

Texaco Canada Ltd.



2nd
Annual Report

McCOLL-FRONTENAC

OIL COMPANY LIMITED

for
Period Ending
JANUARY THIRTY-FIRST
1930

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Annual Report
MCCOLL-FRONTENAC
OIL COMPANY LIMITED

for
Period Ending
JANUARY THIRTY-FIRST
1930

OFFICERS:

President

JOHN IRWIN, Montreal

Vice-President

P. A. THOMSON, Montreal

Vice-President

In charge of Operations

J. A. WALES, Montreal

Vice-President

In charge of Eastern Division Marketing

J. M. PRITCHARD, Montreal

Vice-President

In charge of Central Division Marketing

S. S. GRIFFITHS, Toronto

Vice-President

In charge of Western Division Marketing

H. H. BRADBURN, Winnipeg

Secretary-Treasurer

ARTHUR HUGHES, Montreal

Asst. Secretary-Treasurer

FRED HUNT, Montreal

Directors:

JOHN IRWIN.....	Montreal
A. J. NESBITT.....	Montreal
P. A. THOMSON.....	Montreal
J. B. WOODYATT.....	Montreal
GORDON PERRY.....	Toronto
E. R. PARKINS, K.C.....	Montreal
ARTHUR HUGHES.....	Montreal

Fiscal Agents

NESBITT, THOMSON & CO. LIMITED

Auditors

PRICE, WATERHOUSE & COMPANY

McCOLL-FRONTENAC OIL COMPANY

Limited

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting herewith your Company's second Annual Report, covering the fiscal year ending January 31st, 1930.

The continued success which has attended your Company's operations during the twelve months period covered by this report is particularly gratifying. Total operating profits amounted to \$2,171,394.01, being an increase of \$548,733.25 over the thirteen months period reported last year. Your Company's plants and properties have been maintained in first class condition.

The installation of distributing branches and service stations throughout the Western and Maritime Provinces mentioned in last year's report has been completed as well as substantial additions to the marketing facilities in the Provinces of Ontario and Quebec, bringing the total number of branches to 104 and service stations to 188. The result of this expansion is shown in the considerable increase in your Company's sales and operating profits. During the year a very extensive national advertising campaign was carried on and, in the opinion of your Directors, the results have more than justified this expenditure.

Considerable additions have been made to your Company's refineries, which are now in a position to take care of the increased sales. These additions include a new Cyclo gas unit at the Montreal Refinery, similar to that built last year in Toronto.

During the year contracts were placed for two new tank steamers, to be used for the transportation of crude oil and fuel oil on the Great Lakes. These two tank steamers, the "Cyclo-Chief" and "Cyclo-Warrior", will be delivered this month.

Eighty new tank cars were added to your Company's fleet during the year, bringing the total number now in service up to 136.

Your Company has been successful in concluding contracts providing for a supply of crude oil for the next three years, which contracts are on a more attractive basis than the Company has previously enjoyed.

At a meeting of shareholders of your Company held on the 7th of October, 1929, a By-Law was ratified, authorizing the creation and issue of 1st Mortgage and Collateral Trust Bonds to the principal amount of \$25,000,000.00, of which amount \$7,500,000.00 of Bonds have been sold. The proceeds from the sale of these Bonds has enabled the Company to redeem its bank loans, purchase the two new tank steamers aforementioned, and to complete the substantial programme of marketing and refinery expansion commenced last year.

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

On behalf of the Board,

JOHN IRWIN,
President.

May 5th, 1930.

McCOLL-FRONTENAC OIL COMPANY, LIMITED AND SUBSIDIARY COMPANIES

STATEMENT OF PROFIT AND LOSS AND SURPLUS ACCOUNT YEAR ENDING JANUARY 31, 1930

Profits from Operations and Income from Investments..... \$2,171,394.01

DEDUCT:

Reserve for Accrued Preferred Dividend on Frontenac Oil Refineries' Shares in hands of public.....	\$ 12,350.92	
Reserve for Depreciation.....	300,000.00	
Reserve for Bad Debts.....	78,319.00	
		390,669.92
		\$1,780,724.09

DEDUCT ALSO:

Interest on First Mortgage Bonds of McColl- Frontenac Oil Company Limited from date of issue.....	\$111,542.19	
Bank and other interest.....	132,211.53	
		243,753.72

Net Profit on Operations for the year before provid- ing for Dominion Income Tax.....	\$1,536,970.37
Surplus, Balance at January 31, 1929.....	603,187.10
	\$2,140,157.47

