

Standard
Chemical Company
Limited

TWELFTH
ANNUAL REPORT



March 31st
1923

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McGILL UNIVERSITY

Standard Chemical Company Limited

Manufacturers of

Wood Chemicals and Derivatives

*Address all communications
to the Company
not to individuals.*

*Cable Address
Sachemco
Codes S. B. C. 5th Ed.
Western Union Listers*

Drummond Bldg.

Montreal May 25th, 1923

Sir:

Dear

Madam:

The Annual Meeting of the Shareholders of
the Standard Chemical Company, Limited, will be held on
Thursday, July 26th, 1923, at the Head Office of the Company,

The Annual Report and Statement of Accounts for the
year ending March 31st, 1923, together with report of your
Directors, are enclosed herewith.

By order of the Board

A handwritten signature in black ink, appearing to read "W. M. Gibbs", with a long, sweeping flourish extending to the right.

Secretary-Treasurer

Standard Chemical Company Limited

ANNUAL STATEMENT

(FOR TWELVE MONTHS ENDING 31ST MARCH, 1923).

DIRECTORS:

DAVID GILMOUR, President.

M. L. DAVIES, Vice-President.

L. M. WOOD.

HON. WALLACE NESBITT, K.C.

ROBERT FLEMING.

W. J. SHEPPARD.

WILLIAM THOMSON.

J. B. TUDHOPE.

Secretary-Treasurer, W. M. GRIBBLE.

Head Office—Royal Bank Building, Toronto, Ont.

Executive Office—Drummond Building, Montreal, Que.

Standard Chemical Company Limited

TO THE SHAREHOLDERS:

The Statement of Accounts comprising the Balance Sheet and Profit and Loss Account for the twelve months ending 31st March, 1923, are submitted herein by your Directors together with their twelfth annual report.

The Accounts show that a considerable improvement in the Company's position has taken place in the period under review. A revival of business in the United States occurred almost immediately after the passing of the Fordney Tariff Bill, with consequent absorption of their large stocks of wood products leaving very little surplus available from that important source for the European markets. This resulted in an improvement in prices which affected advantageously our Company's business. It is very difficult to say just how long the present favourable conditions will continue but at the moment there is every reason to believe that no great or sudden decline is probable. Further advances in your Company's process control also contributed to the results while various economies instituted in the matter of staff numbers and by changes in the organization also had their effect.

A number of the Company's factories have again been idle during the year. During the twelve months 56,346 cords of wood were carbonized. The operating plants and all physical assets have been maintained at a high level of efficiency. The total sales amounted to \$2,064,226.68 on which a working profit of \$292,110.03 was realized. This profit is subject to deductions for depreciation reserve amounting to \$191,854.08, interest on outstanding debentures amounting to \$41,764.07 and interest on bank loans, \$15,865.68: a total of \$249,483.83. The net profit for the twelve months is thus shown at \$42,626.20.

The ratio of current assets to current liabilities stands at the high figure of 5.6 to 1. It will be seen that the Company's current liabilities have been reduced by \$470,000 while the current assets have only been reduced by \$230,000. The reserves for investments and contingencies have been increased by over \$50,000 and the working capital position has improved by some \$240,000.

Exports for the twelve months have mainly been to England. France continues to be a very small consumer while in Canada the charcoal component has been the Company's principal mainstay. Charcoal prices have been favourable but a considerable reduction in the near future is inevitable. This necessarily affects the outlook for the next twelve months even though values of other products of the Company continue at their present high level.

DAVID GILMOUR,

President.

Toronto, 25th May, 1923.

