

Texaco Canada Ltd.

Sixth

ANNUAL
REPORT

**McCOLL-FRONTENAC
OIL COMPANY LIMITED**



For Fiscal Year Ending
JANUARY Thirty-first - 1934

McCOLL-FRONTENAC OIL COMPANY
Limited



Sixth Annual Report

for
Fiscal Year Ending
JANUARY THIRTY-FIRST
1934

McCOLL-FRONTENAC OIL COMPANY

Limited

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting herewith your Company's sixth annual report, together with Balance Sheet as at January 31st, 1934, and Profit and Loss Account for the twelve months period ending on that date.

Total profits from operations and income from investments amounted to \$2,703,438.68, as compared with \$3,029,269.14 for the previous year, a decrease of \$325,830.46.

Current assets amount to \$6,325,618.04, compared with current liabilities of \$976,050.40, giving a net working capital of \$5,349,567.64, as compared with \$4,632,391.51 for the previous year. It will be noted that cash on hand amounting to \$908,661.35 and Dominion of Canada Bonds amounting to \$191,052.50 total \$1,099,713.85. These two items are \$123,663.45 in excess of the total current liabilities of your Company.

After deductions of reserves for depreciation, bad debts, investments, and contingencies, bond interest and exchange, income tax, and preferred stock dividends, there remained a balance of \$698,933.49, equivalent to \$1.27 per share on the 550,000 shares of common stock now outstanding, as against \$1.53 on 500,000 shares of common stock outstanding last year.

The total sale of Gasoline in the Dominion of Canada in 1933 fell off to the extent of 17,139,000 gallons. We, in common with other gasoline refiners, have felt the decrease in consumption, but it is pleasing to report that we have maintained our proportionate share of the business.

On May 30th, 1933, your Directors authorized the issue of 50,000 shares of common stock of no par value for a cash consideration of \$10.00 per share net to the Company. The proceeds from the sale of these shares were applied in the purchase of the Company's own Bonds.

From the standpoint of economical operations the properties of your Company are now well developed, and in as nearly a complete balance as it is possible to establish in the refining and distribution of petroleum products. Your Directors will continue to follow the policy of maintaining the refineries, warehouses, service stations, marine terminals, steamships and all distributing facilities in their accustomed high state of efficiency, and will endeavour to keep pace with the progress of the oil and gasoline industry whenever possible.

Your Directors wish to express their appreciation of the faithful and efficient service rendered by the staff and employees throughout the year.

On behalf of the Board,

JOHN IRWIN,
President.

MONTREAL, April 12th, 1934.

McCOLL-FRONTENAC OIL COMPANY LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND SURPLUS ACCOUNT YEAR ENDED 31st JANUARY, 1934

Profit from Operations and Miscellaneous Revenue.....		\$2,703,438.68
DEDUCT:		
Reserve for Depreciation.....	\$ 640,047.10	
Provision for Bad and Doubtful Accounts....	93,491.72	
Amortization of Bond Discount, etc.....	45,003.89	
	<u>778,542.71</u>	
		\$1,924,895.97
DEDUCT ALSO:		
Interest on Bonds.....	\$ 589,830.00	
Exchange paid and accrued on Bond Interest	32,959.48	
	<u>622,789.48</u>	
Net Profit for the year before providing for Income Taxes....		\$1,302,106.49
Provision for Income Taxes, year ending 31st January, 1934..		140,000.00
		<u>\$1,162,106.49</u>
Dividends paid on 6% Preferred Stock.....		463,173.00
		<u>\$ 698,933.49</u>
Dividends paid on Common Shares—Four Quarterly Dividends of Fifteen Cents per share up to 15th December, 1933.....		314,986.20
		<u>\$ 383,947.29</u>
Add: Surplus Balance, 31st January, 1933.....		2,504,354.44
Surplus Balance, 31st January, 1934.....		<u><u>\$2,888,301.73</u></u>

McCOLL-FRONTENAC C AND SUBSIDIAR

CONSOLIDATED BALANCE

ASSETS

CURRENT ASSETS:

Cash on Hand and in Bank.....	\$ 908,661.35	
Dominion of Canada Bonds—(Par Value \$195,000.00).....	191,052.50	
Other Bonds and Stocks, less Reserve.....	394,846.35	
Accounts and Bills Receivable, less Reserve for Bad and Doubtful Accounts.....	1,385,843.85	
Inventories of Merchandise and Supplies.....	3,445,213.99	
		\$6,325,618.04

INVESTMENT IN AND ADVANCES TO AFFILIATED COMPANIES AND LOANS AND MORTGAGES TO CUSTOMERS (less Reserve)	981,171.49
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FIRST MORTGAGE COLLATERAL TRUST—CONVERTIBLE 6% BONDS DUE 1949, purchased in anticipation of Sinking Fund requirements.....	371,500.00
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COST OF COMMON SHARES OF COMPANY PURCHASED UNDER BY-LAW "D" FOR SALE TO EMPLOYEES, BALANCE.....	142,290.75
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DEFERRED CHARGES:

Insurance, Taxes and Other Prepaid Ex- penses.....	\$ 224,361.97	
Bond Discount and Expense.....	653,639.07	
		\$ 878,001.04

COST OF PROPERTIES:

Land, Buildings and Equipment at Cost....	\$17,923,664.32	
Trade Marks, Processes and Goodwill.....	\$ 742,837.66	
Premiums Paid on Purchase of Subsidiary Companies' Cap- ital Stocks.....	6,942,479.21	7,685,316.87
		25,608,981.19

\$34,307,562.51

APPROVED ON BEHALF OF THE BOARD:

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

IL COMPANY LIMITED

RY COMPANIES

SHEET JANUARY 31st, 1934

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Liabilities . . .	\$ 588,945.77
Bond Interest Accrued	196,576.30
Reserve for Income Taxes	190,528.33

DEFERRED CONTRACT LIABILITIES \$ 976,050.40

MORTGAGES PAYABLE 44,200.00

RESERVES:

For Depreciation	\$2,975,283.65
General and Contingency	420,293.41
	3,395,577.06

FIRST MORTGAGE COLLATERAL TRUST CONVERTIBLE 6% BONDS DUE 1949 (Authorized Issue, \$25,000,000.00):

Outstanding, 31st January, 1933	\$9,880,000.00
Less: Redeemed during the year	148,500.00
	9,731,500.00

PREFERRED STOCK:

6% Cumulative Sinking Fund Preferred Shares of \$100.00 each (Authorized Issue—100,000 Shares).

Issued 82,053 shares	\$8,205,300.00
Deduct: Redeemed 4,477 shares	447,700.00
	77,576 shares
Deduct: Held for Redemption 1,068 shares	106,800.00
	76,508 shares
	7,650,800.00

Redeemable at 105 on any dividend date after thirty days' notice.

COMMON STOCK AND SURPLUS:

Common Shares—

Authorized—750,000 Shares without nominal or par value:

Issued, to 31st January, 1933 500,000 shares	\$8,890,000.00
Issued during year for cash . . . 50,000 shares	500,000.00
Total issued, 31st January, 1934 550,000 shares	\$9,390,000.00

Surplus—

Balance, 31st January, 1934	2,888,301.73
	12,278,301.73

NOTE:—A dividend of Fifteen Cents per share on the Common Shares has been declared payable March 15, 1934.

\$34,307,562.51

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of McColl-Frontenac Oil Company Limited and its Subsidiary Companies for the year ending January 31, 1934, and have received all the information and explanations which we have required; and we report that, 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, 1934, 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.,
Auditors.

MONTREAL, March 19, 1934.

McCOLL-FRONTENAC OIL COMPANY LIMITED

1933

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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

COLONEL 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

H. H. BRADBURN	GORDON F. PERRY
S. S. GRIFFITHS	J. M. PRITCHARD
JOHN IRWIN	P. A. THOMSON
HON. W. G. MITCHELL, K.C.	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



McColl-Frontenac Oil Company Limited is a purely Canadian Company, 95.42% of the entire stock being held within the Dominion of Canada in the hands of 9,393 shareholders.

You have assisted us loyally in the past, and as your support and goodwill is essential for the progress of your Company, we hope we may have its continuance from you and your friends.

