

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.

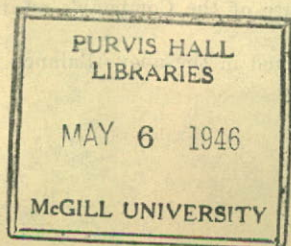
All Plants of the Corporation, including the new equipment installed during the current year, were operated at full capacity, and contracts on our books are now in large volume and provide a substantial backlog for continuing production increases.

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.



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
	\$5,252,183.32

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	3,408,207.99
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DEFERRED CHARGES—Ordinary	\$ 20,309.40
Tank Suspensions	473,129.29

493,438.69

BOND DISCOUNT	45,000.00
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GOODWILL	1.00
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REFUNDABLE PORTION OF EXCESS PROFITS TAX	129,866.57
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\$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 EX
FOR THE YEAR ENDE

Profit from Operations	
Income from Investments	

Deduct: Depreciation	
Remuneration to Executive Offi	
Advisers	
Bond Interest	
Directors' Fees and Expenses	
Provision for Income Taxes	

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 en
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	
		\$3,932,445.81

DUE TO STANDARD STEEL CONSTRUCTION CO. LTD.

On Purchase of Assets		3,224.00
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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

	\$ 870,000.00
Interest Accrued	19,937.50

889,937.50

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, 1942	22,758 shares	568,950.00
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Common Shares of No Par Value:

Authorized 500,000 shares.

Issued and Outstanding 31st December, 1942	468,936 shares	1,863,999.61
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EARNED SURPLUS

1,240,895.46

DEFERRED SURPLUS in respect of Refundable Portion of Excess Profits

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	
		\$2,174,864.66
	\$ 460,798.25	
Officers and Legal	87,126.06	
	43,562.50	
	8,249.85	
	1,270,147.52	
		1,869,884.18
		\$ 304,980.48
		577.00
		\$ 304,403.48
1941		970,628.98
		\$1,275,032.46
Shares		34,137.00
1942		<u>\$1,240,895.46</u>

S' REPORT

led 31st December, 1942.

n our opinion the attached Balance Sheet and Statement of Income and Expenditure and Earned Surplus
o the best of our information and explanations given and as shown by the books of the Company on

VICEON & COMPANY,
Chartered Accountants.

PLANTS

TORONTO	WELLAND	PORT ROBINSON	MONTREAL
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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