

# International Paints (Canada) Limited

*and Subsidiary Companies*

*Including*

A. RAMSAY & SON COMPANY  
STEWART & WOOD LIMITED

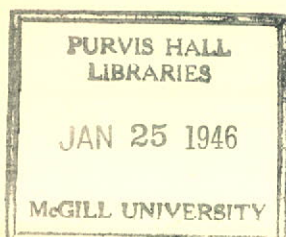
A. RAMSAY & SON COMPANY  
OF BRITISH COLUMBIA LIMITED

## Eleventh Annual Report



*For Year Ended  
September 30th*

1939





# OFFICERS

7

## *President*

FRANK M. ROSS

## *Vice-President*

W. W. HUTCHISON

## *Vice-President*

J. F. BELYEA

## *Vice-President and Managing Director*

J. H. DAVEY

## *Secretary-Treasurer*

D. R. W. McKEAN

## *Board of Directors*

H. N. BAIRD, MONTREAL

J. F. BELYEA, VANCOUVER

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.

FRANK M. ROSS, MONTREAL

COLIN W. WEBSTER, MONTREAL

# DIRECTORS' REPORT

*To the Shareholders of*

INTERNATIONAL PAINTS (CANADA) LIMITED

Dear Sir or Madam:

Your Directors beg to submit herewith the Eleventh Annual Report of the business and affairs of the Company for the fiscal year ended September 30, 1939, together with Financial Statements certified by your Auditors, Messrs. Price, Waterhouse & Co.

After deducting \$36,883.20 for Depreciation, the operations for the year show a profit of \$142,769.88 as compared with \$100,671.59 last year. Ten per cent of this amount has been transferred to General Reserve as required by the By-laws and after allowing for Income and Profits Taxes and transferring \$50,405.96 to a Reserve for Amortization of the Company's Bonds, which mature in 1943, there is a balance of \$52,500, which in accordance with the terms of the Compromise or Arrangement between the Company and its Shareholders approved by you on March 16, 1936, your Directors have determined as being the net earnings for the year available for the payment of dividends on the New Preferred Shares; these net earnings being sufficient to provide for the regular dividend at the rate of 5% per annum for the year ended September 30th last and for an additional dividend of 1¼% (25c per share) on account of arrears. Such dividends were accordingly declared on November 30, 1939, payable on December 21st to Shareholders of record at the close of business on December 9th.

During the year under review First Mortgage Ten Year 5½% Sterling Bonds amounting to £4,000 (\$19,466.00) have been redeemed and cancelled. Capital Expenditures consisting of Machinery, Equipment and miscellaneous additions to Buildings, amounted to \$15,308.47.

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.

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, Messrs. J. F. Belyea, W. W. Hutchison, J. E. Labelle, K.C., E. F. Newcombe, K.C., and Frank M. Ross, retire at the ensuing Annual General Meeting and are eligible for re-election.

For the Directors,

FRANK M. ROSS,  
*President.*

MONTREAL, QUE.  
November 30, 1939.

# International Paints (Canada) Limited

## AND SUBSIDIARY COMPANIES

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

FOR THE YEAR ENDING SEPTEMBER 30, 1939

Profit from Operations, before provision for the undernoted items . . . . .	\$212,807.36	
Income from Investments and Rented Property . . . . .	2,092.78	
	\$214,900.14	
Interest on Bonds and Mortgages . . . . .	\$6,022.21	
Directors' Fees . . . . .	2,080.00	
Executive Salaries . . . . .	25,813.60	
Legal Fees . . . . .	1,331.25	35,247.06
	\$179,653.08	
Provision for Depreciation . . . . .		36,883.20
		\$142,769.88
Provision for Dominion and Provincial Income and Profits Taxes . . . . .	\$25,586.93	
Transferred to General Reserve . . . . .	14,276.99	39,863.92
	\$102,905.96	
Transferred to Reserve for Amortization of Bonds . . . . .		50,405.96
		\$ 52,500.00
Earned Surplus—Balance September 30, 1938 . . . . .	\$64,571.15	
Net Profit on sale of Capital Asset . . . . .	84.50	
Adjustment in respect of Income Taxes . . . . .	234.70	64,890.35
	\$117,390.35	
Dividend paid on Preferred Stock, December 21, 1938 . . . . .		52,490.00
Balance of Earned Surplus, September 30, 1939 . . . . .		\$64,900.35

