

UNITED STEEL CORPORATION, LIMITED

SIXTH ANNUAL REPORT

FOR THE FISCAL YEAR ENDED 30th DECEMBER, 1939

To the Shareholders of United Steel Corporation, Limited:

Your Directors submit herewith the Sixth Annual Report of your Corporation for the year ended 30th December, 1939, comprising a Consolidated Balance Sheet and a Consolidated General Statement of Income and Expenditure and Earned Surplus, duly certified by the Company's Auditors.

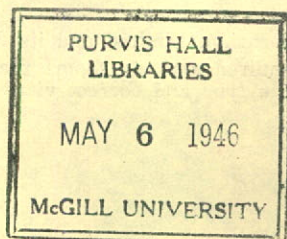
The Consolidated General Statement of Income and Expenditure shows a consolidated profit from Operations and Investment Revenue amounting to \$233,206.92. After the deductions, as set out in the Statement, the Balance of Earned Surplus amounted to \$142,494.81, an increase of approximately 12% over 1938.

The first portion of the year under review suffered by the contraction in business occasioned by the European crisis in the fall of 1938. The last quarter of 1939, however, was marked by a sharp increase in volume of Iron and Steel products which has continued on into 1940, some Departments being presently booked to a degree that will maintain them at capacity for the balance of the year.

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

On behalf of the Board,

T. J. DILLON,
President.



UNITED STEEL CORP

And its Subsidiary STANDARD STEEL

CONSOLIDATED BALANCE SHEET

A S S E T S

PROPERTY ACCOUNT:

Land, Buildings and Plant appraised by Canadian Appraisal Company Limited in respect of the Dodge Manufacturing Company of Canada 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 Co. Limited on the basis of appraisal made 5th December, 1928, by the Sterling Appraisal Company with the cost of subsequent additions

CURRENT ASSETS:

Cash on hand and in Banks	\$2,332,390.12
Accounts Receivable	\$128,407.98
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	471,456.41
Investments:	
Industrial Stocks—Book Value	688,701.67
Cash Surrender Value of Life Insurance Policies	17,862.18
	26,971.14
	1,333,399.38
SURPLUS VALUE IN INVESTMENT IN SUBSIDIARY OVER BOOK VALUE	331,217.47
INVESTMENT OF SUBSIDIARY IN SIMILAR COMPANY	\$ 65,000.00
ADVANCE BY SUBSIDIARY TO SIMILAR COMPANY	45,876.70
	110,876.70
PATENTS, RESEARCH, CATALOGUES AND IMPROVEMENTS	38,636.07
LEGAL AND OTHER EXPENSES relative to the issue of Twenty Year First Mortgage 6% Sinking Fund Bonds due in 1954	3,000.00
DEFERRED CHARGES: Prepaid Insurance, Taxes, Royalties, etc.	12,943.09
ORGANIZATION EXPENSES	23,852.46
CASH IN HANDS OF TRUSTEE for 1st Mortgage Bond Retirement	560.73
GOODWILL	1.00

APPROVED ON BEHALF OF THE BOARD:

SALTER A. HAYDEN,
Director.
A. G. HOUSE,
Director.

\$4,186,877.02

UNITED STEEL CORPORATION, L
STANDARD STEEL CONST
CONSOLIDATED GENERAL STATEMEN
AND EARNED SURPLUS FOR THE Y
Profit from Operations

Revenue from Investments

Deduct: Bond Interest

Remuneration to Executive Offic
Advisers

Directors' Fees

Provision for Governmental Taxes

Depreciation

Adjustment of Life Insurance Pre

Balance of Earned Surplus for the year

Previous Years Adjustments

Preferred Dividends Standard Steel Constr

Dividends Class "A" 6% Preference Shares

Increase in Earned Surplus for the year

Balance of Earned Surplus brought forward

Balance of Consolidated Earned Surplus 3
(of which \$14,955.20 is applicable to th
of Standard Steel Construction Co. Lin
of the Public)

AUDITOR

To the Shareholders of United Steel Corporation Limited:

We have audited the books and accounts of United Steel Corporation, Limited and its Subsidiary. We obtained all the information and explanations which we required and we report that in our Expenditure and Earned Surplus is properly drawn up so as to exhibit a true and correct view of the c shown by the books of the Companies on 30th December, 1939.

Toronto, 9th April, 1940.

ORATION, LIMITED

L CONSTRUCTION CO., LIMITED.

AS AT 30th DECEMBER, 1939

LIABILITIES

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 Jan., 1939	22,136 shares	\$ 553,400.00
Issued during the year	293 shares	7,325.00
Issued and Outstanding 30th Dec., 1939	22,429 shares	\$ 560,725.00
Common Shares of No Par Value:		
Authorized 500,000 Shares.		
Issued and Outstanding 1st Jan., 1939	462,685 shares	\$1,842,235.61
Issued during the year	2,926 shares	10,231.00
Issued and Outstanding 30th Dec., 1939	465,611 shares	1,852,466.61

SHARES OF SUBSIDIARY IN HANDS OF PUBLIC:

9,790 Class "A" Cumulative Preference Shares of No Par Value	\$ 411,180.00	
4,099 Common Shares of No Par Value	5,632.37	
		416,812.37

EARNED SURPLUS

457,304.54

RESERVES:

For Bad and Doubtful Accounts	\$ 10,543.23	
For Depreciation	395,679.77	
For Properties	75,708.89	
		481,931.89

TWENTY YEAR 6% FIRST MORTGAGE SINKING FUND BONDS DUE

1st January 1954:

Authorized	\$ 300,000.00	
Outstanding		149,000.00

CURRENT LIABILITIES:

Accounts Payable	\$ 226,173.70	
Accrued Wages	3,800.49	
Bond Interest Accrued	4,470.00	
Provision for Governmental Taxes payable in 1940	26,849.92	
Dividend declared payable 2nd January, 1940, on Subsidiary Company's Outstanding Preference Shares	7,342.50	
		268,636.61

\$4,186,877.02

MITED AND ITS SUBSIDIARY

UCTION CO., LIMITED.

OF INCOME AND EXPENDITURE

AR ENDED 30th DECEMBER, 1939

	\$228,892.41	
	4,314.51	
		\$233,206.92
	\$ 8,940.00	
s and Legal	26,775.39	
	160.00	
	26,828.00	
	27,504.72	
ms	504.00	
		90,712.11
		\$142,494.81
	\$ 4,481.47	
on Co., Limited	29,370.00	
	33,417.53	
		67,269.00
		\$ 75,225.81
om last year		382,078.73
December, 1939		
ommon Shares		
d in the hands		
		<u>\$457,304.54</u>

REPORT

Standard Steel Construction Co., Limited for the year ended 30th December, 1939.

inion the attached Consolidated Balance Sheet and Consolidated General Statement of Income and
oined Companies' affairs according to the best of our information and explanations given us and as

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