

International Paints (Canada) Limited

and Subsidiary Companies

including

A. RAMSAY & SON COMPANY
STEWART & WOOD LIMITED

Seventh Annual Report

FOR YEAR ENDED
SEPTEMBER 30

1935



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President

GENERAL J. W. STEWART

Vice-President

FRANK M. ROSS

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

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 Seventh Annual Report of the business and affairs of the Company for the fiscal year ended September 30th, 1935, together with Financial Statements certified by your Auditors, Messrs. Price, Waterhouse & Co.

Your Directors deeply regret to record the death of their valued and esteemed colleague, Mr. L. Laird Gordon, who has been a Vice-President and Director of the Company since its inception.

After deducting \$38,883.61 for Depreciation, the operations for the year show a profit of \$41,108.78 as compared with \$27,912.59 last year. Ten per cent of this amount has been transferred to reserve, and after allowing for Income Tax, there is a balance of \$29,484.04.

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

Your Directors are pleased to inform you that effective March 1st, 1935, the interest rate on the First Mortgage Ten Year Sterling Bonds has been reduced from 7% to 5½%.

Your Basin Street Plant, which has not been operated by the Company for some time, has been sold for \$36,500.00 and the capital loss deducted from the Depreciation Reserve. With a view to possible future expansion at the Park Avenue Plant, a property has been acquired adjacent to and in rear of that Plant, consisting of approximately 49,000 sq. ft. of land with buildings; the purchase price being \$30,633.64. Part of this property is already in use. These transactions are reflected in the value of Property Assets as shown on the Balance Sheet.

During the year under review your Company has further increased its sales and has improved its financial position.

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

In accordance with the By-Laws, five 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 2nd, 1935.

International Paints
and Subsidiaries

Consolidated
September 30, 1931

ASSETS

CURRENT ASSETS:

Cash in Bank and on Hand.....	\$	54,807.19	
Accounts Receivable less Reserve of \$2,000.00 for Doubtful Accounts...		206,795.69	
Surrender Value of Life Insurance Policies.....		2,966.00	
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.....		250,725.92	\$ 515,294.80
INVESTMENTS IN PROPERTY AND SECURITIES.....			17,174.38
Carried at cost, less Reserve of \$20,000.00			
DEFERRED CHARGES TO OPERATIONS:			
Prepaid Insurance, Taxes, etc.....			11,444.55
ORGANIZATION EXPENSE OF SUBSIDIARY COMPANIES.....			3,239.98
PROPERTY ASSETS:			
Land at cost, less write down resulting from expropriation.....	\$	79,535.99	
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.....		485,998.40	565,534.39
Goodwill, Trademarks, Patents and Formulae.....			190,001.00
			\$1,302,689.10

Approved on behalf of the Board:

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

J. H. DAVEY, Director.

(Canada) Limited

Companies

Balance Sheet

30, 1935

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable.....	\$	60,082.05	
Accrued Liabilities.....		1,477.28	
International Paint & Compositions Co. Ltd., £838:13:3.....		4,081.49	
Provision for Dominion, Provincial and Other Taxes.....		11,080.25	\$ 76,721.07
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MORTGAGES PAYABLE:

Due April 1, 1937.....	\$	4,580.00	
Due March 1, 1938.....		6,000.00	10,580.00
			<hr/>

FIRST MORTGAGE TEN YEAR 5½% STERLING BONDS, DUE SEPT, 1. 1943,
£30,000..... 146,000.00

GENERAL RESERVE..... 17,219.54

RESERVE FOR DEPRECIATION OF BUILDINGS, MACHINERY AND EQUIPMENT. 153,825.36

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

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

CAPITAL SURPLUS..... 10,087.69

EARNED SURPLUS, Balance at September 30, 1935, as per statement attached. 48,255.44

\$1,302,689.10

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, 1935. 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, 1935, 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, NOVEMBER 29, 1935.

International Paints (Canada) Limited

and Subsidiary Companies

Consolidated Statement of Profit and Loss and Earned Surplus for the Year Ending September 30, 1935

Profit from operations, before provision for the undernoted items.....	\$	104,578.66
Income from Investments and rented property.....	\$	3,725.63
Miscellaneous Income (net).....		202.74
		3,928.37
Interest on Bonds and Mortgages.....	\$	10,022.14
Directors' Fees.....		1,240.00
Executive Salaries.....		16,877.50
Legal Fees (Exclusive of costs on Conveyance of Property).....		375.00
		28,514.64
Provision for Depreciation.....		79,992.39
		38,883.61
Provision for Dominion and Provincial Income and Profit Taxes.....	\$	7,513.86
Transferred to General Reserve.....		4,110.88
		11,624.74
Balance of Profits for the Year.....	\$	29,484.04
Earned Surplus, Balance September 30, 1934.....		20,078.73
		49,562.77
Organization Expenses Written off.....		1,307.33
Balance of Earned Surplus, September 30, 1935.....	\$	48,255.44

International Paints (Canada) Limited

affiliated with

The International Paint & Compositions Company Limited
London, England

Associated Factories in

FELLING-ON-TYNE	ENG.	GENOA	ITALY
NEW YORK	U.S.A.	TRIESTE	ITALY
HAVRE	FRANCE	BILBAO	SPAIN
BERGEN	NORWAY	HAMBURG	GERMANY
GOTHENBURG	SWEDEN	VIENNA	AUSTRIA
COPENHAGEN	DENMARK	KOBE	JAPAN
SYDNEY	AUSTRALIA	RIO DE JANEIRO	BRAZIL

