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“
SUPERTEST
”
TRADE MARK

PETROLEUM CORPORATION LIMITED

DIRECTORS'
REPORT

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JUN 15 1954
MCGILL UNIVERSITY

FOR THE YEAR ENDING DECEMBER 31st, 1947

BALANCE SHEET AS AT 31st DECEMBER, 1947

ASSETS

CURRENT		\$ 2,797,893.56
Cash and Negotiable Securities	\$ 517,482.72	
Accounts Receivable	1,370,463.72	
Inventories — Merchandise	828,882.09	
Supplies and Prepaid Expenses	44,032.09	
Life Insurance (Cash Surrender Value)	37,032.94	
	\$ 2,797,893.56	
FIXED		9,548,775.31
Real Estate, Buildings and Equipment	\$ 7,461,336.17	
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	1,423,520.94	
Mortgages Receivable	663,918.20	
	\$ 9,548,775.31	
GOODWILL, COPYRIGHTS, TRADEMARKS		1.00
		\$12,346,669.87

LIABILITIES

CURRENT		\$ 2,459,051.86
Accounts Payable	\$ 1,772,559.44	
Accrued Charges including provision for Government Taxes	680,992.42	
Mortgages Payable	5,500.00	
	\$ 2,459,051.86	

RESERVES

SPECIFIC		4,339,472.75
Reserve for Depreciation	\$ 3,548,049.51	
Reserve for Doubtful Accounts	68,870.73	
Reserves to provide for Commissions, Contingencies, Post- War Rehabilitation, and Development	722,552.51	
	\$ 4,339,472.75	

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		\$ 5,548,145.26
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	4,448,305.76	
	\$ 5,548,145.26	
		\$12,346,669.87

We have completed an audit of the books of account and vouchers of Supertest Petroleum Corporation Limited for the year ended 31st December, 1947, 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, 1947, 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.

INCOME AND SURPLUS ACCOUNT

For the Year Ended 31st December, 1947

	1947	1946
Net Earnings from operations	\$ 1,425,625.15	\$ 1,373,016.80
LESS — Reserve for Government Taxes	625,000.00	650,000.00
	\$ 800,625.15	\$ 723,016.80
LESS — Dividends Paid	231,731.50	231,731.50
	\$ 568,893.65	\$ 491,285.30
Previous Surplus	3,879,412.11	3,388,126.81
Balance carried forward	\$ 4,448,305.76	\$ 3,879,412.11

SUPERTEST PETROLEUM CORPORATION LIMITED

To the Shareholders:

The year 1948 is one of especial interest to the shareholders and employees of your Company in that it marks the Twenty-fifth Anniversary of the founding of "SUPERTEST".

The past twenty-five years have witnessed a development from one gasoline pump in 1923 to well over 10,000 at the present time. With this remarkable growth have come opportunities for employment and improved working conditions. Today all "SUPERTEST" employees enjoy the benefits not only of excellent incomes, but of Group Sickness and Accident Insurance, Group Life Insurance and Group Pension plans.

Turning to the past year, it might be said that operating conditions have continued to follow the post-war pattern in that many difficulties were encountered in the form of shortages of material and supplies and continually increasing costs of operation.

The demand for your Company's products was excellent and sales were at a higher level than in the previous year. Net profit of \$800,625.00 was likewise higher than in 1946. Having regard, however, to a substantially increased profit from the sale of tires, and to a decrease in income taxes, the improvement in earnings was not in proportion to the increase in sales. Under continually rising costs, an ever-increasing volume of sales is required to maintain a satisfactory profit.

Likewise, during the year under review your Company was again faced with heavy expenditures in connection with the restoration of equipment which had become obsolete during the war years and with the expansion of plant facilities to accommodate the largely increased post-war business.

It had been planned that with the cessation of hostilities, steps would be taken to build a number of modern, post-war service stations. However, high construction costs and shortage of materials have brought about a postponement of this plan and emphasis will continue to be placed on modernization of existing facilities and adequate maintenance of same. Such expenditures are, of course, reflected in the working capital position.

The very severe winter now being encountered has placed added pressure on the supply situation with respect to Fuel Oil and Canadians will be fortunate indeed to pass through the current winter season without at least some inconvenience in this respect, nor is there any clarity with respect to availability of additional heating oils for next season. Indications point to continued shortage.

May we suggest that shareholders will find the issues of the "SUPERTEST" magazine "MAPLE LEAF" of especial interest during this Anniversary year.

On behalf of the Board,

J. G. THOMPSON,

March, 1948.

President.

