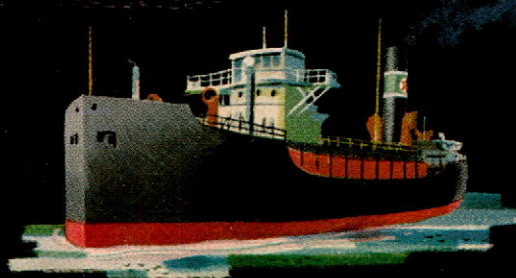
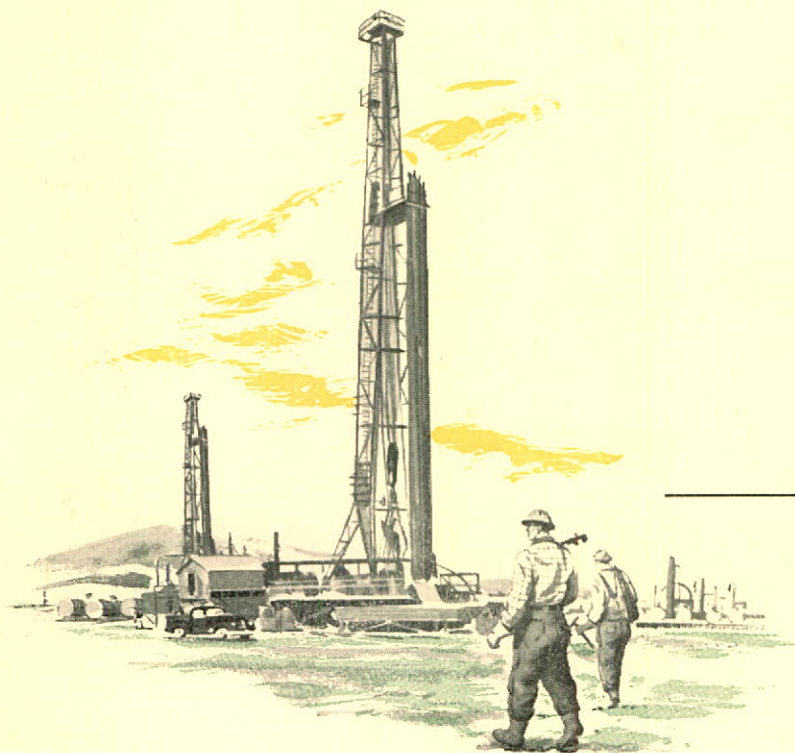


Texaco Canada Ltd.

1952 Annual Report

McCOLL-FRONTENAC
Oil Company Limited and Subsidiaries





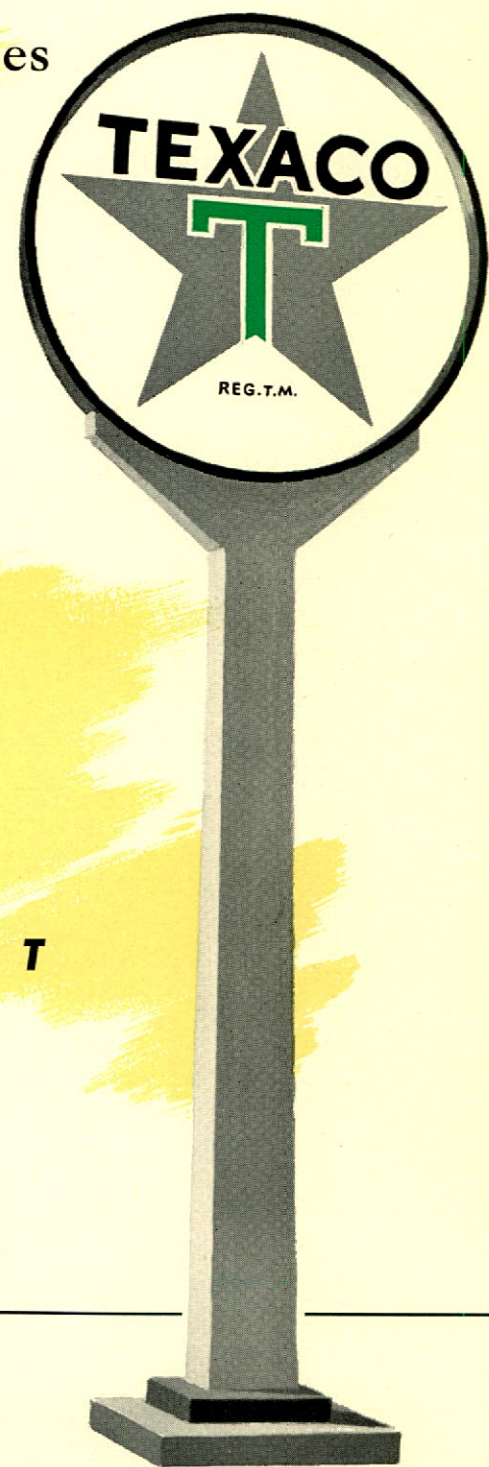
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McCOLL-FRONTENAC

