

“
SUPERTEST
”
TRADE MARK

PETROLEUM CORPORATION LIMITED

DIRECTORS'
REPORT
'''



FOR THE
LIBRARIES

YEAR ENDING DECEMBER 31st, 1948

JUN 15 1954

MCGILL UNIVERSITY

BALANCE SHEET AS AT 31st DECEMBER, 1948

ASSETS

CURRENT		\$ 3,578,790.29
Cash and Negotiable Securities.....	\$ 903,888.57	
Accounts Receivable.....	1,694,489.01	
Inventories — Merchandise.....	892,005.27	
Supplies and Prepaid Expenses.....	49,958.97	
Life Insurance (Cash Surrender Value).....	38,448.47	
	\$ 3,578,790.29	
FIXED		\$10,087,790.35
Real Estate, Buildings and Equipment.....	\$ 7,855,220.97	
Book Value of Loans and Investments, including Investment in Subsidiaries and Advances to Trustees for the purchase of stock to be held for the benefit of employees.....	1,425,828.94	
Mortgages Receivable.....	806,740.44	
	\$10,087,790.35	
GOODWILL, COPYRIGHTS, TRADEMARKS		1.00
		\$13,666,581.64

LIABILITIES

CURRENT		\$ 2,716,292.59
Accounts Payable.....	\$ 2,030,539.69	
Accrued Charges, including provision for Government Taxes	680,752.90	
Mortgages Payable.....	5,000.00	
	\$ 2,716,292.59	

RESERVES

SPECIFIC		\$ 4,671,985.39
Reserve for Depreciation.....	\$ 3,882,501.92	
Reserve for Doubtful Accounts.....	67,496.37	
Reserve for Property Rehabilitation and Contingencies.....	721,987.10	
	\$ 4,671,985.39	

CAPITAL

AUTHORIZED		
Preferred Stock "B" — 7,841 shares par value \$25.00		
Common Stock — 25,000 shares of no par value		
Ordinary Stock — 275,000 shares of no par value		
ISSUED AND OUTSTANDING		\$ 6,278,303.66
Preferred Stock "B" — 7,841 shares.....	\$ 196,025.00	
Common Stock — 25,000 shares.....	25,000.00	
Ordinary Stock — 85,000 shares.....	878,814.50	
	\$ 1,099,839.50	
SURPLUS	5,178,464.16	
	\$ 6,278,303.66	
		\$13,666,581.64

We have completed an audit of the books of account and vouchers of Supertest Petroleum Corporation Limited, for the year ended 31st December, 1948, and have prepared the above Balance Sheet which, in our opinion, is properly drawn up so as to reflect in a fair manner the financial position of the Company as on 31st December, 1948, according to the best of our information, the explanations given us and as shown by the books of the Company.

All our requirements as Auditors have been complied with.

WM. C. BENSON & CO.,
Chartered Accountants.

Dated at London, Ontario,
3rd March, 1949.

INCOME AND SURPLUS ACCOUNT

For the Year Ended 31st December, 1948

	1948	1947
Net Earnings from Operations.....	\$ 1,596,889.90	\$ 1,425,625.15
LESS — Reserve for Government Taxes.....	635,000.00	625,000.00
	\$ 961,889.90	\$ 800,625.15
LESS — Dividends Paid.....	231,731.50	231,731.50
	\$ 730,158.40	\$ 568,893.65
Previous Surplus.....	4,448,305.76	3,879,412.11
Balance carried forward.....	\$ 5,178,464.16	\$ 4,448,305.76

SUPERTEST PETROLEUM CORPORATION LIMITED

To the Shareholders:

The year just completed witnessed the twenty-fifth anniversary of the founding of "SUPERTEST" and was appropriately marked by the highest volume of sales in the history of the Company. Net earnings of \$961,889.90 after taxes also reached an all time record.

In 1948 certain products were in short supply, particularly burning oils, but this condition was greatly improved during the closing months of the year and little difficulty is anticipated in this respect during 1949.

The development program in the Province of Quebec, long delayed by the war, was resumed in 1946, and additional branches are now in operation at Quebec City, Sherbrooke, Three Rivers and Joliette. In Ontario, also, new development took place with the establishment of branches at Huntsville and North Bay. These developments should add substantially to your Company's future sales potential. "SUPERTEST" is now represented in practically all of the more important populated areas in both Ontario and Quebec with the exception of the extreme border communities.

Other capital expenditures were held mainly to essential enlargement of distributing facilities such as warehouse and office accommodation. Service station development was again deferred in the hope of a return to more stable construction conditions. All buildings, however, have been kept in the highest state of repair and some modernization has been carried out.

It will be noted that there is a substantial increase in working capital, partially occasioned by the policy of deferring other than urgent projects during this period of high costs and low labor efficiency.

Your Directors have been heartened by an evident trend toward a peace time psychology and feel justified in predicting a gradual, but persistent return to more normal operating conditions.

With the improvement in earnings, your Directors were pleased to announce a dividend rate of \$2.50 per annum on the Common and Ordinary shares.

While the postwar inflationary era of free spending and easy credit is obviously drawing to a close and a period of readjustment is to be expected, your Directors feel that the future of our Dominion is bright with promise. Sound and continuous economic growth with a steady increase of population would seem to be Canada's inevitable destiny under our system of political democracy and freedom of enterprise.

Despite the recently announced increase in Federal Corporation Tax rates which is somewhat disturbing, your Directors view with optimism the business outlook for the current year.

It is the desire of your Directors to express their appreciation of the loyal support rendered by all "SUPERTEST" employees, tenants and dealers during the past year.

On behalf of the Board,

J. G. THOMPSON,

President.

April, 1949.

