

Standard Chemical
Company
Limited



THIRTEENTH
ANNUAL
REPORT



31st March
1924

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Standard Chemical Company Limited



ANNUAL STATEMENT

FOR TWELVE MONTHS ENDING 31st MARCH, 1924

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: 524 St. Ambroise St., St. Henri, Montreal, Que.

Standard Chemical Company Limited



TO THE SHAREHOLDERS:

The thirteenth Annual Report of your Directors together with the Company's Balance Sheet for the twelve months ending 31st March, 1924, are submitted herein.

The accounts show a gross profit of \$226,106.99 from which is to be deducted \$191,854.08 for depreciation reserve and \$39,215.24 interest on outstanding debentures, leaving a net loss for the year amounting to \$4,962.33.

The sales for the year amounted to \$2,089,396.40. The cordage carbonized was 47,906, being 8,440 cords less than in the previous twelve months. Inventories are normal for the requirements of our trade.

During the whole twelve months the demand for wood products has not been very strong. Owing to competition in the Charcoal market the price of this commodity was forced down, with a resulting considerable difference to our year's revenue from that source. The withdrawal of formaldehyde from the Safeguarding of Industries list in England, where we do a considerable business in this substance, lost us the protection that we had been enjoying. By far the larger part of our export trade is with England where competition continues to be intensive and is likely to be more so in view of the trend of legislation there. While it is expected that the Canadian tariff changes will affect our domestic trade to some extent, this can only be a matter of conjecture at present. The prices of export products were all downwards during the year and since the closing of the accounts, prices have declined still further.

Accumulation of wood products in the United States have been increasing for months, even with only 65% of the plants in that country at work.

The outlook generally continues obscure. The disturbing element of over-production due to the large number of new factories which were brought into being in all countries by the War, is still having a depressing effect. The liquidation of these investments everywhere is proceeding but slowly and during the process, we, like many other wood distillers, are suffering. A number of our factories have again remained idle during the year, emphasizing once more the fact that the Company's business can be met by a reduced number of establishments and your Directors have for some time now been endeavoring to formulate a scheme that would take care of this difficulty with the least hardship to Shareholders. It is expected that some solution in this direction will shortly be placed before you. With the redundant factories out of the Balance Sheet, the Company would be better able to carry on the business in a way that must beneficially affect its future.

During the year circulars criticising the management of the Company were sent to Shareholders by Mr. A. G. Peuchen and these were replied to by the Board.

DAVID GILMOUR,
President.

Toronto, 15th May, 1924.

Standard Chemical Company Limited



CONSOLIDATED BALANCE SHEET

MARCH 31st, 1924

ASSETS

LAND, TIMBER LIMITS, PLANT & EQUIPMENT:		
(Book Values).....	\$3,905,567.85	
DEDUCT: Reserve for Depreciation of Plant.....	1,692,252.06	
		\$2,213,315.79
GOODWILL.....		1,870,724.51
INVESTMENTS.....		162,722.79
SINKING FUND CASH, ETC.....		19,368.91
CURRENT ASSETS:		
Inventories (as certified to by responsible Officials)—		
Wood, less Reserve.....	\$431,628.82	
Finished and partly finished products, Raw Materials, etc.....	531,298.34	
	\$962,927.16	
Accounts Receivable, less Reserve.....	248,166.15	
Working Funds.....	10,677.94	
Cash on Hand and in Banks.....	77,652.08	
		1,299,423.33
PREPAID INSURANCE PREMIUMS, ETC.....		41,438.38
DEFICIT:		
As per statement attached.....		586,424.94
		\$6,193,418.65

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the Books and Accounts of the Standard Chemical Company, Limited, and its Subsidiary Companies for the year ending March 31, 1924, and have obtained all the information and explanations which we have required; and we certify that the above 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, 1924, 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,

Montreal, May 8, 1924.

Auditors.

APPROVED ON BEHALF OF THE BOARD:

W. J. SHEPPARD, Director.

Wm. THOMSON, Director.

Standard Chemical Company Limited



CONSOLIDATED BALANCE SHEET MARCH 31st, 1924

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.....	99,709	485,250.45

\$488,082.87

First Mortgage 6% Gold Bonds of Laurentian Chemical Co., Ltd.....	\$100,000.00	
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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.....		9,000.00

798,582.87

CURRENT LIABILITIES:

Accounts Payable, Accrued Interest, etc. . . .	139,677.98
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RESERVES:

For Investments and Contingencies.	402,457.80
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\$6,193,418.65

Standard Chemical Company Limited

And Subsidiary Companies

STATEMENT OF PROFIT AND LOSS AND DEFICIT ACCOUNT

For The

YEAR ENDING, 31st MARCH, 1924

Profits from Operations of Standard Chemical Company, Limited, and Subsidiary Companies, before charging Interest and Depreciation as under.....		\$226,106.99
DEDUCT:		
Reserve for Depreciation.....	\$191,854.08	
Interest on Outstanding Debentures.....	39,215.24	
		<u>231,069.32</u>
Net Loss for the year.....		\$ 4,962.33
Deficit, March 31, 1923.....		<u>581,462.61</u>
Deficit, March 31, 1924, carried to Balance Sheet.....		\$586,424.94

