

# International Paints (Canada) Limited

*and Subsidiary Companies*

*including*

A. RAMSAY & SON COMPANY  
STEWART & WOOD LIMITED

## Sixth Annual Report

FOR YEAR ENDED  
SEPTEMBER 30

1934



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## OFFICERS

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*President*

GENERAL J. W. STEWART

*Vice-President*

FRANK M. ROSS

*Vice-President*

L. L. GORDON

*Managing Director*

J. H. DAVEY

*Secretary-Treasurer*

D. R. W. McKEAN

*Board of Directors*

H. N. BAIRD, MONTREAL

E. J. COYLE, VANCOUVER

J. H. DAVEY, MONTREAL

L. L. GORDON, VANCOUVER

HON. A. K. HUGESSEN, K.C., MONTREAL

W. W. HUTCHISON, MONTREAL

J. E. LABELLE, K.C., MONTREAL

SIR GEORGE MACDONOGH, K.C.M.G.,  
etc., LONDON, ENG.

E. F. NEWCOMBE, K.C., OTTAWA

C. R. PETRIE, LONDON, ENG.

JAMES PLAYFAIR, MIDLAND

FRANK M. ROSS, MONTREAL

GENERAL J. W. STEWART, VANCOUVER



# Directors' Report

*To the Shareholders of*  
INTERNATIONAL PAINTS (CANADA) LIMITED

Dear Sir or Madam:

Your Directors beg to submit herewith the Sixth Annual Report of the business and affairs of the Company for the fiscal year ended September 30th, 1934, together with Financial Statements certified by your Auditors, Messrs. Price, Waterhouse & Co.

Earnings for the year amounted to \$76,485.79. After deducting \$13,781.35 for Bond Interest and Directors' Fees, and \$34,791.85 for Depreciation, the operations for the year showed a profit of \$27,912.59 as compared with a loss last year of \$29,335.39. Ten per cent of this amount has been transferred to reserve, and after allowing for Income Tax, there is a balance of \$20,031.34.

All inventories have been priced on the basis of cost or market, whichever proved to be the lower.

The extension to the Park Avenue Plant, referred to in last year's report, has been completed at a cost of \$76,599.61 and all operations have been consolidated. Expenses in connection with moving of stocks and re-erection of machinery have been absorbed in the current year's operations. In order further to improve the Company's service to its customers, and to provide adequate facilities for the storage and shipping of finished products, your Directors authorized the construction of a warehouse at an estimated cost of \$35,000.00. This work has been completed since the close of the fiscal year. The above expenditures amounting to \$111,599.61 have been met out of the current funds of the Company.

During the year under review your Company has had a substantial increase in sales and this, together with the consolidations referred to, is reflected in the earnings of the Company. Your Directors are of the opinion that the Company has made considerable progress.

Your Directors desire to express to the officials and all employees appreciation of their services rendered during the past year.

In accordance with the By-Laws, half of your Directors retire at the ensuing Annual General Meeting and are eligible for re-election.

For the Directors,

J. W. STEWART,  
*President.*

Montreal, Que.,  
*December 10th, 1934.*

**International Paints**  
and Subsidiaries

**Consolidated**  
September 30, 1931

**ASSETS**

CURRENT ASSETS:

Cash in Bank and on Hand.....	\$	62,167.88	
Accounts Receivable less Reserve of \$2,000.00 for Doubtful Accounts...		185,395.99	
Surrender value of Life Insurance Policies.....		3,812.50	
Physical Inventory as certified to by the Management, valued in respect of Manufactured Stock and Goods in Process at Standard Costs estimated by the Management and as to Raw Materials and Supplies at cost.....		224,251.05	\$ 475,627.42
SUNDRY INVESTMENTS, at cost, Less Reserve of \$20,000.00.....			16,174.38

DEFERRED CHARGES TO OPERATIONS:

Prepaid Insurance, Taxes, etc.....			7,643.79
ORGANIZATION EXPENSE OF SUBSIDIARY COMPANIES.....			5,737.81

PROPERTY ASSETS:

Land at cost, less write down resulting from expropriation.....	\$	62,323.00	
Buildings, Leasehold, Machinery, Plant and Equipment at cost, with the exception of certain properties which are carried at a value determined by the Chartered Trust and Executor Company at November 9, 1931, \$25,000.00 plus subsequent additions at cost.....		532,129.69	
Extension to Buildings, etc., contracted for.....		31,365.00	
Goodwill, Trademarks, Patents and Formulae.....		190,001.00	815,818.69

\$1,321,002.09

Approved on behalf of the Board:

J. EDOUARD LABELLE, K.C., Director.  
J. H. DAVEY, Director.



# (Canada) Limited

Companies

## Balance Sheet

30, 1934

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts Payable.....	\$	45,565.50	
Accrued Liabilities.....		1,461.41	
Liability under uncompleted contracts for extensions to Buildings, etc., payable after September 30, 1934.....		31,365.00	
International Paint & Compositions Co. Ltd., £2,266.13.4.....		11,031.27	
Provision for Dominion, Provincial and Other Taxes.....		10,863.78	\$ 100,286.96

#### MORTGAGES PAYABLE:

Due April 1, 1937.....	\$	4,700.00	
Due March 1, 1938.....		6,000.00	10,700.00

FIRST MORTGAGE TEN YEAR 7% STERLING BONDS, DUE SEPTEMBER 1, 1943. £30,000 146,000.00

GENERAL RESERVE..... 13,108.66

RESERVE FOR DEPRECIATION OF BUILDINGS, MACHINERY AND EQUIPMENT..... 180,740.05

#### 7½% CUMULATIVE PARTICIPATING PREFERRED STOCK:

Authorized and Issued—28,000 shares of \$30.00 each.....			840,000.00
(Dividends have not been paid since June 30, 1931.)			

#### COMMON STOCK:

##### Authorized and Issued—

Class A—20,860 shares without par value.....	\$	104,300.00	
Class B— 7,140 shares without par value.....		35,700.00	

\$140,000.00

of which the total amount was attributed to Surplus..... 140,000.00

CAPITAL SURPLUS..... 10,087.69

EARNED SURPLUS, Balance at September 30, 1934, as per statement attached..... 20,078.73

\$1,321,002.09

#### AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of International Paints (Canada) Limited and its wholly owned subsidiary, A. Ramsay & Son Company, and have received the audited accounts of its other wholly owned subsidiary, Stewart & Wood Limited, for the year ending September 30, 1934. We have received all the information and explanations which we have required; and we report that, in our opinion, the above Consolidated Balance Sheet at September 30, 1934, is properly drawn up so as to show a true and correct view of the state of the combined affairs of International Paints (Canada) Limited and its subsidiary companies at that date, according to the best of our information and the explanations given to us, and as shown by the books of International Paints (Canada) Limited and A. Ramsay & Son Company, which we have examined and the audited accounts of Stewart & Wood Limited.

PRICE, WATERHOUSE & CO.,  
Auditors.

MONTREAL, December 10, 1934.

