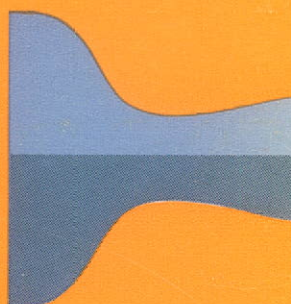
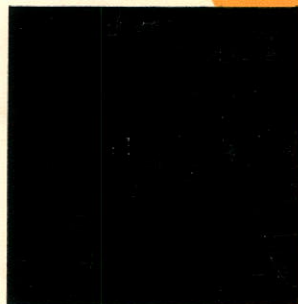
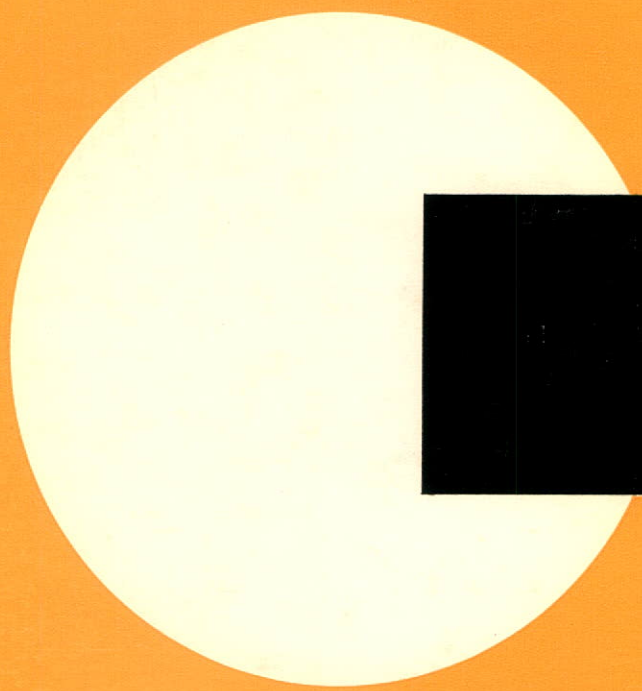


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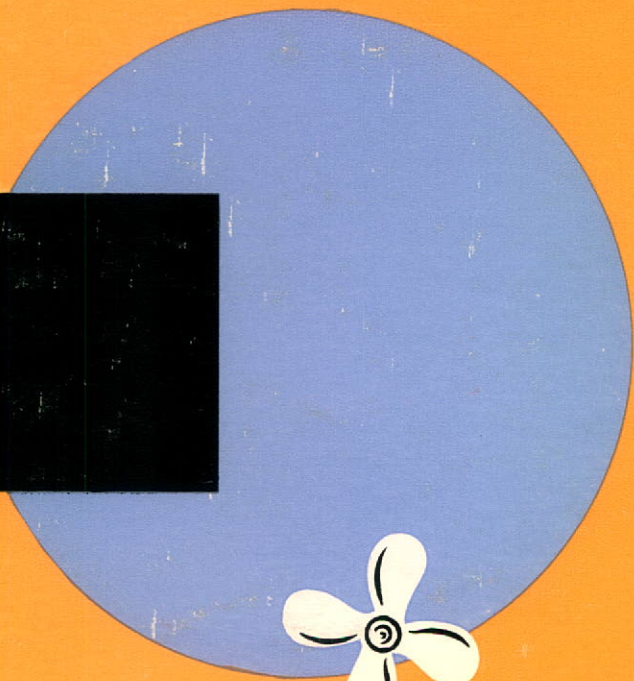
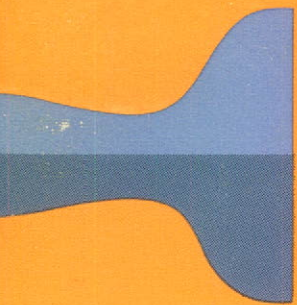


