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ALUMINIUM LIMITED

(Incorporated under the Companies Act of the Dominion of Canada)

and Fully Owned Subsidiary Companies

FINANCIAL STATEMENT

31st December, 1935

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ALUMINIUM LIMITED

and Fully Owned Subsidiary Companies

Consolidated Balance Sheet

31st December, 1935

Expressed in United States Dollars*

ASSETS

Land, Plants and Facilities, at cost.....	\$49,472,434.93	
Less: Provision for Depreciation and Depletion.....	17,075,086.92	
		\$32,397,348.01
Patents and Trademarks, at cost.....	\$ 195,757.99	
Less: Provision for Amortization.....	27,397.32	
		168,360.67
Investments in and Advances to Subsidiary Companies:		
(Capital stock more than 50% owned)		
Investments in Shares, at cost, less Reserve.....	\$ 3,384,526.77	
Advances.....	4,887,252.75	
		8,271,779.52
Investments in Shares of Other Companies, at cost.....		6,276,802.71
(Capital stock not more than 50% owned)		
Unamortized Expenses in connection with Issues of Bonds and Preferred Stock.....		966,685.07
Indemnity and Surety Deposits.....		132,982.62
Sinking Fund Balances in Hands of Trustees.....		24,746.01
Prepaid Expenses and Deferred Charges to Operations.....		714,115.48
Current Assets:		
Inventories of Aluminium, Materials and Supplies, at cost or market,		
whichever is lower, as determined by responsible officials from book		
and physical inventories.....	\$10,407,110.14	
Advance Payments on Purchase Contracts.....	289,392.59	
Accounts and Notes Receivable, less Reserves.....	4,673,399.50	
Notes of a Subsidiary Company.....	810,000.00	
Marketable Securities, at cost (Quoted value \$366,600.00).....	331,845.00	
Cash in Banks and on Hand.....	1,940,899.13	
		18,452,646.36
		<u>\$67,405,466.45</u>

Approved on behalf of the Board,

EDWARD K. DAVIS, President

J. H. ALGER, Director and Secretary

Auditors' Report

To the Shareholders of Aluminium Limited :

We have made an examination of the books and accounts of Aluminium Limited and its fully owned Canadian subsidiary companies for the year ending 31st December, 1935, and of authenticated statements for the year 1935 of the fully owned foreign subsidiary companies whose books of accounts have been audited by other independent auditors to varying dates within the year, and have obtained all the information and explanations we have required.

On the above basis, we report that the consolidated balance sheet attached hereto is, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the affairs of Aluminium Limited and its fully owned subsidiary companies as at 31st December, 1935, according to the best of our information and the explanations given to us, and as shown by the books of the companies and the authenticated statements; and that the relative consolidated statements of profit and loss and of surplus accounts fairly present the results of operations of Aluminium Limited and fully owned subsidiary companies for the year ending 31st December, 1935.

Pursuant to Section 114 of the Companies Act, 1934, we report that the profits and losses for the year of the subsidiary companies not fully owned and not consolidated have been included in the consolidated accounts only to the extent of dividends declared and received, that such dividends exceeded by \$238,068.22 your Company's share of the aggregate of the profits and losses of these subsidiaries for the year and that a reserve of \$210,000.00 has been provided against such losses. At 31st December, 1935, there was, in the aggregate, a net balance at the credit of these subsidiary companies' surplus accounts, of which your Company's share since acquisition was \$752,562.47.

PRICE, WATERHOUSE & CO.

