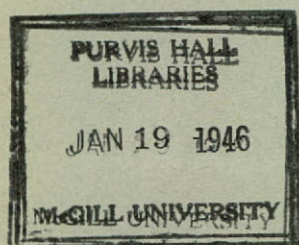


DOMINION
TAR & CHEMICAL COMPANY
LIMITED

AND SUBSIDIARY COMPANIES

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ANNUAL
REPORT
1-9-3-2



DOMINION
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DOMINION
TAR & CHEMICAL COMPANY
LIMITED

ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders

Your Directors submit herewith a Consolidated Statement of the affairs of your Company and its Subsidiaries for the fiscal year ended 31st December, 1932.

The severe contraction in business and industrial activities during the past year has also affected your Company to a marked degree. During the second quarter of the year it became evident that the volume of business and earnings would shew a considerable decrease and in consequence your Directors took the precaution of deferring dividends upon the Preference Shares in order to conserve the Working Capital of your Company. At the same time the steps that had been already taken to consolidate and readjust the management of your Companies were accelerated and enlarged to effect the utmost economy in the administration. In addition to these considerable reductions in personnel and offices, lower salaries have been established showing a very substantial contribution to the very urgent demand for savings.

As a result of the readjustment mentioned it has been possible to make the reduced business that was received yield a net revenue sufficient to pay all our contractual obligations including the amount due in connection with the annual Sinking Fund requirements for the Company's Debentures. This latter item is represented by the amount of \$116,360.00 transferred to depreciation. The burdensome item representing premium upon payments of Debenture Interest in New York funds appears once again in the Profit and Loss Account.

The Working Capital is down about 8% compared with that shown at the 31st of December, 1931. A large part of this difference is represented by the reduction in some of the Company's liabilities. The interest of minority stockholders in Subsidiary Companies has been reduced materially.

In order to take advantage of the considerable export market now available for some of the Company's products a larger value of inventories of raw materials and products is shown and the increase represents the value of forward sales of our products in these export markets. Shipments will be made immediately upon the opening of navigation upon the St. Lawrence River.

You will observe an item representing investment in the Company's own Debentures. These purchases were made out of the Company's Working Capital and will reduce the appropriation for the Sinking Fund requirements in 1933.

While business is not unsatisfactory in certain lines which contribute in a lesser degree to your Company's earnings, the general expectation must be that business in 1933 will be of less volume than in the past year which, it is hoped, will be offset by the savings in operating and administration now being felt in their entirety.

All the plants and properties of your Companies have been in operation during the past year though many of them on a reduced schedule. They have been fully maintained and are in excellent condition.

Once again your Directors wish to express their appreciation of the excellent work of officers and employees of the Company under the most difficult conditions existing during the year.

On behalf of the Board.

LIONEL O. P. WALSH,
President.

DOMINION TAR & CHEMICAL
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT AND WORKING ASSETS:

	Dec. 31, 1931	Dec. 31, 1932
Finished Products, Raw Materials and Supplies as valued by the Management.....	\$ 1,603,444.03	\$ 1,785,644.25
Accounts and Bills Receivable, less Reserves.....	1,021,852.03	639,454.86
Cash on Hand and in Bank.....	252,113.59	—
Prepaid Insurance, etc.....	25,596.69	35,739.98
	\$ 2,903,006.34	\$ 2,460,839.09
INVESTMENT IN COMPANY'S OWN DEBENTURES —\$50,000.00 at cost.....	—	34,878.75
CASH IN HANDS OF TRUSTEE FOR SINKING FUND	572.90	1,239.37
COST OF PROPERTIES:		
Land, Buildings, Plant, Machinery and Equipment, Contracts, Leases, etc., less Reserve for Depreciation.	10,802,552.27	10,714,438.82

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of the Dominion Tar & Chemical Company Limited and of its Subsidiary Companies for the year ending December 31, 1932, and have received all the information and explanations which we have required; and we report that, in our opinion, the above Consolidated Balance Sheet has been properly drawn up so as to show the true financial position of the Dominion Tar & Chemical Company Limited and its subsidiary Companies at December 31, 1932, after making provision of \$116,360.00 from the operations of the current year towards depreciation of properties, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

Montreal, February 15, 1933.

PRICE WATERHOUSE, & Co.,
Auditors.

APPROVED ON BEHALF OF THE BOARD:

E. G. JACKSON, Director.
A. P. HOLT, Director.

\$13,706,131.51	\$13,211,396.03
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Y COMPANIES