Oil Company Limited and Subsidiaries

MANUFACTURERS AND DISTRIBUTORS IN CANADA

OF TEXACO PETROLEUM PRODUCTS



25th ANNUAL REPORT

FOR THE YEAR **1952**

Board of Directors

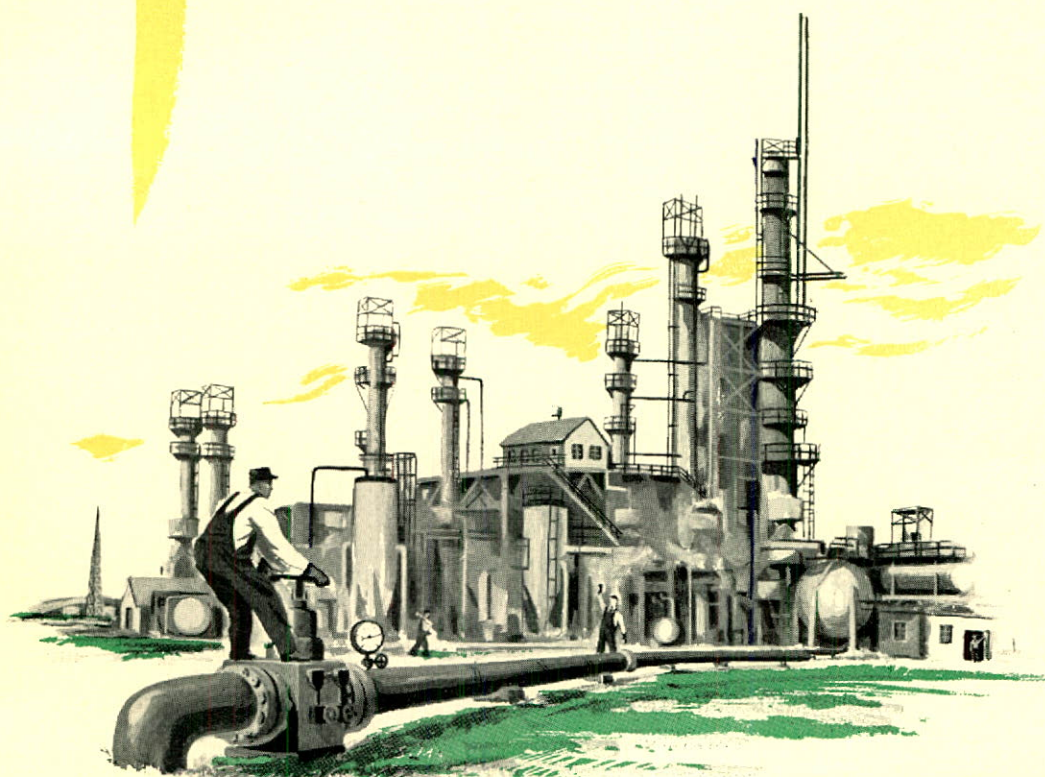
	J. M. PRITCHARD, <i>Chairman</i>	
H. H. BRADBURN	THE HON. E.-L. PATENAUDE, P.C., Q.C.	H. W. THORP
H. T. KLEIN	R. L. SAUNDERS	T. C. TWYMAN
J. S. LEACH	E. P. TAYLOR, C.M.G.	L. O. P. WALSH
A. A. MAGEE, C.B.E., Q.C.	G. R. TAYLOR	W. ZIMMERMAN, Q.C.

Executive Committee

	A. A. MAGEE, C.B.E., Q.C., <i>Chairman</i>	
J. M. PRITCHARD		T. C. TWYMAN
R. L. SAUNDERS		L. O. P. WALSH
G. R. TAYLOR		W. ZIMMERMAN, Q.C.

Principal Officers

T. C. TWYMAN	President
G. R. TAYLOR	Executive Vice-President
T. V. ANDERSON	Vice-President and Treasurer
C. C. DUNN	Vice-President
A. G. FARQUHARSON	Vice-President
FRED HUNT	Secretary

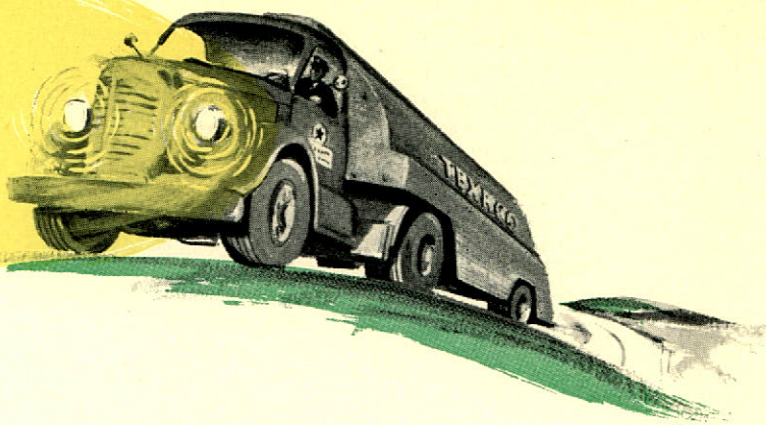


Executive Offices:
360 St. James Street, West,
MONTREAL 1, QUEBEC

Transfer Agents:
MONTREAL TRUST COMPANY

Registrar:
ROYAL TRUST COMPANY

Highlights

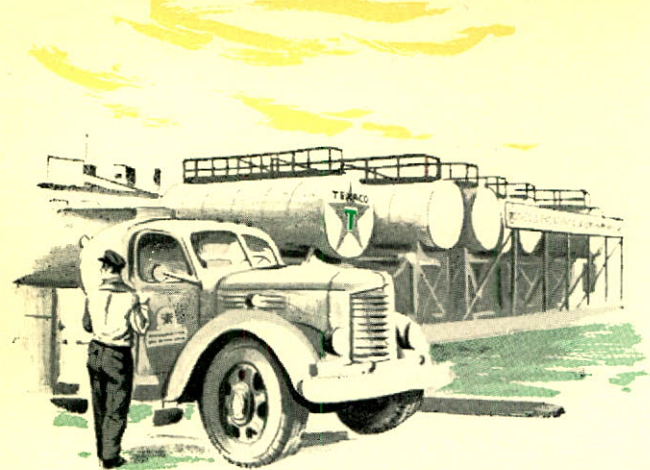


FINANCIAL

	1952	1951
Gross income	\$ 100,652,141	\$ 92,647,206
Net income before provision for income taxes	\$ 12,591,795	\$ 11,975,682
Net income on common stock	\$ 5,682,795	\$ 5,659,682
Net income per common share	\$ 2.18	\$ 2.17
Cash dividends paid per common share	\$ 1.00	\$ 1.00
Additions to property, plant and equipment	\$ 11,101,787	\$ 10,666,151
Working capital (end of year)	\$ 24,202,293	\$ 26,384,272

