

UNITED STEEL CORPORATION, LIMITED

NINTH ANNUAL REPORT

FOR THE FISCAL YEAR ENDED 31st DECEMBER, 1942

To Shareholders of United Steel Corporation, Limited:

Your Directors submit herewith the Ninth Annual Report of your Corporation for the year ended 31st December, 1942, comprising the Balance Sheet and General Statement of Income and Expenditure and Earned Surplus, duly certified by the Company's auditors.

The General Statement of Income and Expenditure includes the Profit from Operations of the Standard Steel Construction and Farand & Delorme Divisions. The Net Earnings for the year amount to \$1,574,551.00. The substantial increase in the item of depreciation is by reason of special depreciation allowances on plant and equipment purchased to fill war orders. After provision for Income Taxes amounting to \$1,270,147.52, the Net Earnings for the year amount to \$304,403.48. After the deductions as set forth in the Statement, balance of Earned Surplus at the year end amounted to \$1,240,895.46.

All Plants of the Corporation, including the new equipment installed during the current year, were operated at full capacity, and contracts on our books are now in large volume and provide a substantial backlog for continuing production increases.

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.

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MCGILL UNIVERSITY

UNITED STEEL COR

BALANCE SHEET AS A

ASSETS

CURRENT ASSETS:

Cash on hand and in Bank	\$ 713,436.10
Accounts and Notes Receivable less Reserve	1,630,146.62
Due by Dominion Government	376,064.72
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 lower	2,159,778.18
Investments in Industrial Stocks—Book Value	39,057.31
Dominion of Canada Bonds	300,000.00
Cash Surrender Value of Life Insurance Policies	33,700.39
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INVESTMENT IN SUBSIDIARY COMPANY	\$5,252,183.32

INVESTMENT IN SUBSIDIARY COMPANY:

Common and Preferred Shares, carried at 177,993.87

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

DEFERRED CHARGES—Ordinary

Tank Suspensions 473,129.29

BOND DISCOUNT

GOODWILL

REFUNDABLE PORTION OF EXCESS PROFITS TAX

APPROVED ON BEHALF OF THE BOARD: \$9,506,691.44

APPROVED ON BEHALF OF THE BOARD:

T. J. DILLON, Director.

A. G. HOUSE, Director.

UNITED STEEL CO

**STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDING**

Profit from Operations	1
Income from Investments	2
Deduct: Depreciation	
Remuneration to Executive Officers Advisers	3
Bond Interest	4
Directors' Fees and Expenses	5
Provision for Income Taxes	6

Cost of Life Insurance

Earned Surplus for the year _____
Balance of Earned Surplus 31st December _____

Deduct: Dividend Class "A" Preference S
Balance of Earned Surplus 31st December

AUDITOR

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 is drawn up so as to exhibit a true and correct view of the state of the Company's affairs according 31st December, 1942.

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

Toronto 7th April 1943

PORATION, LIMITED

AT 31st DECEMBER, 1942

LIABILITIES

CURRENT LIABILITIES:

Bank Loans	\$2,101,652.75
Accounts Payable and Accrued Charges	1,066,707.03
Provision for Income Taxes	764,086.03
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DUE TO STANDARD STEEL CONSTRUCTION CO. LTD.	\$3,932,445.81
On Purchase of Assets	3,224.00
RESERVES FOR DEPRECIATION	877,372.49
FIFTEEN YEAR 5% FIRST MORTGAGE SINKING FUND BONDS	
Due in 1952	\$ 900,000.00
Less Redeemed	30,000.00
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Interest Accrued	\$ 870,000.00
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	19,937.50
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CAPITAL:	889,937.50

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, 1942

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

EARNED SURPLUS

DEFERRED SURPLUS in respect of Refundable Portion of Excess Profits	1,240,895.46
Tax	129,866.57
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	\$9,506,691.44

PORATION LIMITED

EXPENDITURE AND EARNED SURPLUS

AT 31st DECEMBER, 1942

\$2,171,359.10	
3,505.56	
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	\$2,174,864.66
\$ 460,798.25	
Officers and Legal	
87,126.06	
43,562.50	
8,249.85	
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1,270,147.52	
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	1,869,884.18
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\$ 304,980.48	
577.00	
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\$ 304,403.48	
970,628.98	
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\$1,275,032.46	
34,137.00	
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	\$1,240,895.46

S' REPORT

dated 31st December, 1942.

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 and as shown by the books of the Company on

VIGEON & COMPANY,
Chartered Accountants.

FORGEATION LTD.

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