

**NATIONAL  
STEEL CAR  
CORPORATION  
LIMITED**

**SIXTEENTH  
ANNUAL  
REPORT  
JUNE THIRTIETH  
1936**

**HAMILTON - ONTARIO - CANADA**

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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 HASSEL . . . . . ASSISTANT SECY.-TREAS.



## DEPOSITARIES

THE CANADIAN BANK OF COMMERCE, HAMILTON, ONTARIO, CANADA

THE CANADIAN BANK OF COMMERCE

NEW YORK CITY

## CAPITAL AND SURPLUS ACCOUNTS

For the year ending June 30, 1936

PARTICULARS	AMOUNT
Operating profit for the year ending June 30, 1936, before providing for depreciation, etc., as under .....	\$ 426,549.41
DEDUCT—	
Executive officers' salaries .....	\$55,440.00
Directors' fees and expenses .....	3,510.00
Legal fees .....	4,838.78
Bank interest .....	5,551.97
	<u>69,340.75</u>
	\$ 357,208.66
ADD—	
Income from investments .....	\$ 6,022.05
Interest on notes receivable .....	5,750.87
	<u>11,772.92</u>
CASH PROFIT FOR THE YEAR, BEFORE PROVIDING FOR DEPRECIATION .....	\$ 368,981.58
DEDUCT—Provision for depreciation of buildings, plant and machinery .....	<u>357,146.55</u>
PROFIT FOR THE YEAR .....	\$ 11,835.03
Balance at credit of Earned Surplus, July 1, 1935 .....	<u>13,547.07</u>
BALANCE AT CREDIT OF EARNED SURPLUS, JUNE 30, 1936 .....	\$ 25,382.10
CAPITAL SURPLUS—	
(No change during the year) .....	934,325.95
CAPITAL STOCK—	
130,000 shares without nominal or par value .....	<u>3,500,000.00</u>
TOTAL CAPITAL AND SURPLUS, JUNE 30, 1936.....	<u><u>\$ 4,459,708.05</u></u>



# Balance Sheet,

## ASSETS

### CURRENT ASSETS:

Cash on hand and in Bank .....	\$ 181,509.25 ✓
Call loans, and accrued interest .....	325,411.32 ✓
Investment in bonds, at cost and accrued interest .....	71,784.38 ✓
(Market value as at June 30, 1936, and accrued interest—\$72,609.38)	
Accounts receivable .....	190,291.87 ✓
Cash surrender value of life insurance policy .....	140,500.00 ✓
Inventories of raw materials, supplies, work in process and finished stock, as determined and certified by responsible officials of the company, valued on the basis of cost or market prices, whichever were lower .....	180,094.15
<b>TOTAL CURRENT ASSETS .....</b>	<b>\$ 1,089,590.97</b>

### DEFERRED CHARGES:

Prepaid taxes and unexpired insurance, etc...	15,085.84
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<b>PATENTS AND GOODWILL.....</b>	<b>1.00</b>
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### FIXED ASSETS:

Land .....	\$ 364,589.59
Buildings, machinery and equipment .....	5,745,592.79
	<b>6,110,182.38</b>

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

\$ 7,214,860.19

### AUDITORS' REPORT

We have examined the books and accounts of National Steel Car Corporation, Limited and explanations which we required. The bank and call loan balances and investments precautions to satisfy ourselves that all outstanding liabilities as at June 30, 1936, have been taken during the year of the materials remaining at the completion of each order book inventory figures as at June 30, 1936, which have been certified to by responsible

And we report that, in our opinion, the above balance sheet is properly drawn up June 30, 1936, according to the best of our information and the explanations given to us.

Approved on behalf of the Board:

R. D. BELL, Director.

D. B. DEWAR, Director.

June 30, 1936

## LIABILITIES

### CURRENT LIABILITIES:

Accounts payable .....	\$ 66,101.23
Accrued wages, etc. ....	19,807.26
Sales tax payable .....	8,588.28

TOTAL CURRENT LIABILITIES.....	\$ 94,496.77
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### RESERVE:

For depreciation of buildings, machinery and equipment .....	2,660,655.37
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### CAPITAL AND SURPLUS:

Capital Stock—	
Authorized and issued for cash—130,000 shares without nominal or par value.....	\$ 3,500,000.00
Capital Surplus—	
(No change during the year) .....	934,325.95
Earned Surplus—	
As per statement attached .....	25,382.10

TOTAL CAPITAL AND SURPLUS, represented by 130,000 shares with- out nominal or par value .....	4,459,708.05
	<u>\$ 7,214,860.19</u>

### TO SHAREHOLDERS

ed for the year ending June 30, 1936, and have been furnished with all the information have either been examined or confirmed by certificates and we have taken all reasonable been taken up on the books. Following the company's usual practice, physical inventories and the inventories as stated in the attached balance sheet are in accordance with the officials of the company.

so as to exhibit a true and correct view of the state of the company's affairs as at and as shown by the books of the company.

PRICE, WATERHOUSE & Co.,  
Chartered Accountants.  
Toronto, August 13, 1936.



To the Shareholders:

Statement of Capital and Surplus reflecting operations for the fiscal year ending June 30th, 1936, and Balance Sheet at June 30th, 1936, are submitted herewith.

Your Directors are particularly pleased to be able to report that during the year (and for the first time in several years) equipment orders were secured to the extent of several million dollars. To this was added marked increase in the sale of "Parts" and other "Diversified Products".

The result of this improvement gave your Corporation a cash profit for the year of \$368,981.58, before depreciation, in place of a cash loss for the preceding year of \$203,294.35, before depreciation, which reflects a difference between the two years of \$572,275.93.

As a result of the cash profit secured, the working capital has built up from \$649,142.41 to \$995,094.20, an increase of \$345,951.79.

There has been reserved for depreciation during the year under review \$357,146.55, thus bringing the total amount in this account up to \$2,660,655.37.

Due to the business done, the current assets were increased from \$681,200.89 to \$1,089,590.97, with but slight increase in current liabilities from \$32,058.48 to \$94,496.77.

No reference to the current assets is necessary, as each item represents either cash or the equivalent.

Deferred charges consisting of prepaid taxes, insurance, etc., are shown at \$15,085.84 as against \$14,329.41 in last year's statement.

The capital and surplus account shows an increase of only \$11,835.03, after applying \$357,146.55 to depreciation account.

No dividends were declared during the year.



Some business has been secured since July 1st last which was the beginning of the current fiscal period. This insures employment, on a modest scale, for the next two or three months, and it is sincerely hoped that other business will develop so that continuous operation can be secured, even if it is on a limited basis only.

In expressing your Directors' appreciation to the officers and employees for their loyal services during the year, it is gratifying to be able to refer to an outstanding accomplishment of producing in a highly efficient manner, some twenty or more different types of product. The securing of these results by a works in constant production on standard articles, is no more than should normally be expected, but to go into production from a closed down condition and satisfactorily produce highly diversified products, practically all of them of new design, is indeed gratifying and complimentary to the personnel. It also indicates that both plant and equipment are up to date and in good operating condition.

Respectfully submitted on behalf of the Directors,

ROBERT J. MAGOR,  
Chairman and President.

September 28, 1936.