OPERATING

Gross crude oil production (barrels):		
In Canada	740,056	446,971
In Trinidad	670,248	602,851
Net crude oil production (barrels):		
In Canada	660,694	389,640
In Trinidad	632,539	550,073
Crude oil purchases, less sales (barrels)	11,835,070	11,833,577
Refinery runs to stills (barrels)	12,820,553	12,879,634
Total payrolls and employee benefits	\$ 8,043,939	\$ 6,719,049
Number of employees (end of year)	2,155	2,094



To the Shareholders

December 1952 marked the completion of twenty-five years since your Company was organized to acquire the business of McColl Brothers Limited, originally established in 1873, and Frontenac Oil Refineries Limited, organized in 1925.

During this quarter of a century your

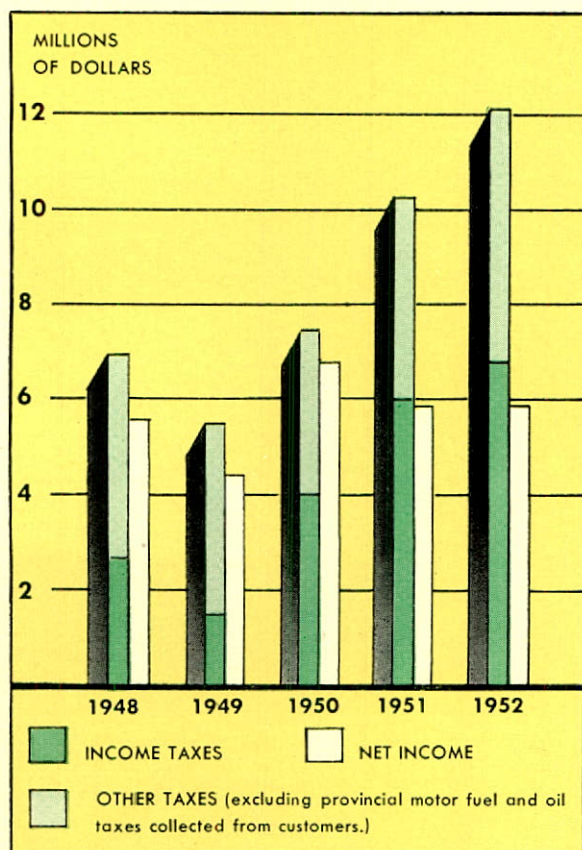
Company has attained a prominent position in the oil industry in Canada. The results for the year 1952 are set forth herein.

FINANCIAL

The consolidated net income for 1952 was \$5,922,795 as compared with \$5,899,682 in 1951. After providing for preferred dividends, net income per common share was \$2.18 as compared with \$2.17 the previous year. As in 1951, dividends paid on common stock amounted to \$1.00 per share.

Taxes represented an increasing burden on the Company as well as on the consumer of petroleum products. Total federal, provincial, and municipal taxes amounted to \$12,133,393, equivalent to \$4.65 per common share, as compared with \$10,242,596 or \$3.93 per common share in 1951. In addition, in its role of collector of taxes for governmental authorities your Company collected \$25,657,465 in taxes on the sale of petroleum products. Certain of these taxes have reached such a high level as to be entirely out of proportion to similar taxes on other commodities.

TAXES AND NET INCOME



SOURCE AND USE OF WORKING CAPITAL

	1952	1951	1950	1949	1948
	(IN THOUSANDS OF DOLLARS)				
Working Capital — Beginning of Year	\$26,384	\$29,369	\$18,502	\$14,483	\$10,380
ADD:					
Net income for the year	5,923 ✓	5,900	6,661	4,352	5,590
Net gain on sale of Pakowki Lake gas property	3,846 ✓	—	—	—	—
Depreciation, depletion and amortization (not requiring the use of working capital)	5,796 ✓	6,441	4,988	5,203	2,346
Long-term borrowings	— ✓	—	10,000	—	—
Sale of common stock	— ✓	—	—	—	8,080
Other — net	751	53	49	758	370
Total	\$42,700	\$41,763	\$40,200	\$24,796	\$26,766
DEDUCT:					
Additions to property, plant and equipment	\$11,102 ✓	\$10,666	\$ 8,258	\$ 4,375	\$ 9,824
Cash dividends — preferred stock	240 ✓	240	240	240	240
— common stock	2,608 ✓	2,608	2,217	1,304	1,304
Investments and long-term receivables — net	3,381 ✓	698	(384)	(125)	415
Reduction in long-term debt	1,167 ✓	1,167	500	500	500
Total deductions	\$18,498	\$15,379	\$10,831	\$ 6,294	\$12,283
Working Capital — End of Year	\$24,202	\$26,384	\$29,369	\$18,502	\$14,483

() Indicates deduction

Working capital at the end of 1952 was \$24,202,293, a decrease of \$2,181,979 as compared with the previous year. An analysis of working capital appears above.

A ten-year summary of financial and operating data is presented on pages 14 and 15.

PRODUCING

As explained in the 1951 annual report, your Company has entered into an agreement with The Texas Company under

which your Company has a working interest in certain producing acreage owned by Texaco Exploration Company. In addition your Company has a 10% royalty interest in the net production of Texaco Exploration Company from extensive areas in Western Canada and the right to participate at cost, up to 50%, in certain areas, in the working interest of future acquisitions of oil and gas acreage made by Texaco Exploration Company in Western Canada. Under the agree-

ment your Company has first call on all oil produced by and belonging to Texaco Exploration Company in the areas involved.