# INTERNATIONAL PAINT AND SUBSIDIARIES

CONSOLIDATED  
SEPTEMBER

## *Assets*

CURRENT ASSETS:

Cash in Bank and on Hand.....	\$100,703.45	
Accounts Receivable, less Reserve of \$10,900.00 for Doubtful Accounts.....	337,529.55	
Surrender Value of Life Insurance Policies.....	4,916.05	
Physical Inventory, as certified by the Management, valued in respect of Raw Materials and Supplies at Cost and as to Goods in Process and Manufactured Stock at Standard Costs estimated by the Management.....	296,686.24	\$739,835.29

INVESTMENTS IN PROPERTY AND SECURITIES CARRIED AT COST, LESS RESERVE OF \$25,000.00.....		12,460.63
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DEFERRED CHARGES TO OPERATIONS:

Prepaid Insurance, Taxes, etc.....		11,622.28
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PROPERTY ASSETS:

Land at Cost, less write down resulting from expropriation, 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 in November, 1931, viz.: \$25,000.00 plus subsequent additions at cost.....	\$609,030.27	
Less: Reserve for Depreciation.....	286,363.59	322,666.68

TRADE MARKS, PATENTS, FORMULAE AND GOODWILL.....		190,001.00
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\$1,276,585.88

APPROVED ON BEHALF OF THE BOARD:

J. EDOUARD LABELLE, *Director*.  
J. H. DAVEY, *Director*.

# TS (CANADA) LIMITED

## RY COMPANIES

### BALANCE SHEET

30, 1939

#### *Liabilities*

##### CURRENT LIABILITIES:

Accounts Payable.....		\$ 87,728.12	
Accrued Liabilities.....		1,039.00	
Provision for Dominion, Provincial and Other Taxes...		26,338.29	\$ 115,105.41

##### MORTGAGE PAYABLE:

Due April 1, 1942.....			3,900.00
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##### FIRST MORTGAGE TEN YEAR 5½% STERLING

BONDS due September 1, 1943.....	£30,000.00	\$146,000.00	
Less: Redeemed and cancelled.....	12,000.00	58,399.99	87,600.01
	<u>£18,000.00</u>		

GENERAL RESERVE.....			48,756.02
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RESERVE FOR AMORTIZATION OF BONDS.....			106,236.40
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##### 5% CUMULATIVE PARTICIPATING PREFERRED STOCK:

Authorized and Issued—42,000 Shares of \$20.00 each..			840,000.00
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*Note.*—Dividends aggregating \$6.25 per share have accumulated on the Preferred Stock, of which \$1.25 has since been declared payable on December 21, 1939.

When all arrears of dividends have been fully paid up, the dividend rate will increase to 6%.

##### 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..	<u>140,000.00</u>
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CAPITAL SURPLUS.....		10,087.69
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EARNED SURPLUS, Balance at September 30, 1939, as per Statement attached.....		64,900.35
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\$1,276,585.88

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS  
DATED NOVEMBER 30, 1939.