HEET, DECEMBER 31st, 1932

LIABILITIES

CURRENT LIABILITIES:	Dec. 31, 1931	Dec. 31, 1932
Accounts and Bills Payable (including Dividends payable to Minority Interests).....	\$ 414,751.93	\$ 289,017.60
Bank Overdrafts, less cash on hand and in banks.....	—	351.06
Debenture Interest Accrued and Reserve for Exchange.	194,653.32	176,552.05
Dividends declared on Preferred Stocks:		
Dominion Tar & Chemical Co. Limited.....	81,818.75	
Alberta Wood Preserving Co. Limited.....	6,307.00	5,862.50
SINKING FUND GOLD DEBENTURES:	\$ 697,531.00	\$ 471,783.21
Total Authorized Issue \$7,500,000.00		
Series "A" 6% due 1949.....	3,923,000.00	3,840,000.00
Series "B" 6% due 1949.....	1,471,000.00	1,440,000.00
MINORITY INTEREST IN SUBSIDIARY COMPANIES	449,158.87	389,406.12
PREFERRED STOCK SINKING FUND RESERVE	40,531.01	51,980.26
SUBSIDIARY COMPANIES.....	53,604.97	53,604.97
GENERAL AND CONTINGENT RESERVE.....		
PREFERRED STOCK:		
Dominion Tar & Chemical Co. Ltd.—		
6½% Cumulative Preference Stock; Authorized—		
75,000 shares of \$100.00 each—\$7,500,000.00.		
Issued and Outstanding.....	5,035,000.00	5,035,000.00
(Redeemable upon sixty days' notice at 110% and		
accrued dividends).		
Dividends in arrears from April, 1932.		
Alberta Wood Preserving Co. Limited.		
7% Cumulative Redeemable Preference Stock. Author-		
ized—4,500 shares of \$100.00 each—\$450,000.00.		
Issued and Outstanding.....	360,400.00	335,000.00
(Redeemable upon sixty days' notice at 105% and		
accrued dividends.)		
COMMON STOCK:		
Represented by Shares without nominal or par value, the		
total authorized issue being 300,000 shares.		
Issued and Outstanding.....	273,184 shs.	686,078.00
Less: Held by Trustees for Debenture		
Holders.....	684 "	4,172.40
	272,500 "	681,905.60
SURPLUS ACCOUNT:		
Balance as per statement attached.....	994,000.06	888,578.37
Profit arising from redemption of Company's Debentures.	—	24,137.50
Note: 26,400 shares are reserved for Debenture Holders' option.	\$ 1,675,905.66	\$ 1,594,621.47
	<u>\$ 13,706,131.51</u>	<u>\$ 13,211,396.03</u>

DOMINION
TAR & CHEMICAL COMPANY
LIMITED

AND SUBSIDIARY COMPANIES

*Consolidated Statement of Profit and Loss and Surplus
Account, Year ending December 31, 1932.*

Combined Earnings from operations for the year ending December 31, 1932, after deducting operating, management and selling expenses, exclusive of the earnings applicable to minority share interests and before providing for depreciation of Properties and Income Tax.....	\$ 505,013.24
Discount on Debentures redeemed during year.....	24,137.50
Surplus—Balance December 31, 1931.....	994,000.06
	\$1,523,150.80
<i>Deduct:</i>	
Provision for Depreciation of Properties..	\$116,360.00
Debenture Interest paid and accrued.	320,238.73
Provision for Exchange and Premium paid on Debenture Coupons.....	39,182.53
Dividend on Preferred Shares, Alberta Wood Preserving Company Limited	24,374.00
Transferred to Preferred Stock Sinking Fund— Reserve of Subsidiary Companies.....	7,835.45
Income Tax paid and provided for.....	20,625.47
	528,616.18
	\$994,534.62
<i>Deduct: Dividends paid and declared on Preferred Shares Dominion Tar & Chemical Company Limited.....</i>	
	81,818.75
Balance December 31, 1932.....	\$ 912,715.87

SYDNEY, N.S. Tar Distilling Plant.
Creosoting Plant
HALIFAX, N.S. Distributing Warehouse
'MURRAY' Materials.
TRURO, N.S. Creosoting Plant.
NEWCASTLE, N.B. Do. Do.

CORNWALL, ONT. Fibre Conduit Factory
Underground and Underfloor Systems.
TRENTON, ONT. Creosoting Plant.
TORONTO, ONT. Tar Distilling Plant.
Chemical Refinery
Distributing Warehouse 'MURRAY' Materials.
SUDBURY, ONT. Creosoting Plant.

SAULT STE. MARIE, ONT.
Tar Distilling Plant.
SIOUX LOOKOUT, ONT. Creosoting Plant.
WINNIPEG, MAN. Tar Distilling Plant.
of St. Boniface.
Distributing Warehouse.
'MURRAY' Materials.
Creosoting Plant of Transcona.
DULUTH, MINN. Tar Distilling Plant.
REGINA, SASK. Distributing Yards
Treated Culverts and Bridges.
SWIFT CURRENT, SASK. Creosoting Plant.
EDMONTON, ALTA. Do. Do.
CALGARY, ALTA. Regional Offices.
Creosoting Plant.

— MONTREAL, QUE. HEAD OFFICES for the DOMINION —
Tar Distilling Plant at Ville Emard.
Creosoting Plant at Delson.
Distributing Warehouse.
'MURRAY' Materials
WHARF for Ocean Cargoes
at Longue Point.

VANCOUVER, B.C.
Creosoting Plant at North Vancouver.
Creosoting Plant at New Westminster.
Tar Distilling Plant on Arbutus Street.
Distributing Warehouse 'MURRAY' Materials.
Export Office Vancouver City.
Wharves for Ocean Cargoes of
North Vancouver and New Liverpool, C.

