATENTS AND GOODWILL	1.00
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FIXED ASSETS:

Land and timber properties	\$ 732,819.28	
Buildings, machinery and equipment	8,223,974.51	
	—————	8,956,793.79

NOTE: The fixed assets of National Steel Car Corporation, Limited, 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. The fixed assets of the subsidiary company are valued on the basis of cost to that company.

	\$ 20,168,239.12
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APPROVED ON BEHALF OF THE BOARD:

GLYN OSLER, Director.

L. C. McCLOSKEY, Director.

CORPORATION, LIMITED

CE SHEET, JUNE 30, 1945

LIABILITIES

CURRENT LIABILITIES:

Bank loan (secured by Dominion of Canada bonds) on account of employees' subscriptions	\$	4,139.71
Payments by employees on account of subscriptions to Eighth Victory Loan bonds		67,869.87
Accounts payable		1,868,587.78
Accrued wages, etc.		269,770.86
Reserve for income and excess profits taxes (after deducting payments of \$225,555.49 on account)		856,629.49
Other taxes payable or accrued		71,639.76
Dividend payable, July 15, 1945		175,500.00
 TOTAL CURRENT LIABILITIES	 —————	 \$ 3,314,137.47

RESERVE FOR DEPLETION OF TIMBER PROPERTIES AND FOR DEPRECIATION OF BUILDINGS, MACHINERY AND EQUIPMENT

5,984,129.90

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		5,168,471.75
		<u>\$10,260,971.75</u>
Refundable portion of excess profits tax		609,000.00
		<u>10,869,971.75</u>
		<u><u>\$ 20,168,239.12</u></u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the consolidated balance sheet of National Steel Car Corporation, Limited, and its subsidiary company as at June 30, 1945, 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 consolidated 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 and its subsidiary as at June 30, 1945, and the results of the companies' 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 companies.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Toronto, August 22, 1945.

NATIONAL STEEL CAR CORPORATION, LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING JUNE 30, 1945

Operating profit for the year ending June 30, 1945, before providing for depletion, depreciation, income and excess profits taxes, etc.		\$ 1,982,521.64
Deduct—		
Executive officers' salaries	\$ 73,060.00	
Directors' fees	7,000.00	
Legal fees	9,304.10	
		<u>89,364.10</u>
		\$ 1,893,157.54
Add— Net income from investments and profit on sales thereof.....		<u>163,772.39</u>
Profit before providing for depletion, depreciation, income and excess profits taxes		\$ 2,056,929.93
Deduct— Provision for depletion of timber properties and for depreciation of buildings, plant and machinery		<u>125,110.38</u>
Profit before providing for income and excess profits taxes.....		\$ 1,931,819.55
Deduct— Provision for income and excess profits taxes, including \$49,000.00 which is refundable		<u>945,000.00</u>
NET PROFIT FOR THE YEAR		<u><u>\$ 986,819.55</u></u>

NATIONAL STEEL CAR CORPORATION, LIMITED

**CONSOLIDATED STATEMENT OF EARNED SURPLUS
FOR THE YEAR ENDING JUNE 30, 1945**

Balance at credit June 30, 1944	\$ 4,883,652.20
Add—Net profit for the year ending June 30, 1945	986,819.55
	<u>\$ 5,870,471.75</u>
Deduct—Dividends declared during the year.....	702,000.00
BALANCE AT CREDIT JUNE 30, 1945.....	<u><u>\$ 5,168,471.75</u></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.
(Foreign and Domestic)*
- *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 Guns.*
- *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.*
- *Wood work, in large volume, of miscellaneous parts
for various war production.*