International Paints (Canada) Limited

and wholly owned subsidiary companies including: A. Ramsay & Son Company

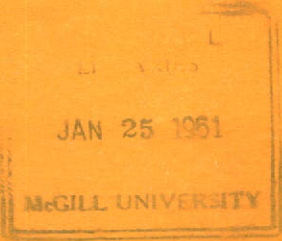
International Paints (Ontario) Limited

International Paints (Western) Limited



32nd Annual Report

for the year ending September 30th, 1960





International Paints (Canada) Limited

Officers

<i>Chairman of the Board</i>	HON. FRANK M. ROSS, C.M.G., M.C., LL.D.
<i>President and Managing Director</i>	C. H. NEROUTSOS, D.S.O.
<i>Vice-President</i>	C. A. RICHARDSON, D.S.O., C.D.
<i>Secretary</i>	D. R. W. MCKEAN
<i>Treasurer</i>	W. T. PARSONS
<i>Board of Directors</i>	H. N. BAIRD, <i>Montreal</i> P. P. DAIGLE, <i>Montreal</i> J. H. DAVEY, <i>Montreal</i> HON. A. K. HUGESSEN, Q.C., <i>Montreal</i> C. H. NEROUTSOS, D.S.O., <i>Montreal</i> C. R. PETRIE, <i>London, England</i> J. C. M. PETRIE, <i>London, England</i> C. A. RICHARDSON, D.S.O., C.D., <i>Montreal</i> HON. FRANK M. ROSS, C.M.G., M.C., LL.D., <i>Vancouver</i> COLIN W. WEBSTER, <i>Montreal</i>

affiliated with **International Paints (Holdings) Limited**
London, England

Associated Factories:

MELBOURNE	<i>Australia</i>
SYDNEY	<i>Australia</i>
RIO DE JANEIRO	<i>Brazil</i>
REGINA	<i>Canada</i>
VANCOUVER	<i>Canada</i>
COPENHAGEN	<i>Denmark</i>
FELLING-ON-TYNE	<i>England</i>
LE HAVRE	<i>France</i>
ROUEN	<i>France</i>
HAMBURG	<i>Germany</i>
ROTTERDAM	<i>Holland</i>
CALCUTTA	<i>India</i>
GENOA	<i>Italy</i>
TRIESTE	<i>Italy</i>
MEXICO CITY	<i>Mexico</i>
AUCKLAND	<i>New Zealand</i>
WELLINGTON	<i>New Zealand</i>
BERGEN	<i>Norway</i>
BILBAO	<i>Spain</i>
GOTHENBURG	<i>Sweden</i>
NEW YORK	<i>U.S.A.</i>
SAN FRANCISCO	<i>U.S.A.</i>
MARACAIBO	<i>Venezuela</i>

"A world-wide paint organization"

Directors' Report

to the Shareholders of International Paper, Canada Limited

Dear Shareholder:

Presented herewith on behalf of the Board of Directors is the Thirty-second Report of the business and affairs of your Company and its Wholly Owned Subsidiaries together with the Financial Statements certified by your Auditors, Messrs. Price Waterhouse & Co.

After deducting \$68,517. for depreciation and \$99,000. for income taxes, the operations for the year show a net profit of \$129,293. This figure has been arrived at after giving effect to the repeal by the Directors of By-law 63 enacted last year, which would have required such net profit to be reduced by \$20,500 additional depreciation on certain assets at rates higher than those used in past years. You will be asked to sanction the action of the Directors in repealing this by-law.

Working Capital stands at \$1,748,066. as compared with \$1,569,642. for the last year calculated on the same basis. Capital Expenditures amounted to \$185,946. Earned Surplus stood at \$942,521. compared to \$909,291. last year.

All Inventories were priced at the end of the Company's Fiscal Year on the basis of cost or market, whichever proved to be the lower.

The Company's sales volume was well maintained but this was accomplished by accepting some business at a low margin of profit brought on by severe price competition prevailing within the industry at the present time.

