

*Texaco Canada Ltd.*

# *Eighth* ANNUAL REPORT

**McCOLL-FRONTENAC**  
OIL COMPANY LIMITED



*For Fiscal Year Ending*  
**JANUARY Thirty-first - 1936**





McCOLL-FRONTENAC OIL COMPANY  
Limited



*Eighth Annual Report*

for  
Fiscal Year Ending  
JANUARY THIRTY-FIRST  
1936.



# McCOLL-FRONTENAC OIL COMPANY

## Limited

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting herewith your Company's Eighth Annual Report, together with Balance Sheet as at January 31st, 1936, and Profit and Loss Account for the twelve months period ending on that date, prepared in accordance with the provisions of the Dominion Companies' Act, 1934, and amendments thereto.

Compliance with the Companies' Act has made it necessary to change the form of your Company's Statement, as, in accordance with Sub-section 2 of Section 113, legal fees and executive officers' remuneration are shown as separate items.

Your Company's total profits before the deduction of Bond Interest, Income Tax and Dividends amounted to \$1,848,058.45 last year as compared with \$1,999,832.19 this year, an increase of \$151,773.74.

After deductions of Bond Interest, Income Tax and Preferred Stock dividends, there remains a balance of \$767,652.42, equivalent to \$1.16 per share on 660,000 shares of Common Stock now outstanding, as against \$1.15 per share last year on the 550,000 shares of Common Stock then outstanding.

Total profits from operations and income from investments amounted to \$2,804,760.55 this year as compared with \$2,558,860.71 last year, an increase of \$245,899.84.

Current Assets amount to \$6,103,150.05, Current Liabilities to \$1,576,811.45, giving a Net Working Capital of \$4,526,338.60.

Net additions to properties in Canada during the year in review amounted to \$878,992.15. These expenditures were for service stations (built principally in the Province of Ontario), marine terminals, additions to warehouses, etc.

During the year your Company acquired oil producing properties on the Island of Trinidad, B.W.I. Drilling operations are under way and the first well has been brought in successfully.

In October, 1935, 2,500 shares of your Company's Preferred Stock were sold from the Treasury netting your Company \$100.00 per share; also 110,000 additional shares of the Common Stock of your Company were offered to the shareholders at \$12.00 net per share. The proceeds from the sale of the above-mentioned Preferred and Common Stock provided the money for the acquisition of the properties in Trinidad and took care of the capital expenditures above referred to.

The improvement in automotive activity in both Canada and the United States has reflected itself in an increase in the consumption of petroleum products, and your management anticipate a continuance of this improvement.

Your Company's refineries, warehouses, service stations, tankers, rolling stock and other equipment have been maintained in their customary high state of efficiency.

Your Directors wish again to express their appreciation of the faithful and efficient service rendered by the staff and employees of your Company.

On behalf of the Board,

JOHN IRWIN,  
*President.*

MONTREAL, April 16th, 1936.

McCOLL-FRONTENAC OIL COMPANY LIMITED  
AND WHOLLY-OWNED CANADIAN SUBSIDIARY  
COMPANIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND  
EARNED-SURPLUS ACCOUNT, YEAR ENDED  
JANUARY 31, 1936

Profit from Operations.....	\$3,028,761.21	
Deduct: Legal Fees.....	\$ 24,588.66	
Executive Officers' Re-		
muneration.....	204,592.52	
Directors' Remunera-		
tion.....	11,669.44	
	<u>240,850.62</u>	
	\$2,787,910.59	
Income from Investments.....	16,849.96	
	<u>\$2,804,760.55</u>	
DEDUCT:		
Reserve for Depreciation.....	\$ 709,112.76	
Provision for Doubtful Accounts.....	46,916.43	
Amortization of Bond Discount, etc.....	48,899.17	
	<u>804,928.36</u>	
	\$1,999,832.19	
DEDUCT ALSO:		
Bond and Mortgage Interest.....	581,927.77	
	<u>\$1,417,904.42</u>	
Provision for Income and other Corporation Taxes year ended		
January 31, 1936.....	191,000.00	
Net Profit for the year after providing for Income Taxes....	\$1,226,904.42	
Dividends paid on 6% Preferred Shares.....	459,252.00	
	<u>\$ 767,652.42</u>	
Dividends paid on Common Shares.....	459,398.20	
	<u>\$ 308,254.22</u>	
ADD: Surplus Balance, January 31, 1935.....	3,099,020.39	
	<u>\$3,407,274.61</u>	
DEDUCT: Cost of Preferred Shares purchased during 1935 for		
redemption.....	43,600.00	
Earned Surplus Balance, January 31, 1936.....	<u>\$3,363,674.61</u>	



# McCOLL-FRONTENAC OIL COMPANY AND WHOLLY-OWNED CANADIAN SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

### ASSETS

#### CURRENT ASSETS:

Cash on Hand and in Bank.....	\$ 444,579.95	
Marketable Securities at Quoted Values.....	76,461.00	
Accounts and Bills Receivable, less Reserve....	1,709,311.21	
Inventories as determined on the Company's usual basis and certified by the Management; raw materials, supplies and merchandise being valued at laid-down cost; and finished products at less than market values.....	3,872,797.89	
		\$6,103,150.05

#### INVESTMENTS IN AND ADVANCES TO OTHER

##### SUBSIDIARY COMPANIES:

Investments.....	\$1,564,474.04	
Advances.....	335,771.46	
		1,900,245.50

#### OTHER INVESTMENTS, LOANS AND ADVANCES (less Reserve).....

835,326.99

#### FIRST MORTGAGE COLLATERAL TRUST 6% BONDS due 1949, purchased in anticipation of Sinking Fund requirements, Par Value.....

