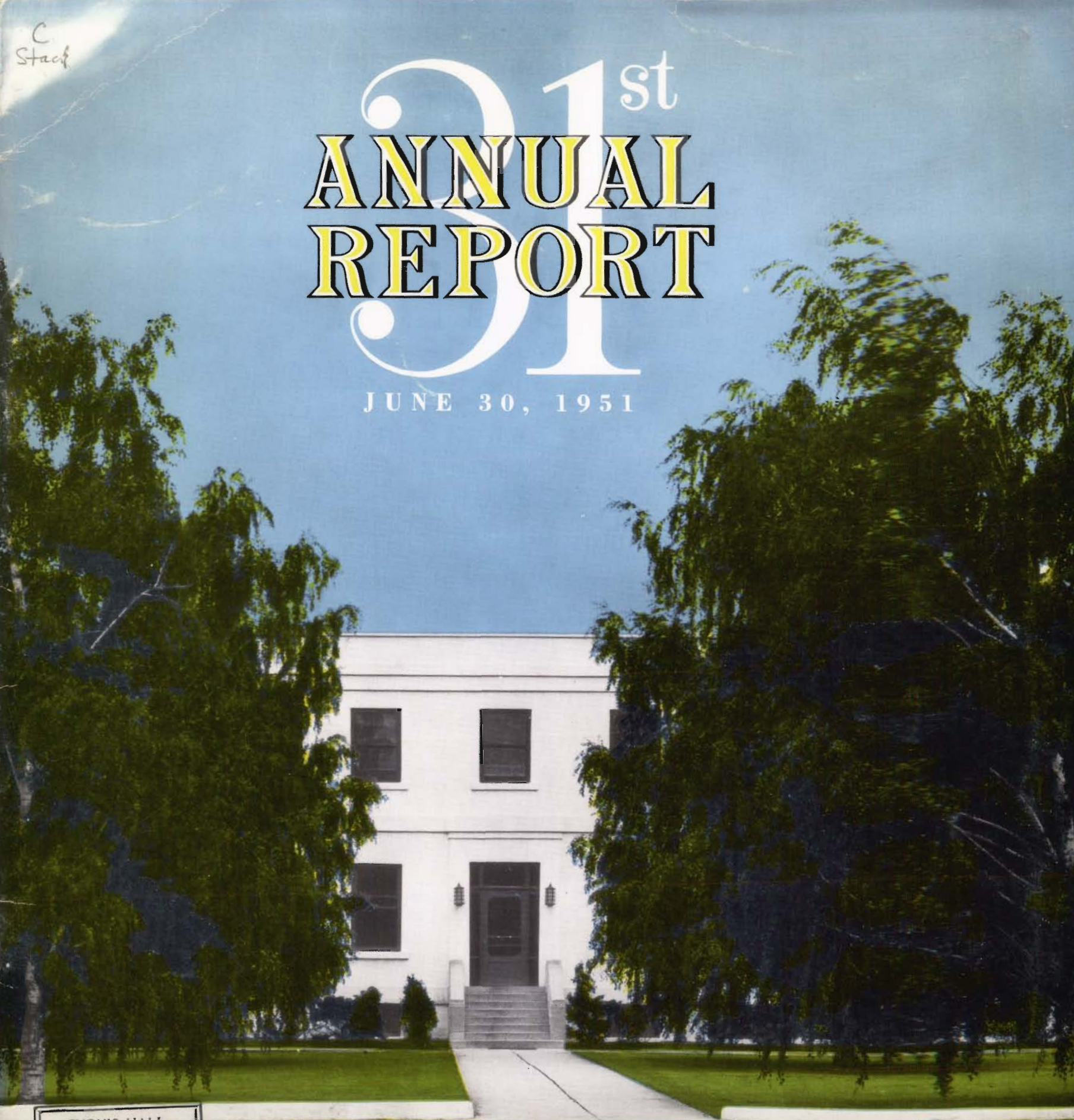


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31st ANNUAL REPORT

JUNE 30, 1951



PURVIS HALL
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UNIVERSITY

National Steel Car Corporation

LIMITED

HAMILTON · ONTARIO · CANADA



**NATIONAL STEEL CAR
CORPORATION
LIMITED**

• • •

31st Annual Report

JUNE 30, 1951

• • •

HAMILTON - ONTARIO - CANADA

NATIONAL STEEL CAR CORPORATION, LIMITED

BOARD OF DIRECTORS

HUGH N. BAIRD, Chairman

ROBERT S. HART

LEO C. McCLOSKEY

RUSSELL D. BELL

LOUIS L. LANG

A. VAN HASSEL

B. B. OSLER, K.C.

OFFICERS

| | | | | | | | | | | |
|-----------------|---|---|---|---|---|---|---|---|---|---------------------|
| HUGH N. BAIRD | - | - | - | - | - | - | - | - | - | Chairman |
| ROBERT S. HART | - | - | - | - | - | - | - | - | - | President |
| A. VAN HASSEL | - | - | - | - | - | - | - | - | - | Vice-President |
| O. H. ANDERSON | - | - | - | - | - | - | - | - | - | Vice-President |
| A. W. FRASER | - | - | - | - | - | - | - | - | - | Vice-President |
| A. P. SHEARWOOD | - | - | - | - | - | - | - | - | - | Vice-President |
| H. J. FARNAN | - | - | - | - | - | - | - | - | - | Secretary-Treasurer |
| J. A. KENDALL | - | - | - | - | - | - | - | - | - | Asst.Secy.-Treas. |

BANKERS

THE CANADIAN BANK OF COMMERCE
BANK OF MONTREAL

TRANSFER AGENTS

NATIONAL TRUST COMPANY, LIMITED
Toronto Montreal Vancouver
BANKERS TRUST COMPANY
New York

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 take pleasure in submitting herewith Balance Sheet as at June 30, 1951, and Statement of Profit and Loss and Surplus for the year ended on that date covering operations of National Steel Car Corporation, Limited.

During the year your Directors concluded that the Company's subsidiary, Valdes Lumber Company, Limited, had served its purpose and, accordingly, its assets were disposed of at a profit and the winding up of that Company is now nearing completion.

