

UNITED STEEL CORPORATION, LIMITED

SEVENTH ANNUAL REPORT

FOR THE FISCAL YEAR ENDED 31st DECEMBER, 1940

To Shareholders of United Steel Corporation Limited:

Your Directors submit herewith the Seventh Annual Report of your Corporation for the year ended 31st December, 1940, 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 shows a profit from operations and distribution received from subsidiary amounting to \$684,411.93. After the deductions as set forth in the statement, balance of Earned Surplus for the year amounted to \$502,634.45.

The year under review was one of increased volume of business and your Corporation entered the year of 1941 with a substantial volume of business on hand, which will have its effect on the earnings this current year.

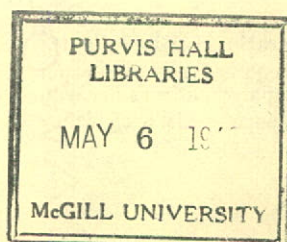
Your Corporation is engaged in considerable direct, as well as indirect war work, and during the year 1940 increased its Plants at Welland and Toronto.

The subsidiary Companies of your Corporation at 31st December, 1940, have also a large back log of business on hand.

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

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, with the cost of subsequent additions, less Reserve for Depreciation \$161,641.05	\$1,667,996.71
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CURRENT ASSETS:

Cash on hand and in Bank	\$ 11,985.36
Accounts and Notes Receivable, less Reserve	279,269.30
Due by Government	307,947.99
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	784,990.58
	<u>1,384,193.23</u>

INVESTMENTS IN SUBSIDIARY COMPANIES:

Common Shares carried at	896,307.87
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OTHER INVESTMENTS	95,250.00
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DEFERRED CHARGES	4,727.96
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DEFERRED EXPENSES in connection with new business	40,003.82
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ORGANIZATION EXPENSES	23,852.46
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GOODWILL	1.00
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APPROVED ON BEHALF OF THE BOARD:

SALTER A. HAYDEN,
Director.

A. G. HOUSE,
Director.

\$4,112,333.05

UNITED STEEL CORP. GENERAL STATEMENT OF INCOME SURPLUS FOR THE YEAR E

Profit from Operations
Distribution received from a Subsidiary

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

Loss on Sale of Investments
Dividend Class "A" 6% Preference
Premium and Exchange on Bonds
Legal Expenses in connection w
issue written off
Tax adjustments prior years
Catalogues, Research, etc., written

Added to Earned Surplus for the year
Balance of Earned Surplus brought forward

Balance of Earned Surplus 31st December,

AUDITORS

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 obtained all the information and explanations which we required and we report that in o
Surplus is drawn up so as to exhibit a correct view of the Company's affairs according to the bes
The Profits and Losses of the Subsidiary Companies have not been dealt with other than the D

Toronto, 10th April, 1941.

ORATION, LIMITED

31st DECEMBER, 1940

LIABILITIES

CURRENT LIABILITIES:

Overdraft at Bank	\$ 303,417.14	
Accounts and Notes Payable	545,138.25	
Sales Tax Payable	6,195.72	
Provision for Governmental Taxes payable in 1941	55,000.00	
		909,751.11

DUE TO SUBSIDIARY COMPANY		42,062.95
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CAPITAL:

Class "A" 6% Cumulative Redeemable Preference Shares Par Value \$25.00 each.		
Authorized 80,000 Shares, less Redeemed 11,128 Shares.		
Issued and Outstanding 1st January, 1940	22,429 shares	\$ 560,725.00
Issued during the year	329 shares	8,225.00
Issued and Outstanding 31st December, 1940	22,758 shares	\$ 568,950.00

Common Shares of No Par Value:

Authorized 500,000 Shares.		
Issued and Outstanding 1st January, 1940	465,611 shares	\$1,852,466.61
Issued during the year	3,293 shares	11,533.00
Issued and Outstanding 31st December, 1940	468,904 shares	1,863,999.61

EARNED SURPLUS		727,569.38
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\$4,112,333.05

ORATION LIMITED AND EXPENDITURE AND EARNED DIVIDED 31st DECEMBER, 1940

	\$145,676.43	
	538,735.50	\$684,411.93
	\$ 8,940.00	
ers and Legal	9,931.59	
	210.00	
	48,253.91	
	41,667.08	
		109,002.58
		\$575,409.35
	\$ 206.65	
e Shares	33,889.58	
retired	21,016.45	
h former Bond		
	3,000.00	
	480.33	
off	14,181.89	
		72,774.90
		\$502,634.45
from last year		224,934.93
1940		\$727,569.38

REPORT

31st December, 1940.

Our opinion the attached Balance Sheet and General Statement of Income and Expenditure and Earned Surplus of our information and explanations given us and as shown by the books of the Company on 31st December, 1940. The distribution shown in the General Statement of Income and Expenditure and Earned Surplus.

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