

# STANDARD CHEMICAL COMPANY

Limited



TWENTY-FOURTH  
ANNUAL REPORT



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McGILL UNIVERSITY



# STANDARD CHEMICAL COMPANY Limited

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ANNUAL STATEMENT  
For Twelve Months Ending March 31st, 1935

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## DIRECTORS

M. L. DAVIES - - - - - *President*  
L. M. WOOD - - - - - *Vice-President*

ROBERT FLEMING  
J. B. TUDHOPE  
E. JAMES BENNETT  
J. L. HOULT

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*Secretary-Treasurer*, R. M. SEDGEWICK

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Head Office:  
200 Bay Street, Toronto, Ont.

# Standard Chemical Company Limited

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To the Shareholders:

Your Directors submit herewith their Twenty-fourth Annual Report and Financial Statements, drawn up in accordance with the Dominion Companies Act, 1934, for the year ended March 31st, 1935, together with the Certificate of the Company's Auditors, Messrs. Price, Waterhouse and Company.

Profits from operations amounted to \$19,806.16, from this sum has been deducted reserves for depreciation of plants of \$17,500 and \$345.90 for income tax, leaving a profit of \$1,960.26 compared with a loss of \$136,691.38 last year, or an improvement of \$138,651.64.

The total sales reached the figure of \$1,302,192.96, as compared with \$1,174,762.66, making an increase of \$127,430.30, while the raw material carbonized amounted to 33,776 cords of hardwood, representing a decrease of 2,726 cords.

The revival in industrial activities referred to in the Board's letter of November 30th last to the shareholders, continued throughout the year. Your Company participated in this improvement to an extent that the results above presented may be considered encouraging under prevailing conditions.

The Chemical trade may be said to act as a barometer of general business, inasmuch as most chemical products serve as raw material in other industries. The increased activity in the automobile, furniture and building trades, for example, was reflected in a satisfactory turnover in your Company's Lumber business, while Paint, Textile and allied industries absorbed a larger volume of your Company's chemical products, viz., Acetic Acid, Acetone and Alcohol.

Due to lower prices for raw material, and other economies, production costs were substantially reduced, while realizations, on average, were higher than the previous year.

In accordance with custom, your plants were maintained in good order and condition, the expenditure being charged to operations.

Once more your Directors wish to acknowledge the devoted services of the staff and all employees of the Company during the past year.

With deep regret, your Directors announce the death of their colleague, Mr. W. J. Sheppard, who had served on the Board since 1916.

On behalf of the Board.

M. L. DAVIES,  
President.

Toronto, May 30th, 1935.

# Standard Chemical Company Limited

*And Subsidiary Companies*

Balance Sheet, March 31st, 1935

## ASSETS

### CURRENT ASSETS:

Cash on Hand and in Banks .....	\$ 26,241.69	
Working Funds .....	5,596.34	
Accounts Receivable, less Reserve .....	163,120.46	
Owing by an Officer, since repaid .....	317.67	
Inventories, valued as to finished and partly finished products and lumber on the Company's usual basis of net realizable values (not being in the aggregate higher than manufacturing cost) and as to wood and raw materials on the basis of laid-down cost, as determined and certified by responsible officials of the Company:		
Finished and partly finished products, lumber, raw materials, etc.	\$362,623.35	
Wood .....	376,964.85	739,588.20
		<u>\$934,864.36</u>

AGREEMENT FOR SALE AND SUNDRY INVESTMENTS	12,785.11
FIRE INSURANCE FUND, (Canadian National Railway and Dominion of Canada Bonds, at cost).....	24,604.87
(Market Value \$27,214.25.)	

UNEXPIRED INSURANCE PREMIUMS, PREPAID TAXES, etc. ....	21,959.79
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INVESTMENT IN CAPITAL STOCK OF WOOD PRODUCTS COMPANY, LIMITED .....	1.00
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### FIXED ASSETS:

Land, Timber Limits, Plant and Equipment on the basis of depreciated values as at March 31, 1927, as determined by the management, plus the cost of subsequent additions .....	\$692,999.82	
Less: Reserve for depreciation of plant .....	210,000.00	
		<u>\$482,999.82</u>
		<u><u>\$1,477,214.95</u></u>

Toronto, May 30th, 1935.

### AUDITORS' 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 31st, 1935, and having obtained all the information and explanations which we have required, report that, in our opinion 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 (exclusive of Wood Products Company Limited) as at March 31st, 1935, according to the best of our information and the explanations given to us, and as shown by the books of the Companies.

Pursuant to Section 114 of the Dominion Companies Act, 1934, we report that inasmuch as the investment in the capital stock of and advances to its subsidiary, Wood Products Company Limited, are carried on the books of Standard Chemical Company Limited at only \$1.00, it has not been considered necessary to make any further entries in the accounts of the parent Company in respect of the subsidiary Company's losses during the year.

PRICE, WATERHOUSE & COMPANY,  
Chartered Accountants.

# Standard Chemical Company Limited

## *And Subsidiary Companies*

Balance Sheet, March 31st, 1935

### LIABILITIES

#### CURRENT LIABILITIES:

Bank Loans .....	\$100,000.00	
Accounts Payable and accrued Liabilities .....	105,739.99	
Reserve for Taxes Payable .....	4,791.08	
Due to a Subsidiary Company .....	131.96	
		\$210,663.03

RESERVE FOR CONTINGENCIES .....		34,270.80
FIRE INSURANCE RESERVE .....		27,354.53

#### CAPITAL:

##### Capital Stock:

Authorized—38,750 shares without nominal or par value, of which 37,277 shares are issued fully paid \$1,336,581.92

Note: 683 of the above shares are held by the Trust Company, to be exchanged for old 7% Cumulative Preferred and Common shares not yet surrendered.

##### Deficit:

As at April 1, 1934 .....	\$133,615.59		
LESS: Net Profit for the year ending			
March 31, 1935 .....	1,960.26	131,655.33	1,204,926.59
			\$1,477,214.95

NOTE:—There is a contingent liability of \$7,150.00 in respect of guarantee of Bank Loan of an Associated Company secured by hypothecation of First Mortgage Gold Bonds of that Company.

APPROVED ON BEHALF OF THE BOARD:

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

# Standard Chemical Company Limited

*And Subsidiary Companies*

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## STATEMENT OF PROFIT AND LOSS

For the Year Ending March 31st, 1935

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Combined Operating Profits for the year before charging Depreciation, Amortization and Directors' Fees and before providing for Income Taxes .....		\$ 48,127.13
DEDUCT: Amounts written off railway construction accounts and charges in connection with re-valuation of miscellaneous equipment .....	26,970.97	
Directors' Fees .....	1,350.00	28,320.97
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Operating Profits before providing for Depreciation of Plants and Income Taxes .....		\$ 19,806.16
DEDUCT: Provision for Depreciation of Plants .....	17,500.00	
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Profit before providing for Dominion Income Tax.....		\$ 2,306.16
DEDUCT: Provision for Dominion Income Tax .....		345.90
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NET PROFIT FOR THE YEAR .....		<u><u>\$ 1,960.26</u></u>