Operating profit and investment income for the year, before providing for depreciation, depletion, income and excess profits taxes, etc., amounted to \$2,859,026.66, as against \$2,486,869.03 last year. After provision of \$208,841.94 for depreciation of buildings, machinery and equipment and depletion of timber property, as compared with \$258,818.49 last year and provision of \$1,315,000.00 for income and excess profits taxes and provincial income taxes, as compared with \$879,700.00 for the previous year, the net profit for the year was \$1,335,184.72, equivalent to \$1.902 per share, as compared with \$1,348,350.54, equivalent to \$1.920 per share, for the year ended June 30, 1950.

Current assets at June 30, 1951, amounted to \$19,521,011.95. Current liabilities were \$9,160,392.79, leaving net current assets of \$10,360,619.16, compared with net current assets of \$10,299,224.32 at June 30, 1950, being an increase of \$61,394.84.

Inventories of raw materials, supplies, work in process and finished stock amounted to \$5,882,756.04, as compared with \$2,252,995.78 for the previous year. The increase reflected in inventory figures is readily explainable by a substantial increase of orders on hand.

Dividends per share paid during the fiscal year were:

| | | | |
|----------------------------------|---------|--|---------|
| Regular dividends | - - - - | July 15, 1950 | \$.375 |
| | | October 14, 1950 | .375 |
| | | January 15, 1951 | .375 |
| | | April 14, 1951 | .375 |
| Total of regular dividends | | | \$1.50 |
| Special dividend | - | Paid Oct. 14, 1950, out of previous year's profits | .50 |
| Total dividends | | | \$2.00 |

To provide for rapidly increasing population and expanding industrialization throughout Canada, our Canadian railroads have placed with the car manufacturing industry large orders for delivery of diversified types of freight and other equipment and your Company has enjoyed a satisfactory share of this business.

While we experienced a serious shut-down condition for some weeks due to lack of steel, conditions have improved. The Government's arrangements have assisted the industry materially in overcoming this difficulty.

Your property has been well maintained and operations are being carried on economically and efficiently.

On behalf of the Directors, I express grateful thanks to the employees for diligent attention to their duties throughout the period under review.

Respectfully submitted on behalf of the Directors.

H. N. BAIRD,
Chairman.

September 7, 1951.