Standard Chemical Company Limited

CONSOLIDATED BALANCE SHEET, MARCH 31ST, 1923

ASSETS

LAND, TIMBER LIMITS, PLANT & EQUIPMENT:	
(Book Values).....	\$ 3,905,542.37
DEDUCT: Reserve for Depreciation of Plant.....	1,500,397.98
	\$ 2,405,144.39
GOODWILL.....	1,870,724.51
INVESTMENTS.....	63,750.00
SINKING FUND CASH, ETC.....	9,134.50
INVESTMENTS IN AND ADVANCES TO AGENCIES:	
in France and Germany, in addition to \$75,219.44 invested in Plants sub- ject to adjustment.....	85,891.67
CURRENT ASSETS:	
Inventories (as certified to by responsible Officials):	
Wood, less Reserve.....	\$ 316,405.51
Finished and partly finished products, Raw Materials, etc.....	504,550.30
	\$ 820,955.81
Accounts Receivable, less Reserve.....	267,016.70
Working Funds.....	11,333.67
Cash on Hand and in Banks.....	82,682.97
	\$ 1,181,989.15
PREPAID INSURANCE PREMIUMS, ETC.....	44,163.84
DEFICIT:	
As per statement attached.....	581,462.61
	\$ 6,242,260.67

We have examined the Books and Accounts of the Standard Chemical Company, Limited, and its Subsidiary Companies for the year ending March 31, 1923, and have obtained all the information and explanations which we have required; and we certify that the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the financial position of the combined Companies at March 31, 1923, according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

PRICE, WATERHOUSE & COMPANY
Auditors.

Montreal, May 22nd, 1923.

APPROVED ON BEHALF OF THE BOARD:

W. J. SHEPPARD, Director.

Wm. THOMSON, Director.

Standard Chemical Company Limited

CONSOLIDATED BALANCE SHEET, MARCH 31ST, 1923

	LIABILITIES
CAPITAL STOCK:	
Authorized—	
7% Cumulative Preferred.....	\$ 3,750,000.00
Common.....	1,250,000.00
	\$ 5,000,000.00
Issued—	
7% Cumulative Preferred.....	\$ 3,602,700.00
Common.....	1,250,000.00
	\$ 4,852,700.00
NOTE:—The dividend on Preferred Stock has been paid to June 30, 1914.	
FUNDED AND MORTGAGE DEBT:	
First Mortgage 5% Debenture Stock.....	£200,000 \$ 973,333.32
LESS: Purchased and held by Trustee.....	£ 89,967 437,839.39
	\$ 535,493.93
First Mortgage 6% Gold Bonds of Laurentian Chemical Co., Limited.....	\$100,000.00
Less—Purchased and held by Company.....	\$3,000.00
Purchased and held by Trustee.....	18,000.00 21,000.00
	79,000.00
First Mortgage 4% Debentures of Wood Products Company, Limited.....	222,500.00
Mortgage on Parry Sound Property.....	10,500.00
	847,493.93
CURRENT LIABILITIES:	
Loans from Banks (secured under Section 88 of the Bank Act).....	\$ 100,000.00
Accounts Payable, Accrued Interest, etc....	104,169.74
Canada Land Immigration Company pay- able June 30, 1923.....	5,000.00
	209,169.74
RESERVES:	
For Foreign Investments and Contingencies including Canadian Income Tax.....	332,897.00
	\$ 6,242,260.67

Standard Chemical Company Limited

and Subsidiary Companies

STATEMENT OF PROFIT AND LOSS AND SURPLUS

FOR THE

YEAR ENDING, 31ST MARCH, 1923

PROFITS FROM OPERATIONS of Standard Chemical Company Limited and Subsidiary Companies, after providing for Income Tax, but before charging Interest and Depreciation as under.....			\$ 292,110.03
DEDUCT:			
Reserve for Depreciation.....	\$ 191,854.08		
Interest on Outstanding Debentures.....	41,764.07		
Interest on Bank Loans, etc., Standard Chemical Company, Limited.....	15,865.68	249,483.83	
			<hr/>
Net Profit for Year.....		\$ 42,626.20	
Deficit, March 31st, 1922.....		624,088.81	
			<hr/>
Deficit March 31, 1923, carried to Balance Sheet..		\$ 581,462.61	