The Company's new plant in Regina was opened by the Premier of the Province of Saskatchewan on October 13th and is now in production. The outlook for the future in Central Canada is encouraging.

During the past three years your Company has carried out an extensive re-organization programme which is now completed. We consider the Company is now in a well diversified position.

Your Directors desire to express to the officials and all employees appreciation of their efforts which have assisted in contributing to the success of the year's operations.

In accordance with the By-laws, six of your Directors, Messrs. H. N. Baird, J. H. Davey, Hon. A. K. Hugessen, Q.C., C. R. Petrie, J. C. M. Petrie and Colin W. Webster retire at the ensuing Annual General Meeting and are eligible for re-election.

For the Directors,
FRANK M. ROSS, *Chairman of the Board.*

Montreal, December 22, 1960.

International Paints (Canada) Limited

and Subsidiary Companies

Consolidated Statement of Profit and Loss and Earned Surplus

FOR THE YEAR ENDED SEPTEMBER 30, 1960

(with 1959 figures shown as a basis for comparison)

	1960	1959
Profit from operations before taking into account the following items	\$ 416,542	\$499,100
Miscellaneous income	3,497	4,052
	<u>\$ 420,039</u>	<u>\$503,152</u>
Executive salaries	\$ 56,750	\$ 55,177
Directors' fees	5,440	5,000
Legal fees	3,858	2,415
Pensions and pension fund contribution	48,046	44,957
Interest on loans (excluding bank advances)	9,135	175
	<u>\$ 123,229</u>	<u>\$107,724</u>
	<u>\$ 296,810</u>	<u>\$395,428</u>
Provision for depreciation	\$ 68,517	\$ 67,606
Provision for taxes on income	99,000	152,265
	<u>\$ 167,517</u>	<u>\$219,871</u>
Net profit for the year	\$ 129,293	\$175,557
Earned surplus — beginning of year	909,291	793,725
	<u>\$1,038,584</u>	<u>\$969,282</u>
Dividends on 6% Preferred stock (declared and paid to March 31, 1960)	59,990	59,991
Earned surplus — end of year	<u>\$ 978,594</u>	<u>\$909,291</u>

Note: Income taxes have been calculated after claiming maximum capital cost allowances which exceed depreciation provided above by \$39,000. As a result the total taxes otherwise payable for the year have been reduced by approximately \$18,000.

International Paints (Canada) Limited

Consolidated Balance Sheet, September 30, 1960 (with 1959 figures shown)

Assets

CURRENT ASSETS:	1960	1959
Cash in banks and on hand	\$ 50,418	\$ 45,837
Accounts receivable, less allowance for doubtful accounts, \$89,000 (\$86,500 in 1959)	1,293,410	1,244,253
Inventory of raw materials and supplies, valued at the lower of cost or market, and goods in process and manufactured stock valued at standard rates	1,322,921	1,258,923
Prepaid insurance, taxes, etc.	36,057	57,224
	<u>\$2,702,806</u>	<u>\$2,606,237</u>
 CONDITIONAL SALES AGREEMENTS—amounts due after one year	 \$ 64,069	 \$ —
 PROPERTY ASSETS:		
Land, buildings, machinery, etc., at cost.	\$2,323,322	\$2,142,982
Less: Accumulated depreciation	1,269,899	1,206,989
	<u>\$1,053,423</u>	<u>\$ 935,993</u>
	<u>\$3,820,298</u>	<u>\$3,542,230</u>

SIGNED ON BEHALF OF THE BOARD:
P. P. Daigle, *Director*.
C. H. Neroutsos, *Director*.

