

UNITED STEEL CORPORATION LIMITED

TENTH ANNUAL REPORT

FOR THE FISCAL YEAR ENDED 31st DECEMBER 1943

To Shareholders of United Steel Corporation, Limited:

Your Directors submit herewith the Tenth Annual Report of your Corporation for the year ended 31st December, 1943, comprising the Balance Sheet and General Statement of Income and Expenditure and Earned Surplus, duly certified by the Company's auditors.

The Net Earnings for the year amounted to \$1,055,149.01. After provision for Income and Excess Profit Taxes, amounting to \$896,024.88, the Net Earnings for the year amount to \$159,124.13. After deductions as set forth in the Statement, balance of Earned Surplus at the year end amounted to \$1,283,115.46. All plants of the Corporation operated on reduced schedules by reason of cutbacks on war contracts, which accounts for the appreciable reduction in the Net Earnings, but full allowable depreciation was taken and all plants and equipment were maintained in first class condition.

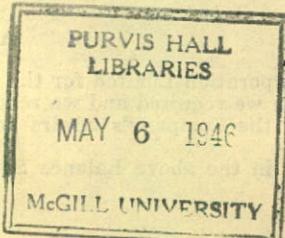
Contracts on our books are now in good volume and provide a substantial backlog for continuing production and the Corporation's operating Divisions have been developing new products and improving their present range of standard manufactured goods, which will assist materially our postwar possibilities.

The Directors wish to express their appreciation for the loyalty and efficient services rendered by the Officers, Staff and Employees of the Corporation throughout the year.

On behalf of the Board,

T. J. DILLON,

President.



UNITED STEEL CORP

BALANCE SHEET AS AT

ASSETS

CURRENT ASSETS:

Cash on hand and in Bank	\$ 15,581.52
Accounts and Notes Receivable less Reserve	1,471,502.87
Due by Dominion Government	320,041.56
Inventories of Raw Materials and Supplies, Process and Finished Goods as determined and certified to by the Management and valued not higher than cost or market, whichever is the lower	1,300,601.06
Investments in Industrial Stocks — Book Value	27,039.75
Dominion of Canada Bonds	412,061.56
Cash Surrender Value of Life Insurance Policies	35,904.89
	\$3,582,733.21

INVESTMENT IN SUBSIDIARY COMPANY:

Common and Preferred Shares, carried at	177,993.87
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PROPERTY ACCOUNT:

Land, Buildings and Plant appraised by Canadian Appraisal Company Limited in respect of the Dodge Manufacturing Company Limited on the basis of commercial value 16th January 1929, and in respect of the Canadian Mead-Morrison Company Limited on the basis of commercial value 31st May 1929, and in respect of the Standard Steel Construction Company Limited and Farand & Delorme Limited on the basis of purchase 18th January 1941, with the cost of subsequent additions	3,784,457.54
DEFERRED CHARGES	24,828.74
BOND DISCOUNT	37,144.80
GOODWILL	1.00
REFUNDABLE PORTION OF EXCESS PROFITS TAXES	287,860.36
	\$7,895,019.52

APPROVED ON BEHALF OF THE BOARD:

T. J. DILLON, Director.
A. G. HOUSE, Director.

UNITED STEEL CORP STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED

Profit from Operations	_____
Income from Investments	_____
Deduct: Depreciation	_____
Remuneration to Executive Officers	_____
Advisers	_____
Bond Interest	_____
Directors' Fees and Expenses	_____

Net Profit for the Year
Provision for Income and Excess

Deduct: Amortization of Bond Discount	_____
Adjustment of Liability to Former	_____
Cost of Life Insurance	_____

Less Capital Gain on Sale of Fixed Assets

Earned Surplus for the Year	_____
Balance of Earned Surplus 31st December	_____
Less Prior Year's Income Taxes Paid	_____

Deduct: Dividend Class "A" Preference Shares	_____
Dividend Common Shares	_____

Balance of Earned Surplus 31st December

To the Shareholders of United Steel Corporation Limited:

We have audited the books and accounts of United Steel Corporation Limited for the year ended

We have obtained all the information and explanations which we required and we report that the statement is drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our knowledge and belief, based on such information and explanations as we have received.

