

**Standard Chemical
Company
Limited**



**NINETEENTH
ANNUAL
REPORT**



**31st March
1930**

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STANDARD CHEMICAL COMPANY Limited

ANNUAL STATEMENT
For Twelve Months Ending 31st March, 1930

DIRECTORS

M. L. DAVIES	- - - - -	<i>President</i>
L. M. WOOD	- - - - -	<i>Vice-President</i>
ROBERT FLEMING		
W. J. SHEPPARD		
J. B. TUDHOPE		
E. JAMES BENNETT		
J. L. HOULT		

Secretary-Treasurer, R. M. SEDGEWICK

Head Office:
200 Bay Street, Toronto, Ont.

Standard Chemical Company Limited

To the Shareholders:—

Your Directors submit herewith the Nineteenth Annual Report and Balance Sheet for the fiscal year ending March 31st, 1930, together with Certificate of the Company's Auditors, Messrs. Price, Waterhouse and Company.

After providing \$9,566.71 for Interest on Bonds and Debentures, \$35,000 for Depreciation and \$11,634.80 Reserve for Income Tax, the Net Profit was \$135,799.93, a decrease of \$73,268. The net earnings per share equalled \$3.64 against \$5.60 during the previous period.

The Sales for the year were \$1,875,262.20 and the cords of Wood carbonized 46,940, a decrease of \$325,281.16 and 1,293 cords, respectively, as compared with previous year.

The drastic reaction in the stock market last Fall was followed by a decline in the demand for manufactured goods in general, which in turn affected the sales and profits of your Company.

During the period under review the Funded Debt was reduced by \$25,063.29 and as forecasted in the last Annual Report, your Directors have arranged for the redemption, at June 1st, of the outstanding Debentures of your Company, amounting to \$178,923.18 and also for the redemption, at August 1st, of the outstanding bonds of your subsidiary, the Laurentian Chemical Company, amounting to \$13,000.00.

Your factories have, as usual, been maintained in an efficient condition, the cost of which was charged to operations.

A dividend of \$1.00 per share was paid December 20th and your Directors have now declared a Dividend of \$1.00 per share, payable June 26th to Shareholders of record May 26th, making \$2.00 for the year ended March 31st, 1930.

It is with deep regret that your Directors record the death of their colleague, the Hon. Wallace Nesbitt, K.C., who had served on the Board for many years.

The vacancy on the Directorate has been filled by the election of Mr. J. L. Hoult, Sales Manager of your Company.

Your Directors again express their appreciation of the faithful and efficient services rendered by the staff and employees.

On Behalf of the Board,

Toronto, May 22nd, 1930

M. L. DAVIES, President.

Standard Chemical Company Limited

And Subsidiary Companies

CONSOLIDATED BALANCE SHEET

MARCH 31st, 1930

ASSETS

FIXED ASSETS:

Land, Timber Limits, Plant and Equipment, As at April 1, 1929.....	\$ 559,657.06	
Add: Net additions during year.....	73,254.53	
	Balance	632,911.59
Less: Reserve for depreciation of plant As at April 1, 1929.....	\$70,000.00	
Provision for past year.....	35,000.00	105,000.00
		\$ 527,911.59

INVESTMENT IN CAPITAL STOCK OF WOOD PRODUCTS COMPANY, LIMITED.....		1.00
SINKING FUND, CASH, ETC.....		85,550.55

CURRENT ASSETS:

Inventories (as certified to by responsible officials):		
Wood.....	\$ 555,547.64	
Finished and partly finished products, Raw Materials, etc.....		527,024.85
		\$1,082,572.49
Accounts Receivable, less Reserve.....		210,632.89
Working Funds.....		10,161.34
Cash on Hand and in Banks.....		64,490.95
		\$1,367,857.67

DEFERRED CHARGES TO FUTURE OPERATIONS:

Sawmill and Railway Construction Costs at South River, less amounts written off.....	\$ 58,050.74	
Prepaid Insurance Premiums, etc.....		30,884.89
		88,935.63
		\$2,070,256.44

Toronto, May 21st, 1930.

AUDITOR'S REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of Standard Chemical Company, Limited, and its Subsidiary Companies for the year ending March 31, 1930, and having obtained all the information and explanations which we have required, 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 as at March 31, 1930, 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

APPROVED ON BEHALF OF THE BOARD:

M. L. DAVIES, Director.
L. M. WOOD, Director.

Standard Chemical Company Limited

And Subsidiary Companies

CONSOLIDATED BALANCE SHEET

MARCH 31ST, 1930

LIABILITIES

CAPITAL AND SURPLUS:

Capital:

Authorized—38,750 shares without nominal or par value,
of which 37,277 shares are issued fully paid..... \$1,336,581.92
Note: 1102 of the above shares are held by
Trust Company, to be exchanged for old
7% Cumulative Preferred and Common
shares not yet surrendered.

Surplus:

As at April 1st, 1929	\$	236,904.29	
Add: Net profit for the year, ending March 31st, 1930, after providing for income tax		135,799.93	
		\$ 372,704.22	
Deduct: Dividends paid during year.....		111,831.00	
		260,873.22	
			\$1,597,455.14

FUNDED DEBT:

First Mortgage 5% Debenture Stock.....	£200,000	\$ 973,333.32	
Less: Purchased and held by trustee.....	163,235	794,410.14	
	£36,765	\$178,923.18	
First Mortgage 6% Gold Bonds of Laurentian Chemical Com- pany Limited.....	\$100,000.00		
Less: Redeemed.....	\$84,000.00		
Purchased and held by the company.....	3,000.00	87,000.00	
		13,000.00	
			191,923.18

CURRENT LIABILITIES:

Accounts Payable.....	\$	119,498.45	
Accrued Interest.....		16,352.21	
Reserve for Income Tax.....		28,691.83	
		164,542.49	

RESERVES FOR CONTINGENCIES..... 116,335.63

\$2,070,256.44

NOTE:—There is a contingent liability of \$75,000.00
in respect of guarantee of Bank Loan of an Associat-
ed Company to be secured by hypothecation of
First Mortgage Gold Bonds of that Company.

Standard Chemical Company Limited

And Subsidiary Companies

CONSOLIDATED
STATEMENT OF PROFIT AND LOSS
FOR THE
YEAR ENDING, MARCH 31st, 1930

Profit from operations of the combined companies, before charging depreciation, and interest and before providing for income tax	\$ 192,001.44
Deduct: Interest on outstanding debentures	9,566.71
Profits before depreciation and income tax	\$ 182,434.73
Deduct: Amount provided for depreciation	35,000.00
Profit before providing for income tax	\$ 147,434.73
Deduct: Provision for income tax	11,634.80
NET PROFIT FOR THE YEAR.....	\$ 135,799.93