Auditors' Report to the Shareholders

INTERNATIONAL PAINTS (CANADA) LIMITED
We have examined the consolidated balance sheet of International Paints (Canada) Limited and its subsidiary companies as at September 30, 1960, and the statement of profit and loss and earned surplus for the year ended on that date. We have also obtained all the information and evidence available to us and have included a general review of the accounting records and other supporting evidence, including the inspection of audited accounts whose accounts are examined by an

and Subsidiary Companies

on a basis for comparison)

Liabilities

	1960	1959
CURRENT LIABILITIES:		
Bank advances	\$ 450,000	\$ 435,000
Accounts payable and accrued liabilities	416,142	448,144
Provision for taxes on income	56,820	116,133
Other taxes	23,278	37,318
Mortgage loan instalments due within one year	10,000	—
	<u>\$ 956,240</u>	<u>\$1,036,595</u>
6% LOANS:		
International Paints (Holdings) Limited	\$ 250,000	—
Government of Saskatchewan—mortgage loan repayable in monthly instalments to August 1, 1965, less instalments due within one year (included in current liabilities)	39,120	—
	<u>\$ 289,120</u>	<u>\$ —</u>
SHAREHOLDERS' EQUITY:		
6% Cumulative Participating Preferred Stock —		
Authorized and issued —		
50,000 shares of \$20.00 each	\$1,000,000	\$1,000,000
Common shares —		
Authorized and issued —		
Class "A" —		
20,860 shares without par value	\$104,300	
Class "B" —		
7,140 shares without par value	35,700	
	<u>\$140,000</u>	
of which the total amount was attributed to surplus, and applied by the directors to write down goodwill, etc.	140,000	—
Capital surplus —		
Premium on issue of preferred shares	32,000	32,000
General reserve	564,344	564,344
Earned surplus, per statement attached	978,594	909,291
	<u>\$2,574,938</u>	<u>\$2,505,635</u>
	<u>\$3,820,298</u>	<u>\$3,542,230</u>

