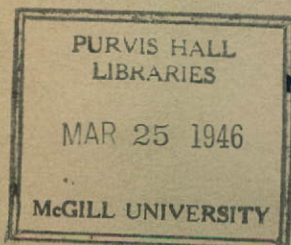


**STANDARD
CHEMICAL COMPANY,
Limited**

**THIRTY-SECOND
Annual Report**



**MARCH THIRTY-FIRST
NINETEEN HUNDRED AND FORTY-THREE**



STANDARD CHEMICAL COMPANY, Limited

ANNUAL STATEMENT For Twelve Months Ending March 31st, 1943

DIRECTORS

L. M. WOOD	- - -	Chairman
R. M. SEDGEWICK	- - -	Vice-President and Treasurer
A. F. COOPER	- - -	Vice-President in Charge of Lumber Operations
O. A. HUTTON	- - -	Vice-President in Charge of Production

ROBERT FLEMING
E. JAMES BENNETT
L. C. McCLOSKEY
E. M. PEDWELL

Secretary, G. MILLWARD

Head Office:
67 Yonge Street, Toronto, Ont.

Standard Chemical Company, Limited

To the Shareholders:

Your Directors present herewith the Thirty-Second Annual Report and Financial Statements, for the year ended March 31st, 1943, together with the Report of the Company's Auditors, Messrs. Price, Waterhouse & Co.

The Sales amounted to \$3,290,057.89 as against \$3,486,437.20 for the previous year, a decrease of \$196,379.31.

The gross earnings from operations amounted to \$185,250.68, a decrease of \$118,985.95 compared with the previous year. After providing \$35,000.00 for Depreciation, \$25,000.00 for a Special Contingent Reserve and making a provision of \$70,000.00 for Income and Excess Profits taxes the Net Profit was \$55,250.68. The effect of the "price ceiling" policy of the Wartime Prices and Trade Board is reflected in the earnings of the Company. The final assessments of income tax for the four years ending March 31st, 1940, 1941, 1942 and 1943 have not yet been determined.

Your Directors continue to give close attention to the probable post-war decline in inventory values.

Your factories are being maintained in condition to secure maximum production in present circumstances.

Your Directors again record the appreciation of the loyal services of the staff and all the employees of your Company.

A Dividend of One Dollar and Twenty-Five Cents per Share for the year has been declared payable on July 31st to Shareholders of record on June 30th.

On behalf of the Board,

L. M. WOOD,
Chairman.

Toronto, June 21st, 1943.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
STANDARD CHEMICAL COMPANY, LIMITED**

We have examined the consolidated balance sheet of Standard Chemical Company, Limited and subsidiary companies (exclusive of Wood Products Company, Limited) as of March 31 1943 and the consolidated statement of profit and loss for the year then ended and have obtained all the information and explanations we have required. In connection therewith we examined or tested accounting records of the companies and other supporting evidence but our examination of the detail transactions was confined to limited tests thereof.

In accordance with section 114 of The Companies Act we report that the investment in the capital stock of and advances to its subsidiary, Wood Products Company, Limited, have been written down on the books of Standard Chemical Company, Limited to \$1.00 and that no profits or losses of Wood Products Company, Limited have been taken up in the accounts of the parent company.

We report that, subject to the sufficiency of the reserve for income and excess profits taxes, the attached consolidated balance sheet and related consolidated statement of profit and loss are, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the affairs of the combined companies as of March 31 1943 and of the results from operations for the year ending on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

PRICE, WATERHOUSE & CO.

Chartered Accountants.

June 21 1943.