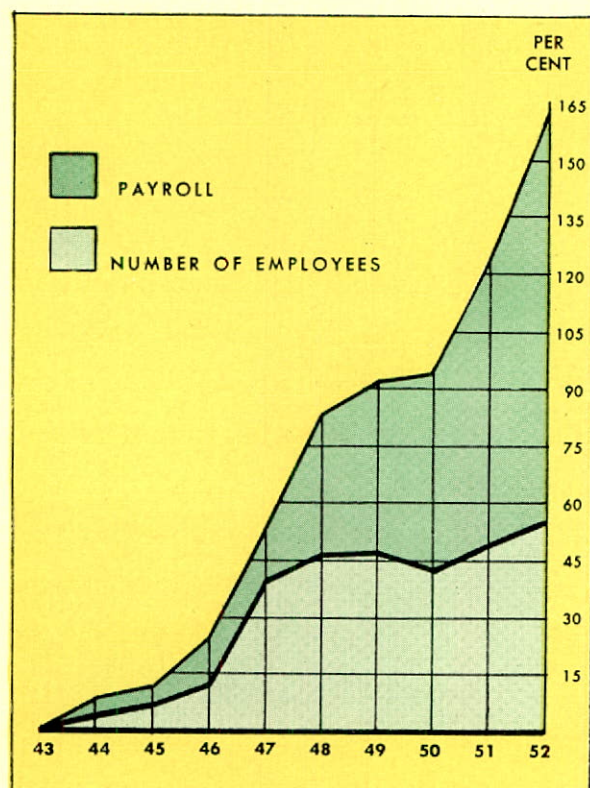
During 1952 your Company's total net crude oil production in Canada amounted to 660,694 barrels as compared with 389,640 barrels during the previous year, the increase being primarily due to the discovery by Texaco Exploration Company of new producing fields at Bonnie Glen and Pigeon Lake and through additional drilling in the Wizard Lake area in Alberta.

As also mentioned in last year's report, your Company's interest in the Pakowki Lake gas property in southern Alberta was

sold to the Montana Power Company. The initial 20% instalment of the sale price was received in 1952. The net gain on the sale amounted to \$3,846,206 after allowing for increment tax payable to the Province of Alberta and on the basis of present-day value of future non-interest bearing instalments. The net gain has been credited to surplus rather than income because of its special and non-recurring nature.

In Trinidad, B.W.I., net production was 632,539 barrels as compared with 550,073 barrels in 1951. Fifteen wells were drilled in 1952, of which eleven were oil producers and one a gas well.

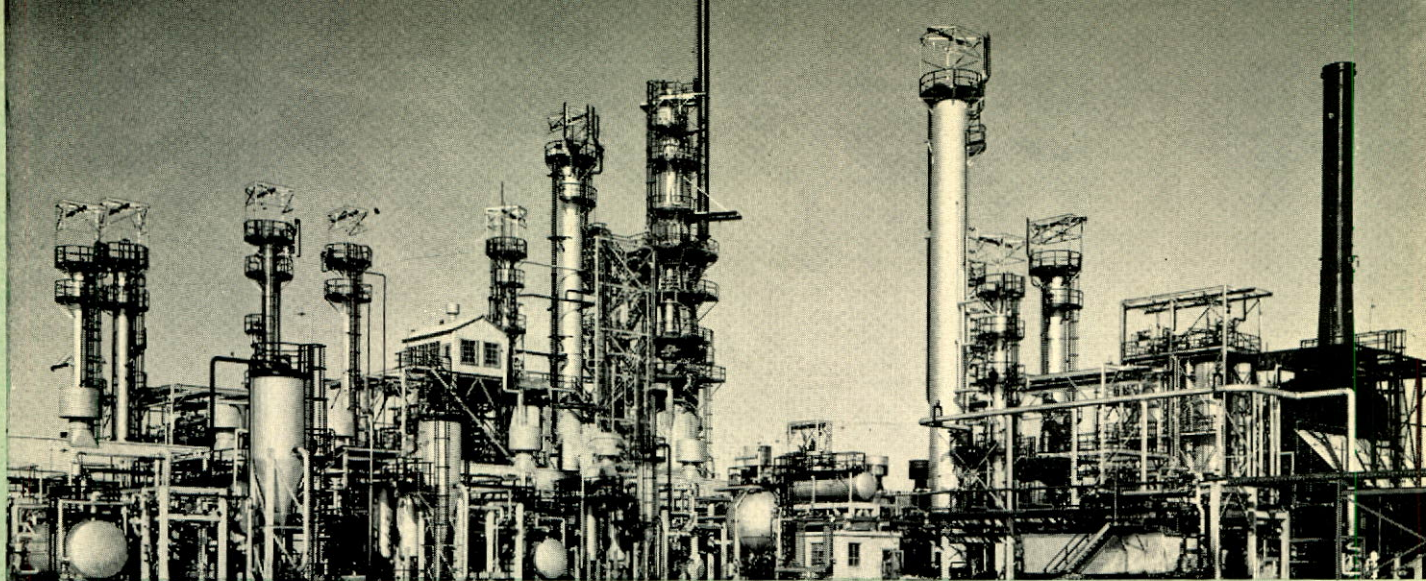
PAYROLL AND NUMBER OF EMPLOYEES
Percentage increase since 1943



REFINING

Crude runs to stills in 1952 totalled 12,820,553 barrels as compared with 12,879,634 barrels during the previous year. The slight reduction in crude runs was attributable to some extent to the use of the Trans-Northern Pipe Line to supply terminals along the route, as outlined under Transportation, which obviated the necessity of carrying large inventories at such points for the winter season.