48,000.00

#### COST OF COMMON SHARES OF COMPANY PURCHASED UNDER BY-LAW "D" FOR SALE TO EMPLOYEES.....

131,733.32

#### DEFERRED CHARGES:

Insurance, Taxes and Other Prepaid Expenses.....	\$ 317,113.53	
Bond Discount and Stock Issue Expense, less amounts written off.....	597,948.89	
		915,062.42

#### COST OF PROPERTIES:

Land, Buildings and Equipment at Cost.....	\$19,777,347.80	
Trade Marks, Processes and Goodwill.....	\$ 742,837.66	
Premium paid on purchase of Subsidiary Companies' Capital Stocks.....	6,942,479.21	
	7,685,316.87	

27,462,664.67

#### AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of McColl-Frontenac Oil Company Limited and its wholly owned Canadian Subsidiary Companies for the year ended January 31, 1936, and have received all the information and explanations which we have required, and in our opinion, the attached Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at January 31, 1936, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

In accordance with Section 114 of the Companies' Act, 1934, we report that profits of subsidiary companies for the year ended January 31, 1936, have been included in the accounts of the Company only to the extent of the dividends declared and receivable.

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

MONTREAL, QUE., March 16, 1936.

Auditors.

\$37,396,182.95

#### APPROVED ON BEHALF OF THE BOARD:

J. IRWIN, Director.  
P. A. THOMSON, Director.

# OIL COMPANY LIMITED

## DIAN SUBSIDIARY COMPANIES

HEET - JANUARY 31ST, 1936

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts and Notes Payable and Accrued	
Liabilities	\$ 902,868.50
Bond Interest Accrued	187,200.00
Provision for Income, Gasoline and Other	
Taxes	486,742.95
	<u>\$1,576,811.45</u>

DEFERRED CONTRACT LIABILITIES	193,173.56
MORTGAGES PAYABLE	198,014.63

#### RESERVES:

Depreciation	\$3,994,791.11
General and Contingency	50,917.59
	<u>4,045,708.70</u>

FIRST MORTGAGE COLLATERAL TRUST 6% BONDS	
DUE 1949 (Authorized Issue \$25,000,000.00)	\$9,880,000.00
Less: Redeemed and Cancelled	472,000.00
	<u>9,408,000.00</u>

#### PREFERRED STOCK:

6% Cumulative Sinking Fund Preferred	
Shares of \$100.00 each (Authorized Issue	
100,000 Shares)	
Issued, to January 31, 1935	82,053 Shares \$8,205,300.00
Issued during year	2,500 Shares 250,000.00
	<u>\$8,455,300.00</u>
Total Issued, January 31, 1936	84,553 Shares
Deduct: Redeemed	6,136 Shares 613,600.00
	<u>78,417</u>
Redeemable at \$105.00 on any dividend date,	
on thirty days' notice.	

#### COMMON STOCK AND SURPLUS:

Common Shares—	
Authorized, 750,000 Shares of no par value.	
Issued, to January 31, 1935	550,000 Shares \$9,390,000.00
Issued during year	110,000 Shares 1,320,000.00
	<u>\$10,710,000.00</u>

#### CAPITAL SURPLUS:

Representing the Par Value of Preferred	
Shares purchased for redemption since	
January 31, 1934.	
Balance January 31, 1935	\$15,500.00
Add: Purchased during year	43,600.00
	<u>59,100.00</u>
Earned Surplus:	
Balance per Statement attached	3,363,674.61
	<u>14,132,774.61</u>

NOTE—A dividend of twenty cents per share on the Common Shares has been declared payable March 15, 1936.

\$37,396,182.95

Submitted with our Report dated March 16, 1936.

P. S. ROSS & SONS,  
PRICE, WATERHOUSE & CO., Auditors.

# McCOLL-FRONTENAC OIL COMPANY LIMITED

1935

▽ ▽

JOHN IRWIN, Montreal  
*President*

P. A. THOMSON, Montreal  
*Vice-President*

J. A. WALES, Montreal  
*Vice-President in Charge of Operations*

J. M. PRITCHARD, Montreal  
*Vice-President in Charge of Sales*

S. S. GRIFFITHS, Toronto  
*Vice-President in Charge of Central Division Marketing*

H. H. BRADBURN, Winnipeg  
*Vice-President in Charge of Western Division Marketing*

AIR VICE-MARSHAL W. A. BISHOP, V.C., D.S.O., M.C., D.F.C.,  
Montreal  
*Vice-President*

FRED HUNT, Montreal  
*Secretary-Treasurer*

L. A. BROOKS, C.A., Montreal  
*Comptroller*

## *Directors*

AIR VICE-MARSHAL W. A. BISHOP	GORDON F. PERRY
H. H. BRADBURN	J. M. PRITCHARD
S. S. GRIFFITHS	P. A. THOMSON
JOHN IRWIN	J. A. WALES
A. J. NESBITT	BRIG.-GEN. J. B. WHITE

## *Fiscal Agents*

NESBITT, THOMSON & COMPANY LIMITED

## *Transfer Agents*

MONTREAL TRUST CO.

## *Registrars*

ROYAL TRUST CO.

## *Auditors*

PRICE, WATERHOUSE & COMPANY  
P. S. ROSS & SONS

*Head Office of the Company*  
ROYAL BANK BUILDING  
MONTREAL - CANADA





*The Symbol of Quality,  
Service and Dependability*