The Operations of the Subsidiary Company are not reflected in the above Balance Sheet.

Toronto, 4th April 1944.

AUDITORS

PORATION LIMITED

AT 31st DECEMBER, 1943

LIABILITIES

CURRENT LIABILITIES:

Bank Loans	\$ 816,369.05
Accounts Payable and Accrued Charges	584,026.51
Provision for Income and Excess Profits Taxes	496,152.36
	<u>\$1,896,547.92</u>

DUE TO STANDARD STEEL CONSTRUCTION CO. LTD.

On Purchase of Assets	1,680.00
	<u>1,132,072.17</u>

RESERVES FOR DEPRECIATION

FIFTEEN YEAR 5% FIRST MORTGAGE SINKING FUND BONDS

Due 15th January 1956	\$ 900,000.00
Less Redeemed	60,000.00
	<u>\$ 840,000.00</u>
Interest Accrued	19,250.00

CAPITAL:

Class "A" Cumulative Redeemable Preference Shares

Par Value \$25.00 each:

Authorized 80,000 Shares, less Redeemed 11,128 Shares	
Issued and Outstanding 31st December 1943	22,758 Shares

568,950.00

Common Shares of No Par Value:

Authorized 500,000 Shares

Issued and Outstanding 31st December 1942	468,936 Shares	\$1,863,999.61
Issued during the year	386 Shares	1,544.00

Issued and Outstanding 31st December 1943	469,322 Shares	1,865,543.61
EARNED SURPLUS		1,283,115.46

DEFERRED SURPLUS in respect of Refundable Portion of Excess Profits Taxes

287,860.36

\$7,895,019.52

PORATION LIMITED EXPENDITURE AND EARNED SURPLUS AT 31st DECEMBER 1943

	\$ 1,420,682.77
	5,200.89
	<u>\$ 258,199.68</u>
ers and Legal	
	64,772.47
	42,062.50
	5,700.00
	<u>370,734.65</u>
Profits Taxes	
	\$1,055,149.01
	896,024.88
	<u>\$ 159,124.13</u>
Shareholders	
	\$ 7,855.20
	792.00
	620.30
	<u>\$ 9,267.50</u>
Assets	
	2,500.00
	<u>6,767.50</u>
1942	
	\$1,240,895.46
in 1943	
	5,623.83
	<u>1,235,271.63</u>
ares	
	\$ 34,137.00
	70,375.80
	<u>104,512.80</u>
st December 1943	
	<u>\$1,283,115.46</u>

REPORT

At 31st December 1943.

In our opinion the attached Balance Sheet and Statement of Income and Expenditure and Earned Surplus
to the best of our information and explanations given us and as shown by the books of the Company

VIGEON & COMPANY,
Chartered Accountants.

PLANTS

TORONTO WELLAND PORT ROBINSON MONTREAL

OFFICES

TORONTO MONTREAL WINNIPEG VANCOUVER
LONDON, ENGLAND
WELLAND HAILEYBURY
KIRKLAND LAKE

CHIEF PRODUCTS

Elevator and Conveying Equipment
Power Transmission Machinery
Materials Handling Equipment
Portable Conveyors
Hydraulic Presses
Grain Elevator Equipment
Coal and Ore Handling Bridges
Structural Steel — Buildings, Bridges
Steel Plate Work and Welded Steel Products
Mine Hoists
Chain and Belt Conveyors
Contractors' Equipment
Edge Moor Water Tube Boilers
Blaw-Knox Products
Automotive Equipment
Nor-Sand Pumps
Structural Steel Head Frames
Cummer Asphalt Plants
Fairfield Engineering Products
Baldwin-Southwark Products
Jigs, Tools, Fixtures
Aircraft Components
Shipbuilding Equipment