In early 1953 work will be completed on additional crude stilling facilities at Montreal Refinery, increasing the capacity for crude runs from approximately 43,000 to 58,000 barrels per day.



A view of Processing Units at Edmonton Refinery

TRANSPORTATION

The Trans-Northern Pipe Line Company, in which your Company owns a one-third interest, was organized to construct and operate a products pipe line system between Montreal, Toronto and Hamilton and intermediate points, with a spur line to Ottawa. Operations commenced early in November 1952 and will result in substantial reductions in the cost of transportation of finished products. In connection with this pipe line new terminals are being constructed at Cornwall, Federal (Ottawa), Prescott, Belleville, Port Hope and Hamilton, Ontario, some of which are already in operation and the balance of which will be completed during the first quarter of 1953. The Toronto terminal will be utilized in the future as a combination marine and pipe line terminal.

In addition to the transportation savings effected, construction of the products pipe line from Montreal to Hamilton will permit refinery operations on a more orderly basis than was possible when sales terminals were supplied by lake tankers, as deliveries will be made more uniformly throughout the year.

The Company in 1952 operated seven lake tankers, three owned by wholly-owned subsidiaries, one under long time charter and the balance under seasonal charter. As a result of the completion of the products pipe line, the Company will operate only four lake tankers in 1953.

SALES

Sales of all products reflected an increase over the preceding year. A number of new Company-owned service stations was erect-

ed and some of the older service stations were modernized under the Company's program of expansion and modernization of resale outlets.

A new combined marine terminal and bulk station was completed at Chicoutimi, Que., and at the year-end construction was well under way on similar projects at Sillery (Quebec City), Que., and at Chatham, N.B. These two latter terminals will be completed early in 1953, but it was possible to erect the necessary tankage in time to receive shipments of product before the close of navigation last Fall. The addition of these terminals will result in greater operating efficiency and reduction of transportation costs.

Your Company commenced the commercial sale of propane, a product used in heating and cooking, and a number of new petroleum lubricants were added to keep abreast of Canada's expanding industrial activities.

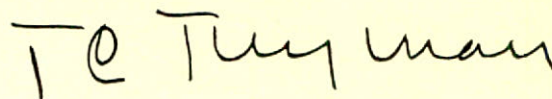
GENERAL

An Employees Savings Plan became effective May 1, 1952, offering a valuable supplement to basic pension benefits. Under the plan, employees may save from 2% to 5% of their base pay, with the Company contributing an amount equal to one-half of the employees' contribution. More than 72% of the eligible employees are participating in this plan.

At this quarter-century mark your directors feel it is especially appropriate to thank all employees for their loyalty and enterprise, without which the favourable results of the past years could not have been achieved.

At the same time your directors again wish to express to all shareholders their appreciation of valued and continued support.

On behalf of the Board,

A handwritten signature in dark ink, appearing to read "J. E. Tully". The signature is written in a cursive, flowing style.

President.

MONTREAL, QUEBEC
MARCH 31, 1953.

25 YEARS OF PROGRESS

Here is a reproduction of the financial statements published in the Company's first Annual Report to shareholders.

A comparison with the financial statements appearing in this Report will show the progress the Company has made since it was organized 25 years ago.

McCOLL-FRONTENAC AND SUBSIDIARY CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS:	
Cash on hand and in bank.....	\$ 75,167.13
Bonds and Stocks not in excess of Market Values.....	1,602,616.48
Accounts and Bills Receivable, less Reserves of \$100,100.41.....	1,000,851.87
Inventories at cost.....	1,741,716.71
	<u>\$4,510,403.20</u>
INVESTMENTS, LOANS AND MORTGAGES AND BALANCES RECEIVABLE ON EQUIPMENT IN HANDS OF CUSTOMERS.....	
	855,526.00
DEFERRED CHARGES:	
Insurance, Taxes, Advertising, etc., paid in advance.....	172,814.27
FIXED ASSETS:	
Land, Buildings and Equipment at cost..	\$7,708,168.58
Processes, Trade Marks, Goodwill and Premiums paid on purchase of Subsidiary Companies' Capital Stocks, less the Surpluses of these Companies at date of acquisition.....	7,690,008.57
	<u>15,398,377.15</u>
	<u>\$20,046,131.61</u>

APPROVED ON BEHALF OF THE BOARD:

JOHN IRWIN, Director,
P. A. THOMSON, Director.

OIL COMPANY LIMITED COMPANIES

JANUARY 31st, 1929

LIABILITIES

CURRENT LIABILITIES:	
Bank Loans (secured).....	\$1,882,197.70
Accounts Payable and Accrued Liabilities.....	648,728.14
Reserve for Dominion Income Tax.....	110,158.74
	<u>\$2,641,084.58</u>
DEFERRED CONTRACT LIABILITIES.....	
	192,400.00
FIRST MORTGAGE BONDS OF FRONTENAC OIL REFINERIES LIMITED 6 1/2% DUE 1941:	
Issued.....	\$1,000,000.00
LESS: Held by McColl-Frontenac Oil Co. Ltd.....	950,400.00
	<u>10,600.00</u>
RESERVES:	
For Depreciation.....	\$820,370.06
For Accrued and Unpaid Dividends on Shares of Subsidiary Company.....	94,237.50
	<u>913,608.46</u>
CAPITAL STOCKS OUTSTANDING:	
Frontenac Oil Refineries Limited:—	
7% Cumulative Preferred Shares of \$100.00 each (Authorized issue 20,000 shares).....	837,500.00
McColl-Frontenac Oil Company Limited:—	
6% Cumulative Sinking Fund Preferred shares of \$100.00 each (Authorized issue 100,000 Shares).....	7,400,000.00
Common Stock without Nominal or Par Value (Authorized issue 750,000 shares) 500,000 shares issued and subscribed for.....	\$8,900,000.00
LESS: Subscriptions unpaid.....	614,248.53
	<u>8,275,751.47</u>
SURPLUS ACCOUNT:	
Balance as per statement attached.....	603,187.10
	<u>\$20,046,131.61</u>

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of McColl-Frontenac Oil Company Limited and McColl Brothers Limited for the thirteen months ending January 31, 1929, and have been furnished with audited accounts of the Frontenac Oil Refineries Limited for the same period, and with all the information and explanations which we have required; and we certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up as to set forth the true financial position of McColl-Frontenac Oil Company Limited and its subsidiary companies, at January 31, 1929, according to the best of our information and the explanations given to us and as shown by the books of the Companies which we have examined and the audited accounts furnished to us.

