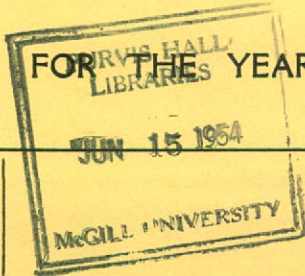


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“
SUPERTEST
”
TRADE MARK
PETROLEUM CORPORATION LIMITED

DIRECTORS'
REPORT
”



FOR THE YEAR ENDING DECEMBER 31st, 1943

JUN 15 1954

MCGILL UNIVERSITY

BALANCE SHEET AS AT 31st DECEMBER, 1943

ASSETS

CURRENT \$1,674,897.59

| | |
|---|----------------|
| Cash on hand and in Bank..... | \$ 965,398.17 |
| Accounts Receivable, after providing for losses | 340,028.98 |
| Inventories - Merchandise..... | 323,184.99 |
| Supplies and Prepaid Expenses. | 17,704.03 |
| Life Insurance (Cash Surrender Value)..... | 28,581.42 |
| | \$1,674,897.59 |

FIXED..... 3,671,020.25

| | |
|---|----------------|
| Real Estate, Buildings and Equipment, less Reserve for Depreciation..... | \$2,283,861.67 |
| Book Value of Loans and Investments, including advances to Trustees for the purchase of stock to be held for the benefit of employees..... | 917,195.53 |
| Mortgages Receivable after providing for losses | 65,550.14 |
| Investment in Subsidiaries..... | 404,412.91 |
| | \$3,671,020.25 |

GOODWILL, COPYRIGHTS, TRADEMARKS..... 1.00

LIABILITIES

CURRENT..... \$994,335.22

| | |
|---|---------------|
| Accounts Payable..... | \$ 574,356.14 |
| Accrued Charges, including provision for Government Taxes..... | 419,979.08 |
| | \$ 994,335.22 |

RESERVES

SPECIFIC..... 344,591.24

| | |
|--|------------|
| Reserves to provide for commissions, contingencies and post-war rehabilitation..... | 344,591.24 |
|--|------------|

CAPITAL

AUTHORIZED

Class "B" Preferred Stock 7,841 shares of \$25.00 par value.
Common Stock - 25,000 shares of no par value.
Ordinary Stock - 275,000 shares of no par value.

ISSUED AND OUTSTANDING..... 4,006,992.38

| | |
|---|---------------|
| Class "B" Preferred Stock - 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..... | 2,907,152.88 |

\$4,006,992.38 \$5,345,918.84 \$5,345,918.84

We have completed an audit of the books of account and vouchers of Supertest Petroleum Corporation, Limited, for the year ended 31st December, 1943, 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, 1943, according to the best of our information, the explanations given us and as shown by the books of the Company.

Dividends received during the year from a subsidiary have been referred to a Reserve for Post-War Rehabilitation.

All our requirements as Auditors have been complied with.

WM. C. BENSON AND COMPANY (Chartered Accountants)

INCOME AND SURPLUS ACCOUNT

| | 1943 | 1942 |
|------------------------------|--------------|--------------|
| Net Earnings from Operations | 488,981.78 | 502,047.35 |
| Less Reserve for Gov. Taxes | 215,000.00 | 200,000.00 |
| Net Profit | 273,981.78 | 302,047.35 |
| Less Dividends Paid | 121,746.50 | 149,362.00 |
| | 152,235.28 | 152,685.35 |
| Previous Surplus | 2,754,917.60 | 2,602,232.25 |
| Balance Carried Forward | 2,907,152.88 | 2,754,917.60 |

SUPERTEST PETROLEUM CORPORATION LIMITED

To the Shareholders :-

In submitting the Directors' Report for the year 1943, we would draw attention to the fact that during the year, the sale of petroleum products was subject to legislative restrictions under the direction of the Oil Controller. As was to be expected this, of course, brought about a reduction in sales from the previous year and also a reduction in net earnings. This latter reduction, however, was not as great as might have been expected due to the fact that economies which had been instituted in the previous year came into full effect in the year under review.

We do not however point with pride to our accomplishment in the reduction of expenses which has partially been brought about through the necessity of neglecting many of our premises from the standpoint of maintenance, but under existing wartime regulations it has been impossible to keep our properties in what we consider up-to-the-minute operating condition. Therefore we have to look forward to substantial expenditures in the postwar period to restore our properties to their prewar condition.

All in all, we consider the reduction in net earnings from \$502,047.35 to \$488,981.78 to be a satisfactory result considering the difficult conditions under which your Company operated during the year.

In addition to the net operating income as shown, your Company received a dividend from its transportation subsidiary in the amount of approximately \$90,000. The earnings of the Transportation Company had accrued over a long period of years and your Directors felt it advisable to receive the dividend at this time, which has been credited directly to a Reserve for Post-War Rehabilitation.

During the year your Company made additional purchases of Victory Loan Bonds, and such purchases are reflected in the item of \$917,195.53 under the heading of "Loans and Investments."

The Government has announced that the rationing units of the past year are to continue in their present value for the current year, subject, of course, to any unforeseen demands on the part of the Armed Services, and it is to be hoped that, as predicted by some observers, the current year may witness a cessation of hostilities on the European Front.

Your Directors look forward to the time when the very large number of our employees who are at present on Active Service, will again be in a position to assume their duties with "SUPERTEST."

On behalf of the Board,

J. G. THOMPSON,

March, 1944

President:

