

corp. stock

International Paints (Canada) Limited

and Subsidiary Companies

Including

A. RAMSAY & SON COMPANY

STEWART & WOOD LIMITED

HENRY DARLING & SON LIMITED

A. RAMSAY & SON COMPANY

OF BRITISH COLUMBIA LIMITED



NINETEENTH ANNUAL REPORT

FOR THE YEAR ENDED

SEPTEMBER 30th

1947

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McGILL UNIVERSITY

International Paints (Canada) Limited

Officers

CHAIRMAN OF THE BOARD

FRANK M. ROSS, C.M.G., M.C.

PRESIDENT AND MANAGING DIRECTOR

J. H. DAVEY

VICE-PRESIDENT

J. F. BELYEA

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*

J. E. LABELLE, K.C., O.B.E., *Montreal*

R. H. LAWSON, *London, England*

E. F. NEWCOMBE, K.C., *Ottawa*

C. R. PETRIE, *London, England*

FRANK M. ROSS, C.M.G., M.C., *Montreal*

ERNEST J. TROTT, *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 Nineteenth Annual Report of the business and affairs of the Company for the fiscal year ended September 30, 1947, together with Financial Statements certified by your Auditors, Messrs. Price, Waterhouse & Co.

After deducting \$25,567.56 for Depreciation, and \$200,585.70 for Income and Excess Profits Taxes, the operations for the year show a net profit of \$239,871.01 as compared with \$161,931.07 for the previous year. As required by the By-Laws, \$31,809.87 has been transferred to General Reserve, while \$5,000.00 has been appropriated to Development Expense and \$13,000.00 to Inventory Reserve, thus increasing this Reserve to \$100,000.00. The remaining balance has been added to Earned Surplus.

On January 14, 1947, your Company paid a Dividend on its Preferred Shares totalling \$104,980.00, thus eliminating all arrears. On June 23, 1947, an interim Dividend of 2½% was paid on the Preferred Shares in respect of the year ending September 30, 1947, and a further Dividend of 2½% has since been declared to Shareholders of record December 31, 1947, payable January 15, 1948, making a total Dividend, for that year, of 5%. For the fiscal year commencing October 1, 1947, the Dividend rate will increase to 6% per annum.

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.

During the year under review your Company has again experienced an unprecedented demand for its products, and sales have been governed by the amount of raw materials available. There has been some improvement in the raw material position but certain vital products

are still in short supply. Cost of raw materials, wages, manufacturing expenses, etc., have again increased substantially over last year, and these increases have been particularly heavy during the past few months. Whilst there has been an increase in selling prices during the year these increases will not entirely absorb the full additional costs referred to. It is difficult, therefore, to forecast future results.

Considerable progress has been made in enlarging and improving the Company's factories, and during the year the sum of \$226,007.11 was spent on Capital Expenditures. The new plant in Vancouver is almost complete and is expected to be in operation during the early part of 1948. In Montreal, the new boiler plant has been in operation for some time, remodelling of the Hutchison Street property is almost complete, and it is expected that the storage and shipping departments will be moved to this location in the very near future. New and improved paint machinery has been installed and is now in operation. It is estimated that as from October 1, 1947, a further expenditure of \$90,000.00 will be required to complete these projects. Due to technical and other difficulties work on the proposed varnish plant has not yet commenced, but the matter is receiving the attention of your Board.

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, J. E. Labelle, K.C., O.B.E., E. F. Newcombe, K.C., Frank M. Ross, C.M.G., M.C., and E. J. Trott, retire at the ensuing Annual General Meeting and are eligible for re-election.

For the Directors,

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

MONTREAL, QUE., December 22, 1947.

International Paints
AND SUBSIDIARIES
Consolidated

SEPTEMBER 30, 1947

Assets

CURRENT ASSETS:

Cash in banks and on hand	\$ 205,792.37	
Accounts receivable, less reserve of \$31,000.00 for bad and doubtful accounts	562,287.78	
Surrender value of life insurance policies	9,067.25	
Physical inventory, as certified by the Management, valued in respect of raw materials and supplies at the lower of cost or market, and as to goods in process and manufactured stock at standard costs, estimated by the Management	497,685.24	\$1,274,832.64

SUNDRY ASSETS:

Refundable portion of excess profits tax	\$ 130,422.92	
Prepaid insurance, taxes, etc.	28,477.54	
Miscellaneous investments at cost, less reserve of \$25,000.00 ..	951.00	159,851.46

PROPERTY ASSETS:

Carried at appraisal at February 29, 1940, by Canadian Appraisal Company Limited, plus subsequent additions (net) \$1,126,605.65

Deduct:

Reserve for depreciation adjusted to amount shown by above appraisal, plus subsequent additions (net)	\$412,281.85	
Surplus arising from appraisal of properties	150,916.75	563,198.60
	\$ 563,407.05	
Trade marks, patents, formulae and goodwill (written off)	—	563,407.05
		\$1,998,091.15

APPROVED ON BEHALF OF THE BOARD:

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

Auditor:
to the Shareholders

We have made an examination of the books and accounts of International Paints (Canada) Limited of Stewart & Wood Limited, in respect of which we have accepted accounts audited by another firm as we have required, and we report that, in our opinion, the attached Consolidated Balance Sheet of the combined affairs of International Paints (Canada) Limited and its Subsidiary Companies shown by the books of the Companies which we have examined and by the audited accounts of

MONTREAL, December 20, 1947.

s (Canada) Limited
RY COMPANIES

Balance Sheet

30, 1947

Liabilities

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 294,609.87	
Reserve for income and excess profits taxes	\$207,134.53	
Less: Instalment payments	<u>37,357.50</u>	169,777.03
Other taxes	25,440.82	\$ 489,827.72

GENERAL RESERVE

252,793.25

RESERVE FOR FUTURE DEPRECIATION IN INVENTORY VALUES

100,000.00

CAPITAL STOCK AND SURPLUS:

5% Cumulative Participating Preferred Stock—

(The annual dividend rate will increase to 6% in respect of
fiscal years commencing on October 1, 1947)

Authorized and issued—

42,000 shares of \$20.00 each

\$ 840,000.00

Common Shares—

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 and applied by the Directors to write
down goodwill, etc

140,000.00

Earned Surplus—

Balance, per statement attached

185,047.26

Deferred Surplus—

Refundable portion of excess profits tax (contra)

130,422.92 1,155,470.18

\$1,998,091.15

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS

DATED DECEMBER 20, 1947.

PRICE, WATERHOUSE & CO.,

Auditors.

s' Report
Shareholders

limited and its Subsidiary Companies for the year ending September 30, 1947, with the exception
er firm of Chartered Accountants. We have received all the information and explanations which
at September 30, 1947, is properly drawn up so as to show a true and correct view of the state
at that date, according to the best of our information and the explanations given to us, and as
f Stewart & Wood Limited.

PRICE, WATERHOUSE & CO.,

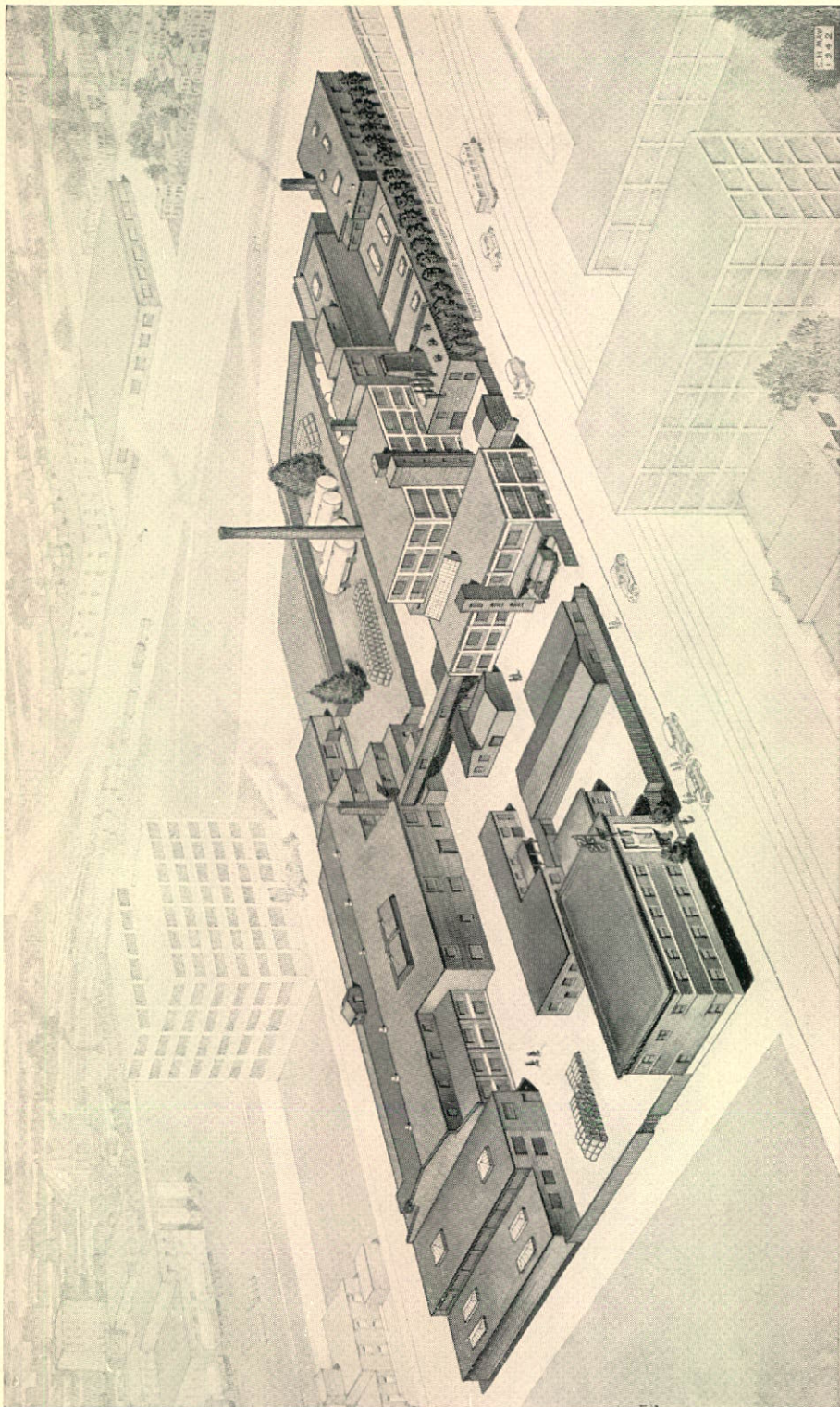
Auditors.

International Paints (Canada) Limited
AND SUBSIDIARY COMPANIES

*Consolidated Statement of Profit
and Loss and Earned Surplus*

FOR THE YEAR ENDING SEPTEMBER 30, 1947

Profit from operations, before provision for the following items		\$537,128.55
Miscellaneous income		4,021.84
		\$541,150.39
Directors' fees	\$ 4,240.00	
Executive salaries	49,962.26	
Legal fees	1,155.03	
Pension fund contribution	19,868.83	75,226.12
		\$465,924.27
Provision for depreciation	\$ 25,467.56	
Provision for Dominion and Provincial taxes on income	202,465.81	227,933.37
		\$237,990.90
Transferred to general reserve	\$ 31,809.87	
Transferred to inventory reserve	13,000.00	
Provision for development expense	5,000.00	49,809.87
		\$188,181.03
Earned surplus, balance September 30, 1946		122,842.23
		\$311,023.26
Dividends paid on Preferred Stock—		
In respect of period to September 30, 1946—12½%	\$104,980.00	
Interim dividend for year ending September 30, 1947—2½%	20,996.00	125,976.00
		\$185,047.26
Earned surplus, balance September 30, 1947		\$185,047.26



HEAD OFFICE AND FACTORY—6700 PARK AVENUE, MONTREAL

International Paints (Canada) Limited

Affiliated with

THE INTERNATIONAL PAINT
AND COMPOSITIONS COMPANY LIMITED
LONDON, ENGLAND

Associated factories:

FELLING-ON-TYNE, ENGLAND

RIPON, ENGLAND

GLASGOW, SCOTLAND

NEW YORK, U.S.A.

SAN FRANCISCO, U.S.A.

HAVRE, FRANCE

BERGEN, NORWAY

GOTHENBURG, SWEDEN

COPENHAGEN, DENMARK

SYDNEY, AUSTRALIA

BILBAO, SPAIN

WELLINGTON, NEW ZEALAND

MEXICO CITY, MEXICO

RIO DE JANEIRO, BRAZIL

TRIESTE, ITALY

GENOA, ITALY

KOBE, JAPAN

HAMBURG, GERMANY

“A WORLD-WIDE PAINT ORGANIZATION”

