

National
Steel Car Corporation
Limited

Hamilton, Ontario
Canada



SIXTH ANNUAL REPORT

JUNE THIRTIETH :: NINETEEN-TWENTY-SIX

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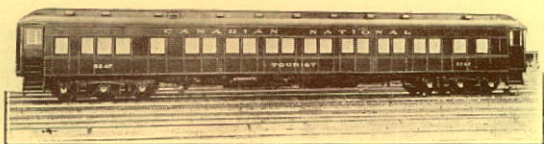
McGILL UNIVERSITY

National Steel Car Corporation, Limited

HAMILTON

ONTARIO

CANADA



SIXTH ANNUAL REPORT

JUNE THIRTIETH : : : NINETEEN-TWENTY-SIX

BOARD of DIRECTORS

ROBERT J. MAGOR, CHAIRMAN

D. B. DEWAR

HENRY H. PIERCE

SIR JOHN M. GIBSON

DONALD SYMINGTON

ROBERT GOWANS



OFFICERS

ROBERT J. MAGOR - - - - - PRESIDENT

DONALD SYMINGTON - - - VICE-PRESIDENT

ROBERT S. HART - - - - - AUDITOR

CHAS. W. ADAM - - - - ASST. SECY.-TREAS.

ABRAM VAN HASSEL - - - ASST. SECY.-TREAS.



DEPOSITARIES

THE CANADIAN BANK OF COMMERCE, HAMILTON, ONTARIO, CANADA

THE CANADIAN BANK OF COMMERCE

NEW YORK CITY

CAPITAL AND SURPLUS

June 30th, 1926

| PARTICULARS | AMOUNT |
|---|----------------|
| CAPITAL AND SURPLUS at June 30th, 1925..... | \$2,198,716.28 |
| ADD:—Net profit from operations for the year ending June 30th, 1926, before providing for depreciation of buildings, machinery and equipment, and interest on mortgage bonds..... | \$151,102.68 |
| LESS:—Provision towards depreciation of buildings, machinery and equipment..... | 55,003.26 |
| PROFIT before charging interest on mortgage bonds..... | \$ 96,099.42 |
| DEDUCT—Interest on mortgage bonds..... | 81,600.00 |
| PROFIT before deduction as under..... | \$ 14,499.42 |
| DEDUCT—Loss due to disposal of used motor trucks, etc..... | 45,478.57 |
| NET LOSS FOR THE YEAR... | 30,979.15 |
| BALANCE, June 30th, 1926..... | \$2,167,737.13 |

Balance Sheet,

ASSETS

CURRENT ASSETS:

| | |
|--|----------------------|
| Cash on hand and in bank..... | \$6,981.90 |
| Accounts and Bills Receivable, less reserve.. | 966,963.08 |
| Sundry Investments..... | 9,001.00 |
| Inventories of raw materials and supplies, work in process and finished cars and trucks at factory and branches..... | 1,846,318.80 |
| | <hr/> \$2,829,264.78 |

| | |
|---|----------------------|
| FRENCH REPLUBIC AND PARIS, LYONS AND MEDITERRANEAN RAILWAY COMPANY CLAIMS:..... | 263,477.84 |
| DEFERRED CHARGES:..... | 74,609.18 |
| PATENTS AND GOODWILL:..... | 1.00 |
| LAND, BUILDINGS, PLANT AND EQUIPMENT:..... | 3,296,988.26 |
| | <hr/> \$6,464,341.06 |

We have examined the books and accounts of the company ending June 30th, 1926. The cash and bank balances agree with the statements of the depositories, and we have taken all reasonable precautions to verify the liabilities as at June 30th, 1926 have been taken up on account of raw materials, supplies, work in progress, and finished products. The inventories are stated in the above balance sheet and have been certified to by responsible officials of the company as towards meeting depreciation of building, plant and equipment.