Auditors

16th March, 1936

ALUMINIUM LIMITED

and Fully Owned Subsidiary Companies

Consolidated Statement of Profit and Loss

For the Year Ending 31st December, 1935

Expressed in United States Dollars

Net Profit for the year ending 31st December, 1935, after Depreciation and
Depletion (see footnote) but before taking into account the items shown below. \$1,910,266.70

Add:

Income from Investments	\$	307,757.20	
Interest on Advances, etc.		355,376.22	
Gain from Purchase and Redemption of Bonds		28,074.79	
		691,208.21	
			\$2,601,474.91

Deduct:

Interest on Indebtedness not maturing within one year	\$1,096,705.05		
Other Interest	196,937.03		
		\$1,293,642.08	
Executive Salaries (Parent and fully owned subsidiary companies)		326,346.95	
Legal Fees		38,140.99	
Directors' Fees		20,847.05	
Amortization of Patents and Expenses in connection with Issues of Bonds and Preferred Stock		77,823.11	
Provision for Canadian Income Taxes		5,914.16	
Reserve in respect of Losses of Subsidiary Companies		210,000.00	
		1,972,714.34	

Profit for the year carried to Earned Surplus \$ 628,760.57

NOTE: Provision for Depreciation and Depletion for the year amounted to \$1,483,905.58 of which
\$1,102,210.89 was charged to Cost of Production and \$381,694.69 directly against Profits.

Consolidated Statement of Earned Surplus

Earned Surplus—31st December, 1934	\$	273,558.77	
Profit for the year as above		628,760.57	
		902,319.34	
Earned Surplus—31st December, 1935		902,319.34	

ALUMINIUM LIMITED

and Fully Owned Subsidiary Companies

Consolidated Balance Sheet

31st December, 1935

Expressed in United States Dollars*

LIABILITIES

Capital Stock:

6% Cumulative Redeemable Preferred Stock—Par Value per Share \$100.00	
Outstanding—125,046 Shares.....	\$12,504,600.00
Common Stock—No Par Value	
490,875 Shares issued for Capital Shares of Subsidiary and other Companies.....	\$22,988,813.89
102,978 Shares sold for cash.....	2,680,325.00
<u>593,853 Shares</u>	<u>25,669,138.89</u>

Funded Debt:

Aluminium Limited 5% Sinking Fund Debenture Gold Bonds, due 1948	
Issued.....	\$20,000,000.00
Less: Bonds Retired.....	2,757,000.00
	<u>\$17,243,000.00</u>
Bonds of Fully Owned Subsidiary Companies.....	1,725,263.20
	<u>18,968,263.20</u>

Notes given for acquisition of a Subsidiary Company, payable in equal amounts in 1936, 1937 and 1938.....	1,500,000.00
Accounts Payable to Subsidiary Companies.....	117,682.50

Current Liabilities:

Accounts Payable.....	\$ 2,324,806.01
Notes Payable—Secured.....	1,174,743.10
Notes Payable—Unsecured.....	3,166,490.98
Accrued Items.....	331,192.66
Reserves for Income and Other Taxes.....	228,461.02
	<u>7,225,693.77</u>

Operating Reserves and Deferred Credits.....	363,740.30
Unrealized Profit on Exchange.....	154,028.45
Earned Surplus.....	902,319.34
	<u><u>\$67,405,466.45</u></u>

NOTES: Dividends of \$21.75 per Share have accumulated on the Preferred Stock.

Contingent Liabilities in respect of customers' notes discounted amount to \$160,244.68.

*Assets and Liabilities outside of Canada are expressed at current rates of exchange 31st December, 1935, with the exception of Fixed Assets and Funded Debt, which are taken at rates determined at date of acquisition and issue. Canadian items are expressed on a dollar for dollar basis.

ALUMINIUM LIMITED

Canada Life Building
Toronto, Ontario, Canada

DIRECTORS

J. H. ALGER, Secretary

E. BLOUGH, Vice-President

LUDWIG BRAASCH

EDWARD K. DAVIS, President

AIMÉ GEOFFRION, K.C.,
Geoffrion & Prud'homme,
Montreal, P.Q., Canada.

ANDRÉ HENRY-COÜANNIER, Vice-President

LEIGHTON McCARTHY, K.C., Vice-President
President, Canada Life Assurance Company,
Toronto, Ont., Canada.

G. O. MORGAN, Jr., Vice-President

J. F. VAN-LANE, Vice-President
McCarthy & McCarthy, Toronto, Ont., Canada.

OFFICERS

J. W. McKEE Treasurer

W. J. BEATTIE Assistant Secretary

M. B. de SOUSA PERNES Assistant Secretary