

Stock

“
SUPERTEST
”
TRADE MARK

PETROLEUM CORPORATION LIMITED

DIRECTORS'
REPORT

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JUN 15 1954
MCGILL UNIVERSITY

FOR THE YEAR ENDING DECEMBER 31st, 1942

BALANCE SHEET AS AT 31st DECEMBER, 1942

ASSETS

CURRENT	\$1,620,389.34
Cash on hand and in Bank.....	\$ 936,607.74
Accounts Receivable, after providing for losses	340,258.31
Inventories - Merchandise.....	309,194.92
Supplies and Prepaid Expenses.....	7,760.03
Life Insurance (Cash Surrender Value).....	26,568.34
	\$1,620,389.34
FIXED	3,680,865.62
Real Estate, Buildings and Equipment, less Reserve for Depreciation.....	2,478,888.19
Book Value of Loans and Investments, including advances to Trustees for the purchase of stock to be held for the benefit of employees.....	728,588.70
Mortgages Receivable after providing for losses	68,975.82
Investment in Subsidiaries.....	404,412.91
	3,680,865.62
GOODWILL, COPYRIGHTS, TRADEMARKS	1.00

LIABILITIES

CURRENT	1,263,170.88
Accounts Payable.....	\$ 907,095.73
Accrued Charges, including provision for Government Taxes.....	356,075.15
	\$1,263,170.88

RESERVES

SPECIFIC	183,327.98
Reserves to provide for commissions and contingencies.....	183,327.98

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	3,854,757.10
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.....	2,754,917.60
	\$3,854,757.10
	\$5,301,255.96
	\$5,301,255.96

We have completed an examination of the books of account and vouchers of Supertest Petroleum Corporation, Limited, for the year ended 31st December, 1942, 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, 1942, 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 AND COMPANY (Chartered Accountants)

INCOME AND SURPLUS ACCOUNT

	1942		1941
Net Earnings from Operations	502,047.35		723,562.98
Less reserve against inventory		63,170.28	
Less Reserve for Gov. Taxes	200,000.00	200,000.00	363,170.28
Net Profit	302,047.35		360,392.70
Less Dividends Paid	149,362.00		149,481.25
	152,685.35		210,911.45
Previous Surplus	2,602,232.25		2,391,320.80
Balance Carried Forward	2,754,917.60		2,602,232.25

SUPERTEST PETROLEUM CORPORATION LIMITED

To the Shareholders :-

Your Directors are pleased to report that the year 1942 yielded satisfactory results under what might be considered rather trying circumstances.

While sales during the early part of the year were satisfactory, the introduction of rationing by coupon (April 1, 1942), brought a substantial falling-off in civilian motoring. The curtailment in civilian motoring by the year end was estimated as between 35 and 50 per cent. The sales of your company's products are a direct reflection of existing regulations.

The problem of Service Station operation is a difficult one at the present time and we have found it necessary to close certain of our outlets during the past year. This trend is likely to be accelerated with the further restrictions which are to be placed on civilian motoring in 1943. The closing of Service Stations, however, is a direct contribution to the War Effort in the release of man power for duty in the Armed Forces and in War Industry, and we are proud to say that a large percentage of our younger employees and tenants have offered their services in this way.

In view of the circumstances outlined above, your Directors feel that the Net Profit as shown on the attached Income and Surplus Account for the year at \$302,000 as compared to \$360,000 in the previous year, can be considered quite satisfactory.

In referring to the Balance Sheet it will be noted that there is some reduction shown in current assets but this amount is more than made up by an increase in the book value of loans and investments, which increase is represented by an investment in recent Victory Loans. Thus your Company continues to enjoy a strong financial position.

Special attention has been paid throughout the year to the reduction of expenses wherever possible to meet the restricted trade conditions and no effort will be spared in the continuance of this policy in the year which lies ahead.

The further reduction in gasoline available for civilian use during 1943 is bound to reflect unfavorably on future operations, particularly in view of the fact that it is unlikely that expenses can be further reduced in a ratio to meet a further contraction in sales.

On behalf of the Board,

J. G. THOMPSON,

President.

March 1943.