PRICE, WATERHOUSE & CO.,
Auditors.

MONTREAL, April 15, 1929.

McCOLL-FRONTENAC OIL COMPANY LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE THIRTEEN MONTHS ENDING JANUARY 31, 1929

Profit from Operations and Income from Investments.....	\$1,622,660.76
DEDUCT:	
Interest on First Mortgage Bonds of Frontenac Oil Refineries Limited.....	7,428.85
Other Interest and Exchange.....	14,043.30
Provision for Depreciation.....	260,250.30
Reserve for Bad Debts and Investments.....	22,742.03
	<u>305,364.66</u>
Balance of Profit.....	\$1,317,296.10
DEDUCT:	
Provision for Dominion Income Tax.....	\$97,000.00
Reserve for Accrued and Unpaid Dividends on shares of Subsidiary Company.....	94,237.50
Dividends paid:	
McColl-Frontenac Oil Company Limited 6% Preferred.....	416,621.50
Common.....	106,250.00
	<u>714,100.00</u>
Surplus Balance.....	<u>\$603,187.10</u>

McCOLL-FRONTENAC Oil Company Limited

CONSOLIDATED BALANCE

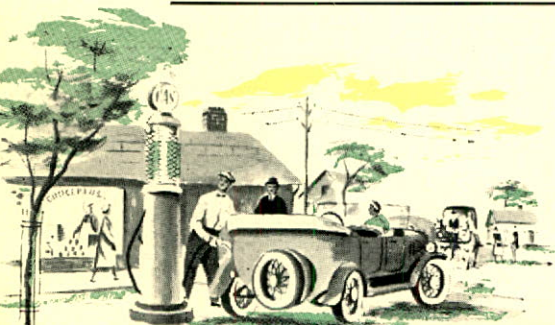
AND SUBSIDIARY COMPANIES

Assets

	1952	1951
CURRENT ASSETS:		
Cash	\$ 5,861,364	\$ 4,966,757
Accounts receivable, less reserve	8,671,246	7,650,082
Inventories		
Crude and refined oil products and merchandise, valued on monthly average cost basis which in the aggregate was lower than market	21,023,986	23,530,584
Materials and supplies, at or below cost	2,178,524	2,137,752
Total current assets	<u>\$37,735,120</u>	<u>\$38,285,175</u>
INVESTMENTS AND LONG-TERM RECEIVABLES:		
Investment in non-subsidiary pipe line companies	\$ 1,303,513	\$ 960,450
Receivable re sale of Pakowki Lake gas property	2,764,472	—
Other receivables, secured by mortgages, etc., less reserve	3,268,337	2,994,401
Total investments and long-term receivables	<u>\$ 7,336,322</u>	<u>\$ 3,954,851</u>
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Producing	\$12,205,817	\$ 9,361,486
Manufacturing	34,510,213	32,243,438
Marine	1,028,116	1,025,125
Marketing	25,921,612	21,816,824
Other	221,940	187,276
	<u>\$73,887,698</u>	<u>\$64,634,149</u>
Less: Reserve for depreciation, depletion and amortization	36,839,876	32,420,763
Net property, plant and equipment	<u>\$37,047,822</u>	<u>\$32,213,386</u>
DEFERRED CHARGES:		
Insurance, taxes and other deferred charges	\$ 705,926	\$ 965,277
Unamortized discount and expense on long-term debt	290,653	311,192
Total deferred charges	<u>\$ 996,579</u>	<u>\$ 1,276,469</u>
	<u><u>\$83,115,843</u></u>	<u><u>\$75,729,881</u></u>

Signed on behalf of the Board,

J. M. PRITCHARD, Director
T. C. TWYMAN, Director



Liabilities

	1952	1951
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 6,357,116	\$ 5,562,619
Sales, motor fuel and sundry taxes	2,039,830	1,580,091
Provision for income taxes	3,908,881	3,531,193
Bonds and debentures due within one year	1,167,000	1,167,000
Preferred dividend payable	60,000	60,000
Total current liabilities	<u>\$13,532,827</u>	<u>\$11,900,903</u>
LONG-TERM DEBT:		
First mortgage bonds (Authorized and issued: \$20,000,000)		
3% Serial bonds, 1946 series, due October 1, 1954-1958	\$ 2,500,000	\$ 3,000,000
3% Sinking fund bonds, 1946 series, due October 1, 1971	6,500,000	6,500,000
3¼% Sinking fund bonds, 1947 series, due October 1, 1972	7,500,000	7,500,000
Debentures		
3¼% Debentures, series A, due January 2, 1954-1966	8,666,000	9,333,000
Total long-term debt	<u>\$25,166,000</u>	<u>\$26,333,000</u>
PREFERRED STOCK:		
4% Cumulative redeemable preferred shares of \$100 par value (Redeemable at \$102.50 on thirty days' notice)		
Authorized 100,000 shares		
Issued 60,000 shares	\$ 6,000,000	\$ 6,000,000
COMMON STOCK AND SURPLUS:		
Common shares of no par value		
Authorized 4,975,526 shares		
Issued 2,607,963 shares	\$19,133,534	\$19,133,534
Earned surplus	19,283,482	12,362,444
Total common stock and surplus	<u>\$38,417,016</u>	<u>\$31,495,978</u>
	<u>\$83,115,843</u>	<u>\$75,729,881</u>

Submitted with our Report to the Shareholders dated February 16, 1953.