Shareholders,

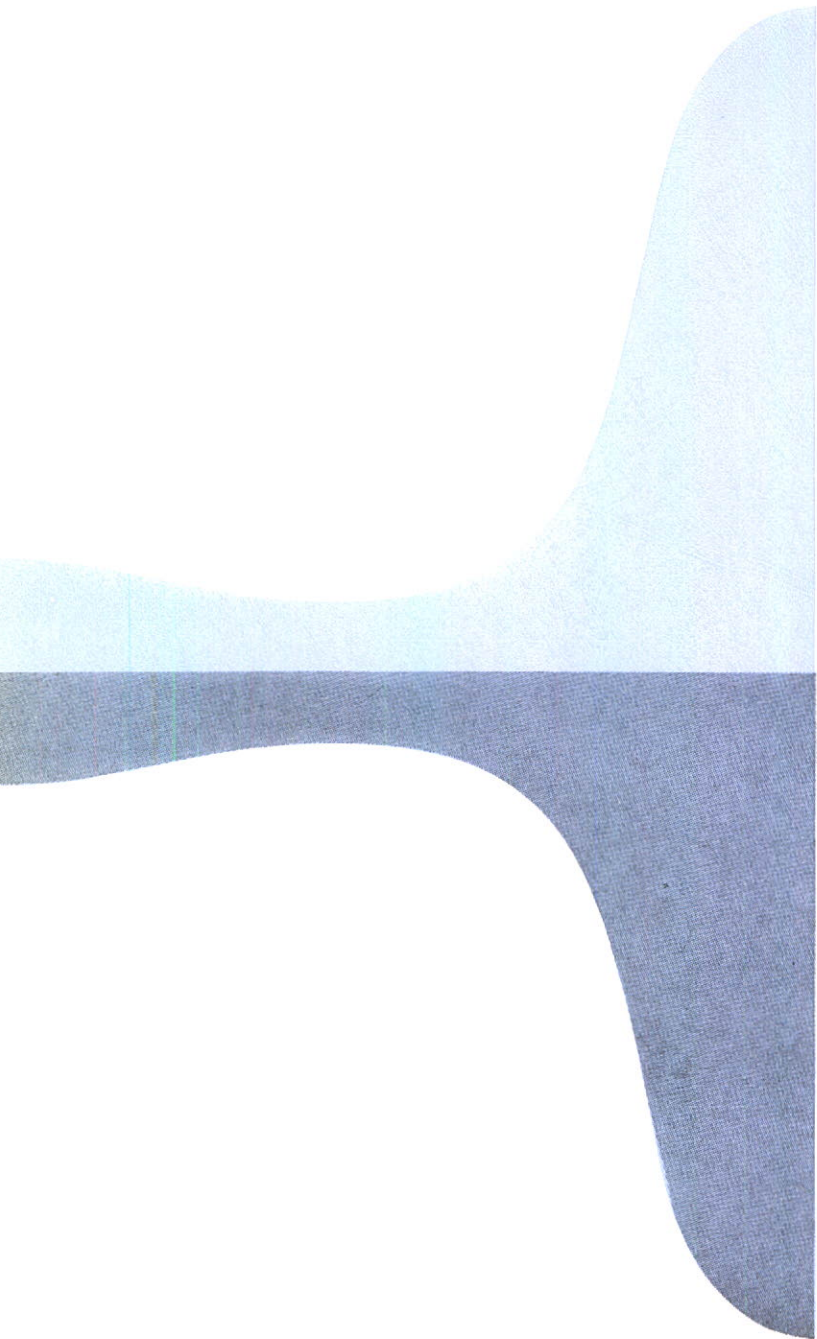
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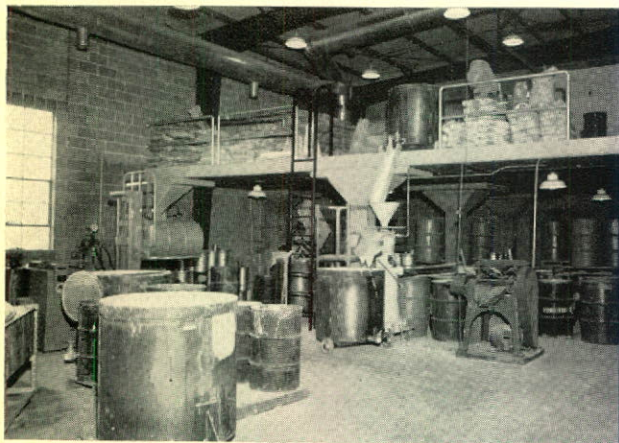
balance sheet of International Paints (Canada) as at September 30, 1960, and the consolidated surplus for the year ended on that date and have explanations we have required. Our examination accounting procedures and such tests of accounting as we considered necessary in the circumstances, financial statements of one subsidiary company other firm of chartered accountants.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and related consolidated statement of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of International Paints (Canada) Limited and its subsidiary companies as at September 30, 1960, and the combined results of operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.,
Chartered Accountants.

DECEMBER 1, 1960.