Standard Chemical Company, Limited

And Subsidiary Companies
(Exclusive of Wood Products Company, Limited)

Consolidated Balance Sheet March 31 1943

ASSETS

CURRENT ASSETS:

Cash on Hand and in Banks	\$	308,822.08
Working Funds		13,314.19
Dominion of Canada and Province of Ontario Bonds, at cost and accrued interest		236,152.19
(Quoted market value \$237,810.94)		
Accounts Receivable, less Reserve		378,002.04
Inventories, determined under the supervision of responsible officers of the company (from the records in the case of cordwood and by physical inspection in the case of other stocks), on the basis of inventory valuation at March 31 1940 which basis was substantially lower than approximate cost at March 31 1943:		
Finished and partly finished products	\$136,243.14	
Purchase products and sundry supplies	145,697.17	
Cordwood, logs and lumber	372,746.26	
		654,686.57

\$1,590,977.07

REFUNDABLE PORTION OF EXCESS PROFITS TAXES.... 536.21

INVESTMENTS:

Sundry investments, at cost, less amounts written off	\$	3,502.00
Wood Products Company, Limited:		
Shares (entire issue)	\$	1.00
Bonds, at cost (76.14 % of issue).....	25,410.00	
		25,411.00
		28,913.00

FIRE INSURANCE FUND:

Dominion of Canada and Canadian National Rail- way bonds, at cost and accrued interest (market value \$114,652.33)	\$111,473.67	
Cash in Bank	427.58	
		111,901.25

DEFERRED CHARGES:

Pre-season expenditures	\$	4,483.60
Unexpired insurance premiums and other expendi- tures, less amounts written off		21,156.40
		25,640.00

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 and less amounts writ- ten off for amortization, etc.	\$741,724.71	
LESS: Reserve for depreciation of plant	347,500.00	
		394,224.71

\$2,152,192.24

Standard Chemical Company, Limited

And Subsidiary Companies
(Exclusive of Wood Products Company, Limited)

Consolidated Balance Sheet March 31 1943

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities.....	\$ 234,031.95	
Amounts owing to associated companies.....	7,019.08	
Wood contract purchase obligations.....	151,431.66	
Reserve for income and excess profits taxes (after payment of \$60,000.00 on account).....	36,306.44	
Other taxes payable and accrued.....	13,560.40	
		\$ 442,349.53

FIRE INSURANCE FUND (per contra)	111,901.25
RESERVE FOR CONTIGENCIES	73,992.05
REFUNDABLE PORTION OF EXCESS PROFITS TAXES (per contra)	536.21

CAPITAL:

Capital Stock:

Authorized—38,750 shares without nominal
or par value, of which 37,277 shares are
issued fully paid\$ 1,301,549.95

NOTE: 286-3/10 of the above
shares are held by the Trust
Company, to be exchanged
for 7% cumulative pre-
ferred and common shares
not yet surrendered.

Earned Surplus from April 1. 1937:

Balance as at April 1 1942.....\$194,570.32

ADD: Net profit for the year
ending March 31 1943..... 55,250.68

Amount transferred
from Reserve for
Contingencies\$ 23,000.00

DEDUCT: Additional
provision for prior
year's taxes 23,000.00

\$249,821.00

DEDUCT: Dividends 27,957.75 221,863.25

1,523,413.20

APPROVED ON BEHALF OF THE BOARD:

L. M. WOOD, Director.
R. M. SEDGEWICK, Director.

\$ 2,152,192.24

Standard Chemical Company, Limited

(Exclusive of Wood Products Company, Limited)

And Subsidiary Companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year Ending March 31 1943

PARTICULARS	AMOUNT	
Operating Profit for the year before deducting the undernoted charges		\$240,191.54
Income from Investments	\$ 10,982.74	
LESS: Portion applicable to Fire Insurance Fund	3,434.25	7,548.49
		\$ 247,740.03
DEDUCT: Remuneration of Executive Officers.....	\$32,399.20	
Directors' Fees	1,000.00	
Legal Fees	197.28	
Amount written off railway construction accounts, sawmill, timber limits, etc. and charges in connection with re-valuation of miscellaneous equipment	28,892.87	
Provision for Depreciation of Plants.....	35,000.00	
Provision for Contingencies	25,000.00	122,489.35
		\$125,250.68
PROFITS, before providing for income and excess profits taxes		\$125,250.68
DEDUCT: Provision for Income and Excess Profits Taxes.....		70,000.00
		\$ 55,250.68
NET PROFIT FOR THE YEAR		\$ 55,250.68