PRICE, WATERHOUSE & CO.,

*Auditors.*

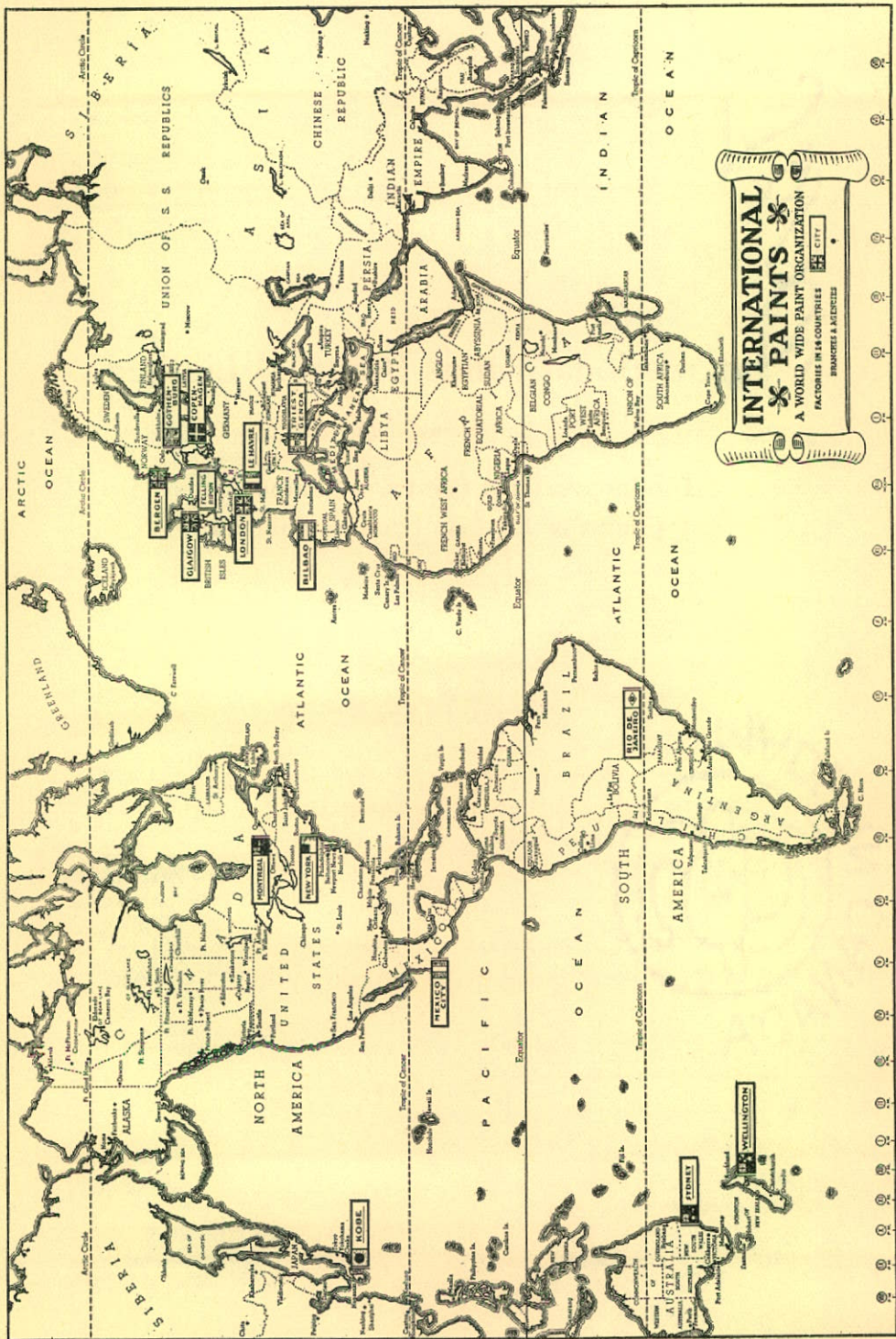
## AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of International Paints (Canada) Limited and its wholly owned subsidiary companies for the year ending September 30, 1939, with the exception of Stewart and Wood Limited, in respect of which, we have accepted accounts audited by another firm of chartered accountants. We have received all the information and explanations which we have required; and we report that, in our opinion, the attached Consolidated Balance Sheet at September 30, 1939, 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 the companies which we have examined and by the audited accounts of Stewart and Wood Limited.

PRICE, WATERHOUSE & CO.,  
*Auditors.*

MONTREAL, November 30, 1939.





**INTERNATIONAL**  
**& PAINTS & CO.**  
 A WORLD WIDE PAINT ORGANIZATION  
 FACTORIES IN 14 COUNTRIES  
 CITY  
 BRANCHES & AGENCIES

# International Paints (Canada) Limited

*Affiliated with*

The International Paint and 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	WELLINGTON	NEW ZEALAND
GOTHENBURG	SWEDEN	MEXICO CITY	MEXICO
COPENHAGEN	DENMARK	KOBE	JAPAN
SYDNEY	AUSTRALIA	RIO DE JANEIRO	BRAZIL