On this basis, and subject to the realization of the claims of the French Railway Company, we certify that, in our opinion, the financial position of the company as at June 30th, 1926, according to the books given to us, and as shown by the books of the company.

TORONTO, August 25th, 1926.

Approved on behalf of the Board:

J. M. GIBSON, Director.

D. B. DEWAR, Director.

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

June 30th, 1926

LIABILITIES

CURRENT LIABILITIES:

| | | |
|--------------------------|--------------|-----------------------|
| Accounts payable..... | \$658,173.54 | |
| Bank loan (secured)..... | 1,141,636.33 | |
| Bank overdraft..... | 62,059.04 | |
| Accrued wages, etc..... | 52,945.00 | |
| | | <u>\$1,914,813.91</u> |

FIRST MORTGAGE SIX PER CENT GOLD BONDS:

| | | |
|----------------------|----------------|-----------------------|
| Authorized..... | \$3,000,000.00 | |
| | | |
| Issued..... | \$2,000,000.00 | |
| LESS—Repayments..... | 640,000.00 | |
| | | <u>\$1,360,000.00</u> |

RESERVE FOR DEPRECIATION..... 1,021,790.02

CAPITAL AND SURPLUS:

(As per statement attached).

| | | |
|---|--|-----------------------|
| Represented by 100,000 shares of Capital Stock without nominal or par value (sub- ject to realization of French Republic and Paris Lyons and Mediterranean Railway Company Claims)..... | | 2,167,737.13 |
| | | <u>\$6,464,341.06</u> |

National Steel Car Corporation, Limited for the year have been confirmed either by actual count or by certifiable precautions to satisfy ourselves that all outstanding the books. No physical inventories of the stocks of raw material were taken during the year ending June 30th, 1926, but in accordance with the book inventory figures which company. An amount of \$55,003.26 has been provided for depreciation, accruing during the year.

French Republic and the Paris, Lyons and Mediterranean Corporation, the above balance sheet sets forth the true financial position to the best of our information and the explanations

PRICE, WATERHOUSE & Co.,

Chartered Accountants

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

TO THE SHAREHOLDERS:

The Balance Sheet, together with statement of Capital and Surplus for the fiscal year of your Corporation ended June 30th, 1926, is herewith submitted.

There was no reduction in the outstanding bonds for the reason that on August 27th, 1924, the 1926 retirements were anticipated.

Your property throughout the year has been fully maintained and is now operating on a highly efficient basis. After charging these maintenance expenses to operations, in spite of an extremely small production, we are gratified in being able to show an operating profit; in fact, a balance on the right side even after deducting bond interest.

The cleaning up of some old accounts in the automotive department and the sale of used motor trucks that were on hand, necessitating the charging of \$45,478.57 to the net profit realized from the Corporation's regular operations, was responsible for showing a small net loss for the year of \$30,979.15.

The working capital is about the same as reflected in the previous statement.

It will be seen that the current assets and current liabilities are very much greater than shown in the last statement. This is due to the fact that your works at June 30th, 1925, were practically in a closed down condition caused by lack of orders, whereas at the end of June, 1926, the plant was at its height of production on the business secured from the railroads during the first quarter of this calendar year.

Your Directors have again to report that although railway car orders received and produced show a distinct improvement over the previous fiscal period, nevertheless they represent but a small percentage of the capacity of your works.

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

The equipment produced this year was made up of the same types as those produced last year, namely passenger cars and other miscellaneous equipment of highly technical design, the only difference being that there was about twice as much of it, and because of this extra production your Directors are able to submit the attached statement, which shows substantial improvement.

As very little freight equipment has been ordered by the railroads during the past few years, it is sincerely hoped that orders to keep your works operating will be forthcoming in the near future.

Your Directors desire again to express their appreciation of the loyal services of the officers and employees during the year.

Respectfully submitted on behalf of the Directors.

ROBERT J. MAGOR,
Chairman and President.

September 23rd, 1926.