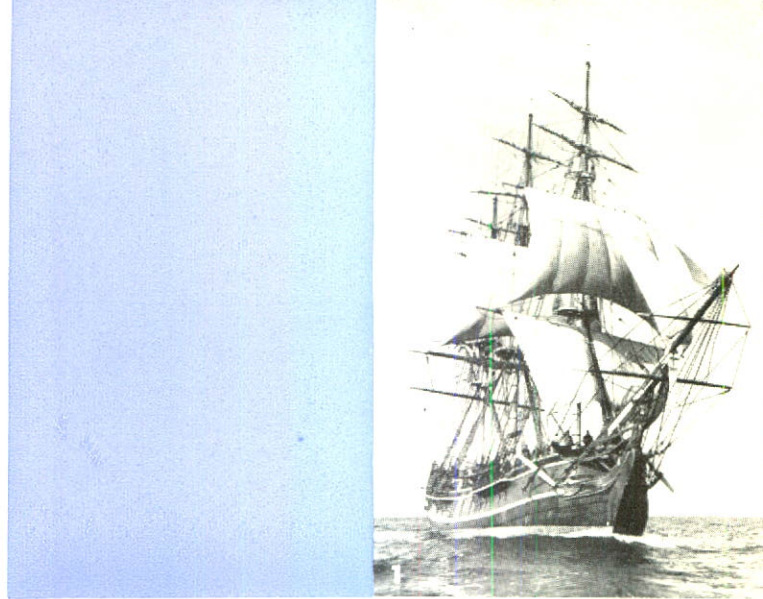




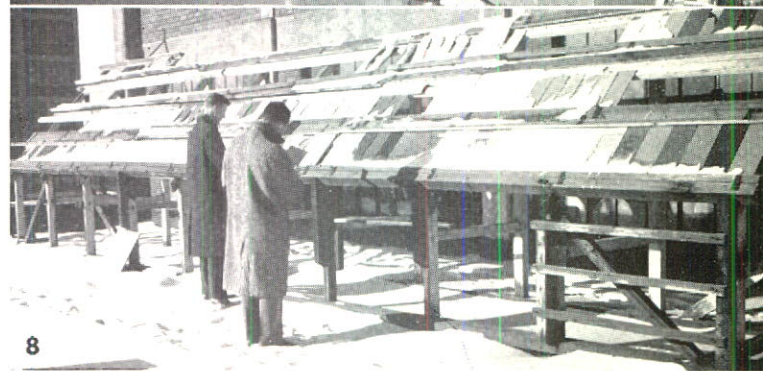
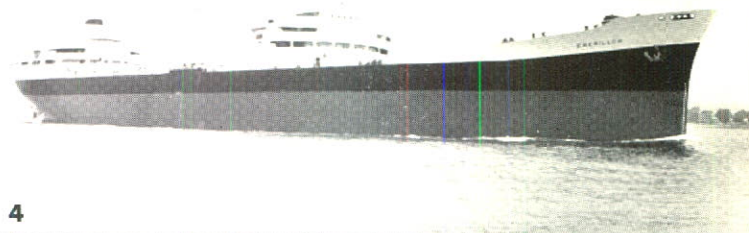
Thursday October 13, 1960, marked the official opening of a new International Paints (Canada) Limited factory. Located just north of Regina, it is International's 26th factory in the world.

The building is of a light-weight block and steel construction. Working area of the one-storey structure is increased by 50% through the use of mezzanine floors at both north and south ends. The majority of the equipment is completely mobile, and hydraulic lifts have been installed in the floor of the central working area (picture Number 4) to facilitate handling and packing of the products. This factory has a capacity of 200,000 gallons per year, supplying complete lines of Interlux paint for both industrial and household use.

International's Regina Plant Operation



1. "H.M.S. Bounty", built by M.G.M. for their new movie "Mutiny on the Bounty".
2. B.P. Refinery Limited, Montreal — Canada's newest refinery.
3. An "International" display booth in London, England.
4. The new 41,000 ton tanker "Emerillon", built by Davie Shipbuilding Limited for Shell Tankers Limited. She is the largest tanker ever built in Canada.
5. "John A. France", a 25,000 ton ore-carrier, built by Canadian Vickers Limited for Scott Misener Steamships.
6. "John A. Macdonald", Canada's largest and most powerful icebreaker, built by Davie Shipbuilding Limited for the Department of Transport.
7. Extensive research and testing of products are done in our Montreal laboratory.
8. At the Montreal plant, test panels of our products are submitted to severe weather conditions.
9. The Intermatic Color Bar machine — an invaluable sales asset.
10. The surge tank at Bersimis No. 2, part of the Hydro Electric installations in northern Quebec.
11. A display of our new label design.
12. The "Seaway Skyway", a new international bridge connecting Prescott, Ontario and Ogdensburg, New York.
13. "Interpon" finishes were shipped to England for use on the new T.C.A. fleet of Vanguards.



World-Wide Industry Uses International Paint

