

# STANDARD CHEMICAL COMPANY

Limited



TWENTY-FIFTH  
ANNUAL REPORT



MARCH 31st, 1936

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# STANDARD CHEMICAL COMPANY Limited

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ANNUAL STATEMENT  
For Twelve Months Ending March 31st, 1936

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## DIRECTORS

M. L. DAVIES	-	-	-	-	-	-	<i>President</i>
L. M. WOOD	-	-	-	-	-	-	<i>Vice-President</i>

ROBERT FLEMING  
E. JAMES BENNETT  
J. L. HOULT  
R. M. SEDGEWICK  
A. F. COOPER

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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 the Twenty-fifth Annual Report and Financial Statements, drawn up in accordance with the Dominion Companies Act, 1934, and amendments, for the year ended March 31st, 1936, together with the Certificate of the Company's Auditors, Messrs. Price, Waterhouse & Company.

Markets, generally, were more active during the year, with indications that general business is slowly recovering. This improvement is reflected in the results of your Company's operations, as presented in the accompanying Balance Sheet. The increased demand for the products of your Company referred to in the Directors' letter of November 15th, 1935, continued throughout the year.

Gross Profits amounted to \$58,463.50, as compared with \$19,806.16 for the twelve months ended March 31st, 1935; after providing \$17,500.00 for Depreciation, and \$5,000.00 Reserve for Dominion of Canada Income Tax, the net profit was \$35,963.50, against \$1,960.26 for the preceding year, or an improvement of \$34,003.24.

The Total Sales realized \$1,328,339.54, compared with \$1,302,192.96 for the previous period, an increase of \$26,146.58, while the Raw Material carbonized reached 33,149 cords of Hardwood, a decrease of 627 cords.

All Plant and Equipment were kept in their usual state of efficiency, the expenditure being charged to Operations.

Your Directors again wish to acknowledge the devoted services of the staff and all the employees of the Company.

With deep regret your Directors record the death of Mr. J. B. Tudhope, a Member of the Board since 1917.

The vacancy on the Directorate has been filled by the election of Mr. A. F. Cooper, Woods Manager of your Company.

On behalf of the Board:

M. L. DAVIES,  
President.

Toronto, May 21st, 1936.

# Standard Chemical Company Limited

## And Subsidiary Companies

Balance Sheet, March 31st, 1936

### ASSETS

#### CURRENT ASSETS:

Cash on Hand and in Banks .....	\$ 22,574.19	
Working Funds .....	5,640.84	
Accounts Receivable, less Reserve .....	198,150.69	
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.	\$369,230.51	
Wood .....	391,385.52	760,616.03
		\$986,981.75
AGREEMENT FOR SALE AND SUNDRY INVESTMENTS		4,956.18
FIRE INSURANCE FUND, (Canadian National Railway and Dominion of Canada Bonds, at cost) .....		24,604.87
(Market Value \$27,492.00.)		
UNEXPIRED INSURANCE PREMIUMS, PREPAID TAXES, etc. ....		18,891.12
INVESTMENT IN CAPITAL STOCK OF WOOD PRODUCTS COMPANY, LIMITED .....		1.00
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 .....	\$724,741.67	
LESS: Reserve for depreciation of plant .....	227,500.00	
		\$497,241.67
		\$1,532,676.59

Toronto, May 20th, 1936.

#### 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 31st, 1936, 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, 1936, 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, 1936

### LIABILITIES

#### CURRENT LIABILITIES:

Bank Loans .....	\$ 67,000.00	
Accounts Payable and accrued Liabilities .....	140,000.12	
Reserve for Taxes Payable .....	10,060.14	
Due to a Subsidiary Company, not consolidated..	170.84	
		<hr/>
		\$217,231.10
RESERVE FOR CONTINGENCIES .....		40,318.37
FIRE INSURANCE RESERVE .....		34,237.03

#### 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 Com-  
pany, to be exchanged for  
old 7% Cumulative Pre-  
ferred and Common shares  
not yet surrendered.

##### Deficit:

As at April 1, 1935 .....	\$131,655.33		
LESS: Net Profit for the year ending March 31, 1936.....	35,963.50	95,691.83	1,240,890.09
			<hr/>
			<u>\$1,532,676.59</u>

#### 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, 1936

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Combined Operating Profits for the year before deducting the undernoted charges .....		\$123,760.39
DEDUCT: Amounts written off railway construc- tion accounts and charges in connection with revaluation of miscellaneous equip- ment .....	\$ 29,224.21	
Remuneration to Executive Officers (five in number) .....	34,361.52	
Directors' Fees .....	1,500.00	
Legal Fees .....	211.16	\$ 65,296.89
Operating Profits before providing for Depreciation of Plants and Income Taxes .....		\$ 58,463.50
DEDUCT: Provision for Depreciation of Plants .....		17,500.00
Profit before providing for Dominion Income Tax....		\$ 40,963.50
DEDUCT: Provision for Dominion Income Tax .....		5,000.00
NET PROFIT FOR THE YEAR .....		<u>\$ 35,963.50</u>