P. S. ROSS & SONS,
PRICE WATERHOUSE & CO.,
Chartered Accountants.



McCOLL-FRONTENAC Oil Company Limited

AND SUBSIDIARY COMPANIES

statement of consolidated income account

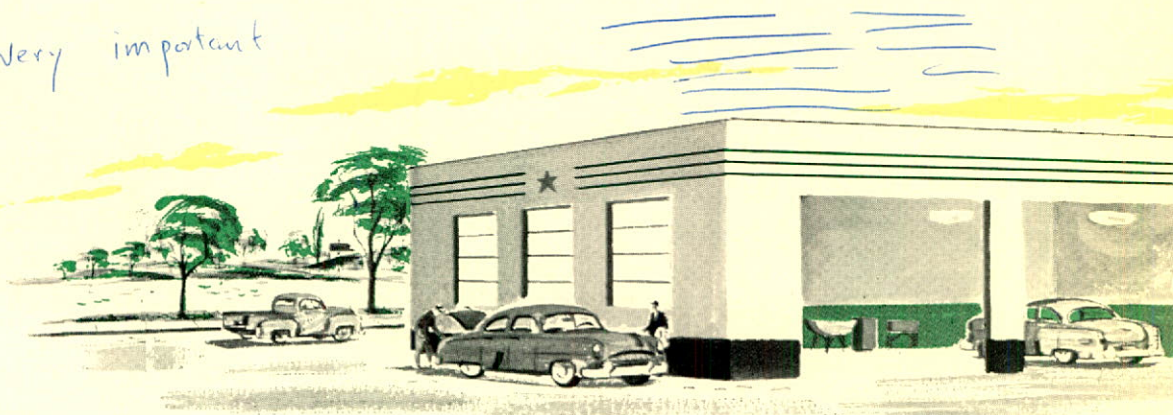
FOR THE YEARS ENDED DECEMBER 31, 1952 AND 1951

	1952	1951
GROSS INCOME:		
Sales and services	\$100,376,482	\$92,141,931
Interest and other income	275,659	505,275
	<u>\$100,652,141</u>	<u>\$92,647,206</u>
 OPERATING CHARGES:		
*Costs, operating, selling and general expenses	\$ 75,762,703	\$69,157,756
**Taxes (other than taxes on income)	5,464,393	4,166,596
Intangible development costs (<i>amortization and dry hole expense</i>)	791,397	669,162
Depletion and leases surrendered	141,748	127,808
Depreciation	5,036,244	5,646,463
	<u>\$ 87,196,485</u>	<u>\$79,767,785</u>
	 \$ 13,455,656	 \$12,879,421
 INTEREST CHARGES:		
Interest and amortization of discount and expense on long-term debt	863,861	903,739
	<u>\$ 12,591,795</u>	<u>\$11,975,682</u>
 PROVISION FOR INCOME TAXES	6,669,000	6,076,000
 NET INCOME CARRIED TO EARNED SURPLUS ACCOUNT	<u>\$ 5,922,795</u>	<u>\$ 5,899,682</u>

*Operating charges for 1952 include: counsel and solicitors' fees \$62,035, directors' fees \$11,283, and remuneration to executive officers and salaried directors \$243,820.

**In addition, provincial motor fuel and oil taxes were paid or accrued in the amount of \$25,657,465 during 1952 and \$23,277,283 during 1951.

Very important



statement of consolidated earned surplus account

FOR THE YEARS ENDED DECEMBER 31, 1952 AND 1951

	1952	1951
EARNED SURPLUS AT BEGINNING OF YEAR	\$12,362,444	\$13,269,491
SURPLUS CREDITS:		
Net gain on sale of Pakowki Lake gas property	✓ 3,846,206	—
	\$16,208,650	\$13,269,491
SURPLUS CHARGES:		
Amount written off premium paid on subsidiary companies' capital stock	—	3,958,766
	\$16,208,650	\$ 9,310,725
NET INCOME FOR THE YEAR	5,922,795	5,899,682
	\$22,131,445	\$15,210,407
Deduct: Dividends — preferred stock	\$ 240,000	\$ 240,000
— common stock	2,607,963	2,607,963
	\$ 2,847,963	\$ 2,847,963
EARNED SURPLUS AT END OF YEAR	\$19,283,482	\$12,362,444



McCOLL - FRONTENAC Oil Company Limited AND SUBSIDIARY COMPANIES

FINANCIAL

	1952	1951	1950
Gross income	\$ 100,652,141	\$92,647,206	\$82,474,250
Net income before provision for income taxes	\$ 12,591,795	\$11,975,682	\$10,682,296
Net income for the year	\$ 5,922,795	\$ 5,899,682	\$ 6,661,296
Cash dividends declared on preferred stock	\$ 240,000	\$ 240,000	\$ 240,000
Net income on common stock	\$ 5,682,795	\$ 5,659,682	\$ 6,421,296
Net income per common share	\$ 2.18	\$ 2.17	\$ 2.46
Cash dividends declared on common stock	\$ 2,607,963	\$ 2,607,963	\$ 2,216,769
Cash dividends declared per common share	\$ 1.00	\$ 1.00	\$ 0.85
Additions to property, plant and equipment	\$ 11,101,787	\$10,666,151	\$ 8,257,893
At end of year—			
Working capital (current assets less current liabilities)	\$ 24,202,293	\$26,384,272	\$29,369,121
Ratio current assets to current liabilities	2.79	3.22	3.78
Property, plant and equipment (gross)	\$ 73,887,698	\$64,634,149	\$55,112,419
Property, plant and equipment (net)	\$ 37,047,822	\$32,213,386	\$28,365,355
Total assets	\$ 83,115,843	\$75,729,881	\$76,468,197
Long-term debt	\$ 25,166,000	\$26,333,000	\$27,500,000
Number of outstanding common shares (of no par value)	2,607,963	2,607,963	2,607,963
Number of common shareholders	6,878	6,645	6,819
Number of outstanding preferred shares (\$100 par value)	60,000	60,000	60,000
Number of preferred shareholders	1,662	1,653	1,713