NATIONAL STEEL CAR

BALANCE SHEET,

ASSETS

CURRENT ASSETS:

| | | |
|--|--------------|-------------------------|
| Cash in bank and on hand | \$ 24,616.78 | |
| Short term securities (maturing within 120 days) | 1,493,638.74 | |
| Government of Canada and other marketable securities, at cost plus accrued interest (Quoted market value \$6,136,250.00) | 6,371,500.00 | |
| Accounts receivable | 5,668,679.08 | |
| Cash surrender value of life insurance policies | 79,821.31 | |
| Inventories of raw materials and 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 | 5,882,756.04 | |
| TOTAL CURRENT ASSETS | ————— | \$ 19,521,011.95 |

PREPAID INSURANCE, TAXES, ETC. 67,119.13

FIXED ASSETS (at approximate cost):

| | | |
|--|------------------------|--------------------------------|
| Land and timber property | \$ 481,229.28 | |
| Buildings, machinery and equipment | 9,026,461.12 | |
| | <u>\$ 9,507,690.40</u> | |
| Less—Reserves for depreciation and depletion | 6,941,445.64 | |
| | <u>—————</u> | <u>2,566,244.76</u> |
| | | <u><u>\$ 22,154,375.84</u></u> |

SIGNED ON BEHALF OF THE BOARD:

B. B. OSLER, K.C., Director.

A. VAN HASSEL, Director.

We have examined the balance sheet of the company for the year ending on that date and have obtained other supporting evidence and such other information as may be required to verify the accuracy of the profit and loss and surplus accounts and the operations for the year ending on that date.

Toronto, August 17, 1951.

CORPORATION, LIMITED

JUNE 30, 1951

LIABILITIES

CURRENT LIABILITIES:

| | |
|---|-----------------|
| Bank advances (secured) | \$ 2,140,980.73 |
| Accounts payable and accruals | 5,497,982.37 |
| Federal and Provincial income taxes | 813,924.90 |
| Other taxes payable or accrued | 444,254.79 |
| Dividend payable July 14, 1951 | 263,250.00 |

| | | |
|---------------------------------|-------|-----------------|
| TOTAL CURRENT LIABILITIES | ————— | \$ 9,160,392.79 |
|---------------------------------|-------|-----------------|

CAPITAL AND SURPLUS:

| | | |
|---|-----------------|-------------------------|
| Capital Stock— | | |
| Authorized— | | |
| 1,000,000 shares without nominal or par value | | |
| Issued for cash— | | |
| 702,000 shares | \$ 5,092,500.00 | |
| Surplus— | | |
| Per statement attached | 7,901,483.05 | |
| | ————— | 12,993,983.05 |
| | | <u>\$ 22,154,375.84</u> |

AUDITORS' REPORT TO THE SHAREHOLDERS

f National Steel Car Corporation, Limited, as at June 30, 1951, and the related statements of profit and loss and surplus for the
i all the information and explanations which we required. Our examination included such tests of the accounting records and
procedures as we considered appropriate in the circumstances. In our opinion, the above balance sheet and related statements
drawn up so as to exhibit a true and correct view of the state of affairs of the company as at June 30, 1951, and the results
late 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.

NATIONAL STEEL CAR CORPORATION, LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDING JUNE 30, 1951

| | | |
|---|-----------------|-------------------------------|
| Operating profit for the year ending June 30, 1951, before providing for depreciation, depletion, etc. | | \$ 2,780,267.84 |
| Deduct— | | |
| Remuneration of executive officers | \$ 126,280.00 | |
| Directors' fees | 7,000.00 | |
| Legal fees | 5,094.80 | |
| | | <u>138,374.80</u> |
| | | \$ 2,641,893.04 |
| Add— Income from investments | | <u>217,133.62</u> |
| Profit , before providing for depreciation, depletion and income taxes | | \$ 2,859,026.66 |
| Deduct— Provision for: | | |
| Depreciation of buildings, machinery and equipment | \$ 202,657.91 | |
| Depletion of timber property | 6,184.03 | |
| | | <u>208,841.94</u> |
| Profit before providing for income taxes | | \$ 2,650,184.72 |
| Deduct— Provision for: | | |
| Federal income tax | \$ 1,100,000.00 | |
| Provincial income taxes | 215,000.00 | |
| | | <u>1,315,000.00</u> |
| NET PROFIT FOR THE YEAR | | <u><u>\$ 1,335,184.72</u></u> |

NATIONAL STEEL CAR CORPORATION, LIMITED

STATEMENT OF SURPLUS

FOR THE YEAR ENDING JUNE 30, 1951

| | |
|--|-------------------------------|
| Balance as at June 30, 1950 | \$ 7,970,298.33 |
| Deduct—Special dividend paid on October 14, 1950 | 351,000.00 |
| | <u>\$ 7,619,298.33</u> |
| Add—Net profit for the year | 1,335,184.72 |
| | <u>\$ 8,954,483.05</u> |
| Deduct—Other dividends declared during the year | 1,053,000.00 |
| Balance as at June 30, 1951 | <u><u>\$ 7,901,483.05</u></u> |

