

NATIONAL STEEL CAR CORPORATION LIMITED

TWELFTH
ANNUAL
REPORT
JUNE THIRTIETH
. 1932 .

HAMILTON . ONTARIO . CANADA

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**NATIONAL
STEEL CAR
CORPORATION
LIMITED**

**TWELFTH
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JUNE THIRTIETH
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HAMILTON . ONTARIO . CANADA

BOARD *of* DIRECTORS

ROBERT J. MAGOR, Chairman

HUGH N. BAIRD

GLYN OSLER, K.C,

RUSSELL D. BELL

F. E. MEREDITH, K.C.

D. B. DEWAR

W. E. PHIN



OFFICERS

ROBERT J. MAGOR - - - - - PRESIDENT

HUGH N. BAIRD - - - - - VICE - PRESIDENT

ROBERT S. HART - - - - - VICE - PRESIDENT

CHARLES W. ADAM - - - - - SECRETARY-TREASURER

ABRAM VAN HASSELL - - - ASSISTANT SECY. - TREAS.



DEPOSITARIES

THE CANADIAN BANK OF COMMERCE, HAMILTON, ONTARIO, CANADA

THE CANADIAN BANK OF COMMERCE
NEW YORK CITY

CAPITAL AND SURPLUS

June 30th, 1932

PARTICULARS	AMOUNT
CAPITAL AND SURPLUS at June 30th, 1931.....	\$5,619,960.38
ADD:—Net Income for the year ending June 30th, 1932, after including reparations award less expenses incidental thereto, but before providing for depreciation	\$ 59,482.49
DEDUCT: — Provision for depreciation of buildings, machinery and equipment	50,000.00
NET INCOME FOR THE YEAR.....	9,482.49
	<hr/> 5,629,442.87
DEDUCT:—Dividends paid, Nos. 11, 12, 13, 14	221,000.00
CAPITAL AND SURPLUS at June 30th, 1932	<hr/> <hr/> \$5,408,442.87

Balance Sheet,

ASSETS

CURRENT ASSETS:

Cash on Hand and in Bank.....	\$ 44,944.40
Call Loans and Accrued Interest.....	326,428.10
Dominion and Provincial Bonds, at cost, and Accrued Interest.....	816,422.71
(Market Value as at June 30th, 1932, \$723,750.00)	
Accounts Receivable, Less Reserve.....	63,071.84
Cash Surrender Value of Life Insurance Policy.....	101,500.00
Sundry Investments and Advances, Less Reserve.....	29,761.06
Inventories of Raw Materials, Supplies, Work in Process and Finished Stock....	142,789.24
TOTAL CURRENT ASSETS	\$ 1,524,917.35

DEFERRED CHARGES.....	7,115.29
PATENTS AND GOODWILL.....	1.00

FIXED ASSETS:

LAND, at cost.....	364,589.59
BUILDINGS, MACHINERY and EQUIPMENT.....	5,719,181.44
	<u>6,083,771.03</u>
	<u>\$7,615,804.67</u>

AUDITOR'S REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of National Steel Car Corporation for the year ended June 30th, 1932, and have been furnished with all the bank balances, call loans and investments have either been taken all reasonable precautions to satisfy ourselves that they have been taken up on the books. Following the completion of the year of the materials remaining at the completion of the balance sheet are in accordance with the book inventory to be by responsible officials of the Company. An amount accruing during the year.

On this basis we report that, in our opinion, the above represents the true financial position of the Company as at June 30th, 1932, and as shown by the books of the Company.

Toronto, August 15th, 1932.

Approved on behalf of the Board.

W. E. Phin, Director.

D. B. Dewar, Director.

: : NATIONAL STEEL CAR CORPORATION, LIMITED : :

June 30th, 1932

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable.....	\$ 31,437.62
Accrued Wages, etc.....	10,881.00
Miscellaneous Reserves.....	4,223.98

TOTAL CURRENT LIABILITIES	\$ 46,542.60
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RESERVE:

For Depreciation of Buildings, Machinery, and Equipment.....	2,160,819.20
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CAPITAL AND SURPLUS:

(As per statement attached)	
Represented by 130,000 shares of Capital Stock without nominal or par value ..	5,408,442.87
	<u>\$7,615,804.67</u>

National Steel Car Corporation, Limited, for the year ending information and explanations which we required. The have been examined or confirmed by certificates, and we have at all outstanding liabilities as at June 30th, 1932, have usual practice, physical inventories were taken during each order, and the inventories as stated in the above figures as at June 30th, 1932, which have been certified that of \$50,000.00 has been provided towards depreciation

above balance sheet is properly drawn up so as to set forth the year ending June 30th, 1932, according to the best of our information and the records of the Company.

PRICE, WATERHOUSE & Co.,
Auditors

: : NATIONAL STEEL CAR CORPORATION, LIMITED : :

To the Shareholders:

Statement of Capital and Surplus reflecting operations for the fiscal year ending June 30th, 1932, and Balance Sheet at June 30th, 1932, are submitted herewith.

For the fiscal period under review, the total production of your Corporation of all products manufactured and shipped amounted to \$659,906.65.

A net income of \$59,482.49 was realized, after including the Reparations Award, less expenses incidental thereto. There has been deducted from the above, \$50,000.00 for depreciation of buildings, machinery and equipment; the procedure followed is in accordance with the policy of your Directors in the past, namely, the setting of a figure based on the type and quantity of work produced, also taking into consideration the very heavy depreciation provided during the years of large production and profits.

Due to the small turn-over, the total current assets are reduced from \$2,571,930.16 to \$1,524,917.35. The current liabilities have been reduced from \$878,419.77 to \$46,542.60. In the current assets market valuation of Dominion and Provincial Bonds is shown at \$723,750.00. At the date of this report going to print the market value has increased to \$768,675.00.

Working Capital has been decreased from \$1,693,510.39 to \$1,478,374.75, a reduction of \$215,135.64, this after paying dividends at the rate of 50 cents per quarter for the first three quarters, and 20 cents for the last quarter, which represents total dividends paid for the year of \$221,000.00, also after installing new machinery at a cost of \$65,288.59 which has increased fixed assets from \$6,018,482.44 to \$6,083,771.03.

The result of the past year's operations has decreased the Capital and Surplus account of \$5,619,960.38 to \$5,408,442.87.

: : NATIONAL STEEL CAR CORPORATION, LIMITED : :

No car equipment was purchased by the Railroads during the period covered by this report. This is not surprising in view of the conditions that existed, but taking the present crop and other important factors into consideration, it is reasonable to expect that during the current year there should be some buying. Under the adverse conditions that have existed it was obviously impossible to show profits. The limited sales made have been primarily to the automotive industry, which also has been on a reduced production basis.

Since the close of the period under review your Corporation has gone into production on additional automobile parts and if there is any improvement in the automotive business this production should be of sufficient volume to contribute materially towards unavoidable overhead expenses. There are other miscellaneous lines which your Corporation's plant is producing in a satisfactory manner but owing to conditions, the turn-over is small.

Your Directors take some satisfaction in being able to present to the stockholders this statement which reflects a highly liquid position, also a minimum inventory of current material at a figure which is less than replacement cost.

Although in the past the Directors have expressed their appreciation of the loyal services of the officers and employees, on this occasion they are particularly desirous of referring to the commendable manner in which they have accepted the necessary salary and wage cuts to meet the depressed conditions.

Respectfully submitted on behalf of the Directors,

ROBERT J. MAGOR,
Chairman and President.

August 23rd, 1932.

