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UNITED STEEL CORPORATION LIMITED

FOURTEENTH ANNUAL REPORT

FOR THE FISCAL YEAR ENDED 31st DECEMBER, 1947

To Shareholders of United Steel Corporation, Limited:

Your Directors submit herewith the Fourteenth Annual Report of your Corporation for the year ended 31st December, 1947, comprising the Balance Sheet and General Statement of Income and Expenditure and Earned Surplus, duly certified by the Companies' Auditors.

Net Profits of the Corporation and its wholly owned Subsidiaries, after providing for full allowable Depreciation and for both Federal and Provincial Taxes, amounted to \$642,839.44. After payment of \$35,637.00 Preferred Dividend, remaining Earnings were \$1.29 per Common Share, or \$607,202.44, of which \$246,447.51 was disbursed in Common Dividends.

Plants and Equipment were maintained in first class condition and additions of Machinery and Equipment were made, resulting in increased productivity and lower costs of operation.

The Inventories of Raw Materials and Supplies are in good quantity position and the impact of The Emergency Exchange Conservation Act, particularly as applying to United States imports, did not severely handicap operations. Earnings for the year under review were a considerable improvement over prewar years.

The amount of business on hand is in good volume and is entirely for the domestic market. The European Relief Plan should result in increased demand for those lines of manufacture in which your Corporation is engaged.

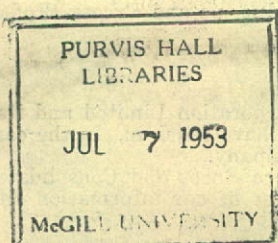
As to 1948, the economic dislocations throughout the World prevent your Directors from advancing predictions but they will continue to devote themselves to the careful functioning of the Corporation and to the protecting of the Shareholders' interests.

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

April 7, 1948.

On behalf of the Board,

T. J. DILLON,
President.



UNITED STEEL COR

and its wholly owned
LONDON STEEL CONSTRUCTION COMPANY LIMITED
CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash on hand and in Bank	\$ 771,517.80
Accounts and Notes Receivable less Reserve	1,854,244.71
Due by Dominion Government	320,237.03
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	3,245,380.05
Investments in Marketable Bonds and Stocks (Market value \$89,030.62)	81,521.18
Investments in Other Industrial Stocks	117,000.00
Cash Surrender Value of Life Insurance Policies	44,661.89
	<u>\$ 6,434,562.66</u>

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, and in respect of London Steel Construction Company Limited on the basis of purchase 30th June, 1943, and in respect of F. H. Hopkins & Company Limited on the basis of cost, with the cost of subsequent additions	4,761,529.42
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DEFERRED CHARGES:

Prepaid Insurance and other Expenses	84,828.16
Bond Discount	38,952.40
	<u>123,780.56</u>

GOODWILL:

Premium on Shares of Subsidiary	79,035.63
Goodwill	2.00
	<u>79,037.63</u>
REFUNDABLE PORTION OF EXCESS PROFITS TAXES	156,246.02
	<u>\$11,555,156.29</u>

APPROVED ON BEHALF OF THE BOARD:

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

CONSOLIDATED GENERAL STATEMENT EARNED SURPLUS FOR THE YEAR

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

Net Profit for Year
Provision for Income Taxes

Deduct: Amortization of Bond Discount
Cost of Life Insurance
Adjustment of Prior Years

Net Additions to Earned Surplus
Balance of Earned Surplus brought forward (including Refundable Income and Excess Profits Taxes)

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

Balance of Earned Surplus 31st December (Income and Excess Profits Taxes)

AUDITORS'

To the Shareholders of United Steel Corporation Limited:

We have audited the books and accounts of United Steel Corporation Limited and its wholly owned subsidiaries and have obtained all the information and explanations which we have required. In the case of F. H. Hopkins & Company Limited, we have audited the books and accounts of that company as reported on by the Auditors of that company.

We report that in our opinion the above Consolidated Balance Sheet and Consolidated Statement of Profit and Loss give a correct view of the combined Companies' affairs according to the best of our information and the explanations furnished to us.

Toronto, 7th April, 1948.

ORATION LIMITED

ed Subsidiaries

TED and F. H. HOPKINS & COMPANY LIMITED

AS AT 31st DECEMBER, 1947

LIABILITIES

CURRENT LIABILITIES:

Bank Loans	\$ 2,063,483.29
Accounts Payable and Accrued Charges	776,104.76
Provision for Income and Excess Profits Taxes 1947	363,859.91
	<u>\$ 3,203,447.96</u>

RESERVES FOR DEPRECIATION	1,371,625.05
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FIRST MORTGAGE SERIAL AND SINKING FUND BONDS:

3½% Serial Bonds due 1st September, 1948-55	\$ 480,000.00
4% Sinking Fund Bonds due 1st September, 1960	1,000,000.00
	<u>\$ 1,480,000.00</u>
Interest Accrued	18,933.32
	<u>1,498,933.32</u>

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, 1946	23,758 Shares	593,950.00	
Issued during the year	Nil		
Issued and Outstanding 31st December, 1947	23,758 Shares		593,950.00
Common Shares of No Par Value:			
Authorized 500,000 Shares			
Issued and Outstanding 31st December, 1946	469,424 Shares	1,865,951.61	
Issued during the year	5 Shares	20.00	
Issued and Outstanding 31st December, 1947	469,429 Shares		1,865,971.61

EARNED SURPLUS (including Refundable Portion of Excess Profits Taxes)	3,021,228.35
	<u>\$11,555,156.29</u>

OF INCOME AND EXPENDITURE AND R ENDED DECEMBER 31st, 1947

	\$1,353,915.67
	2,590.83
	<u>\$1,356,506.50</u>
	\$ 172,491.76
nd Legal	151,456.01
	58,200.00
	11,600.00
	<u>393,747.77</u>
	\$ 962,758.73
	<u>319,919.29</u>
	\$ 642,839.44
	\$ 4,432.20
	616.43
	<u>301,843.93</u>
	306,892.56
	\$ 335,946.88
d from 31st December, 1946	2,967,365.98
s Profits Tax)	<u>\$3,303,312.86</u>
es	\$ 35,637.00
	246,447.51
	<u>282,084.51</u>
1947 (including Refundable	<u>\$3,021,228.35</u>

REPORT

subsidiary, London Steel Construction Company Limited, for the year ended 31st December, 1947, Hopkins & Company Limited, also a wholly owned subsidiary, we have accepted the Financial Statements

f Income and Expenditure and Earned Surplus is properly drawn up so as to exhibit a true and ons given us and as shown by the books of the Companies on 31st December, 1947.

VIGEON & COMPANY,

Chartered Accountants.

PLANTS

TORONTO WELLAND PORT ROBINSON MONTREAL LONDON

OFFICES

TORONTO	MONTREAL	WINNIPEG	VANCOUVER
		KIRKLAND LAKE	
WELLAND		HAILEYBURY	LONDON
		LONDON, ENGLAND	

CHIEF PRODUCTS

Elevating and Conveying Equipment
Power Transmission Machinery
Material 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
Structural Steel Head Frames
Cummer Asphalt Plants
Baldwin-Southwark Products
Aircraft Components
Sewage and Sanitation Equipment
Pulp and Paper Machinery