NOTE: Net income for the years 1943-1949 reflects applicable surplus

OPERATING

Gross crude oil production (barrels):			
In Canada	740,056	446,971	287,912
In Trinidad	670,248	602,851	578,936
Net crude oil production (barrels):			
In Canada	660,694	389,640	253,191
In Trinidad	632,539	550,073	524,190
Crude oil purchases, less sales (barrels)	11,835,070	11,833,577	10,764,412
Refinery runs to stills (barrels) — for own account	12,820,553	12,879,634	11,152,853
— for others	—	—	238,728
Total payrolls and employee benefits	\$ 8,043,939	\$ 6,719,049	\$ 5,925,559
Number of employees (end of year)	2,155	2,094	2,001

review of our business

1949	1948	1947	1946	1945	1944	1943
\$77,993,237	\$75,005,785	\$56,125,091	\$43,910,018	\$41,352,151	\$38,234,608	\$36,481,233
\$ 5,764,229	\$ 8,160,901	\$ 4,989,951	\$ 5,813,650	\$ 3,863,263	\$ 3,137,006	\$ 2,604,829
\$ 4,351,542	\$ 5,590,476	\$ 2,961,277	\$ 3,134,181	\$ 1,357,628	\$ 1,367,524	\$ 1,414,962
\$ 240,000	\$ 240,000	\$ 240,000	\$ 346,193	\$ 456,654	\$ 456,660	\$ 456,398
\$ 4,111,542	\$ 5,350,476	\$ 2,721,277	\$ 2,787,988	\$ 900,974	\$ 910,864	\$ 958,564
\$ 1.58	\$ 2.05	\$ 1.51	\$ 1.55	\$ 0.50	\$ 0.51	\$ 0.53
\$ 1,303,982	\$ 1,303,982	\$ 900,000	\$ 450,000	\$ 675,000	—	\$ 135,000
\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.25	\$ 0.375	—	\$ 0.075
\$ 4,375,088	\$ 9,824,321	\$ 8,994,645	\$ 3,067,973	\$ 1,225,677	\$ 1,090,914	\$ 380,844
\$18,502,244	\$14,483,357	\$10,380,468	\$ 9,306,294	\$ 9,706,465	\$ 9,791,822	\$ 7,466,594
2.81	2.02	2.02	2.45	2.38	2.69	1.97
\$47,713,831	\$45,888,068	\$37,795,194	\$30,368,205	\$29,283,441	\$28,527,591	\$28,165,184
\$25,336,507	\$26,790,730	\$19,705,995	\$13,061,729	\$11,673,003	\$11,705,811	\$11,872,032
\$63,432,371	\$65,607,803	\$51,636,583	\$39,300,216	\$38,409,064	\$36,664,996	\$36,880,797
\$18,000,000	\$18,500,000	\$19,000,000	\$12,000,000	\$10,100,000	\$10,400,000	\$10,700,000
2,607,963	2,607,963	1,800,000	900,000	900,000	900,000	900,000
6,685	6,538	5,622	5,831	6,382	6,555	6,814
60,000	60,000	60,000	60,000	76,110	76,110	76,120
1,773	1,794	1,752	1,796	3,236	3,265	3,336
adjustments, and net income and dividends per common share for 1946 and prior years have been adjusted to reflect the 2 for 1 split of common shares in 1947.						
57,639	—	—	—	—	—	—
635,019	587,694	602,341	538,893	304,102	453,185	215,364
50,435	—	—	—	—	—	—
573,547	530,657	545,355	486,779	262,117	390,944	151,187
9,691,014	10,256,449	8,304,946	7,769,829	6,733,494	6,425,208	6,233,560
10,759,346	10,390,300	9,081,055	8,309,740	7,161,963	6,607,822	6,553,354
1,997,727	—	—	—	—	—	—
\$ 5,789,082	\$ 5,540,303	\$ 4,594,738	\$ 3,782,746	\$ 3,422,452	\$ 3,284,355	\$ 3,051,302
2,050	2,044	1,944	1,567	1,497	1,460	1,399

Auditors' Report

TO THE SHAREHOLDERS OF
McCOLL-FRONTENAC OIL COMPANY LIMITED:

We have examined the consolidated balance sheet of McColl-Frontenac Oil Company Limited and its subsidiary companies as at December 31, 1952 and the related consolidated statements of surplus and of income for the year ended on that date. Our examination, which was made in accordance with generally accepted auditing standards applicable in the circumstances, included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary, and we obtained all the information and explanations we required. The financial statements of the subsidiary company in Trinidad, B.W.I. have been examined by other chartered accountants and have been accepted by us for inclusion in the consolidated statements.

In our opinion, based upon such examination, the attached consolidated balance sheet of the Company and its subsidiaries and the related consolidated statements of surplus and of income are properly drawn up so as to show a true and correct view of the state of the combined affairs of the companies at December 31, 1952 and the results of the combined operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the companies.

P. S. ROSS & SONS,
PRICE WATERHOUSE & CO.,
Chartered Accountants.

MONTREAL, QUEBEC.
February 16, 1953.