DEDUCT:

Losses on realization of Investments, adjust- ment of Sales Tax and other charges affecting prior years.....	\$113,022.13	
Provision for Dominion Income Tax for year ending January 31, 1930.....	105,000.00	
Dividends paid by McColl-Frontenac Oil Co. Ltd.:		
6% Preferred Shares.....	473,898.00	
Common.....	74,990.85	
		766,910.98

Surplus, Balance at January 31, 1930.....	\$1,373,246.49

McCOLL-FRONTENAC AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash on hand and on Call and in Bank..	\$ 897,540.36	
Bonds and Stocks not in excess of Market Values.....	342,470.00	
Accounts and Bills Receivable, less Reserve of \$147,787.92.....	1,230,211.43	
Inventories of Merchandise and Supplies.	3,572,695.58	
		<u>\$6,042,917.37</u>

INVESTMENTS, LOANS AND MORTGAGES AND BALANCES RECEIVABLE ON EQUIPMENT IN HANDS OF CUSTOMERS.....	1,221,713.00
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DEFERRED CHARGES:

Insurance, Taxes, Advertising, etc., paid in advance and Leasehold Property to be amortised.....	\$380,759.60	
Discount on Bonds.....	600,000.00	
		<u>980,759.60</u>

FIXED ASSETS:

Land, Buildings and Equipment at cost..	\$13,450,081.26	
Processes, Trade Marks, Goodwill and Premiums paid on purchase of Subsidiary Companies' Capital Stocks, less the Surpluses of these Companies at date of acquisition.....	7,685,316.87	
		<u>21,135,398.13</u>

\$29,380,788.10

APPROVED ON BEHALF OF THE BOARD:

J. IRWIN, Director.

P. A. THOMSON, Director.

65
25
40 x 150

600,000

10000
8000

OIL COMPANY LIMITED

COMPANIES

JANUARY 31st, 1930

LIABILITIES

CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$1,244,376.75	
Bond Interest Accrued	150,000.00	
		\$1,394,376.75
CONTRACT AND DEFERRED LIABILITIES		785,044.24
MORTGAGES PAYABLE		365,538.15
FIRST MORTGAGE BONDS OF FRONTENAC OIL REFINERIES LIMITED 6½% DUE 1942:		
Issued	\$1,000,000.00	
LESS: Held by McColl-Frontenac Oil Company Limited	989,400.00	
		10,600.00
RESERVES:		
For Depreciation	\$998,724.79	
For Accrued and Unpaid Dividends on Shares of Subsidiary Company	10,596.63	
		1,009,321.42
FIRST MORTGAGE COLLATERAL TRUST CONVERTIBLE:		
6% BONDS DUE 1949 (Total authorized issue \$25,000,000.00)		7,500,000.00
CAPITAL STOCK:		
Frontenac Oil Refineries Ltd.		
7% Cumulative Preferred Shares of \$100.00 each	\$173,400.00	
(Authorized issue 20,000 shares)		
McColl-Frontenac Oil Co. Ltd.		
6% Cumulative Sinking Fund Preferred Shares of \$100.00 each	8,062,200.00	
(Authorized issue 100,000 shares)		
Common Stock without nominal or par value (Authorized issue 750,000 shares)		
500,000 shares issued and subscribed for	\$8,890,000.00	
LESS: Subscriptions unpaid	182,938.95	
	8,707,061.05	
		16,942,661.05
SURPLUS ACCOUNT:		
Balance per statement attached		1,373,246.49
CONTINGENT LIABILITIES:		\$29,380,788.10
For Guarantees of Bank Loans and other obligations of Associated Companies	\$198,828.00	

AUDITORS' REPORT TO THE SHAREHOLDERS:

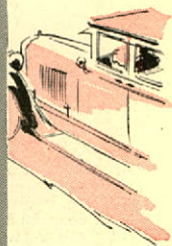
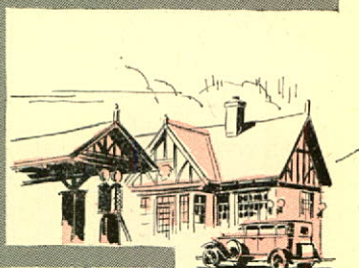
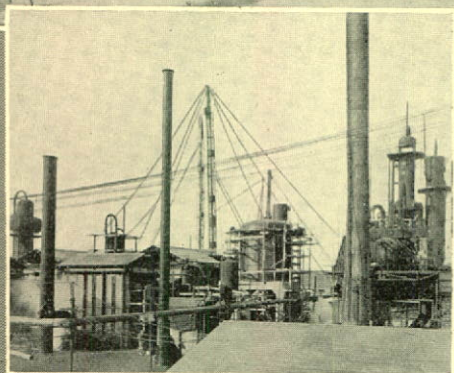
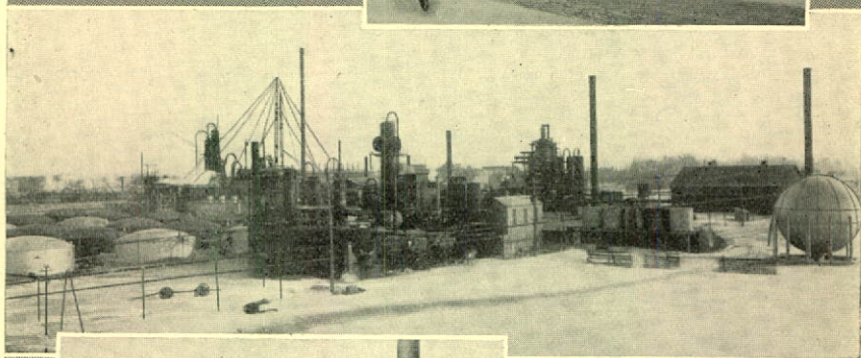
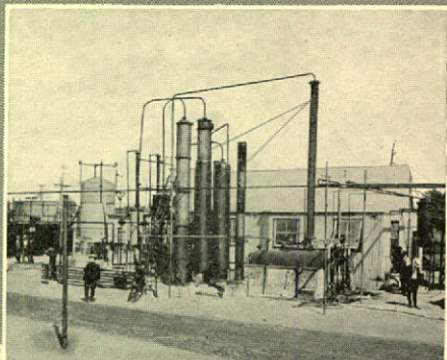
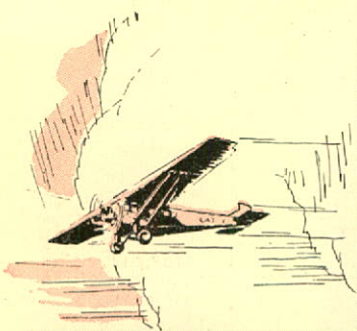
We have examined the books and accounts of McColl-Frontenac Oil Company Limited and McColl Brothers Limited for the year ending January 31, 1930, and have been furnished with audited accounts of the Frontenac Oil Refineries Limited for the same period, and with all the information and explanations which we have required; and we certify that, in our opinion, the attached Consolidated Balance Sheet is properly drawn up so as to set forth the true financial position of McColl-Frontenac Oil Company Limited and its subsidiary companies at January 31, 1930, 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.,

MONTREAL, May 5th, 1930.

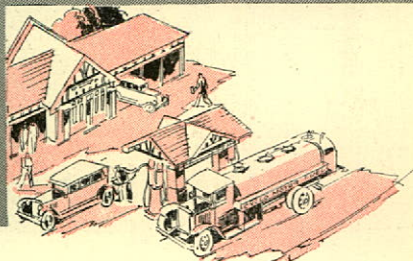
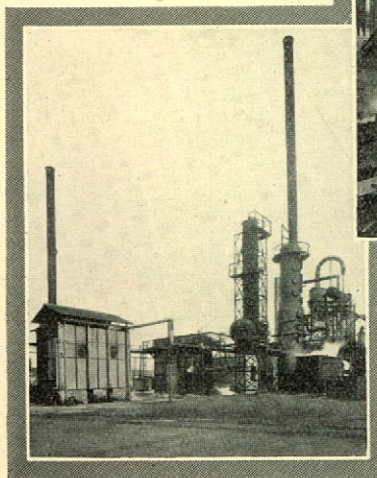
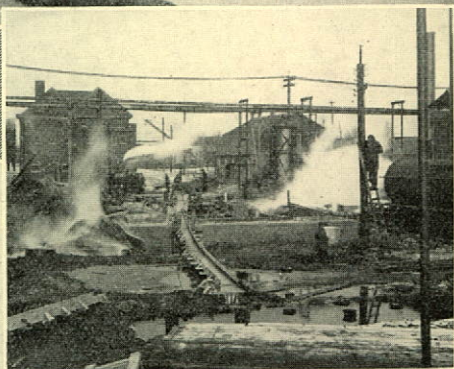
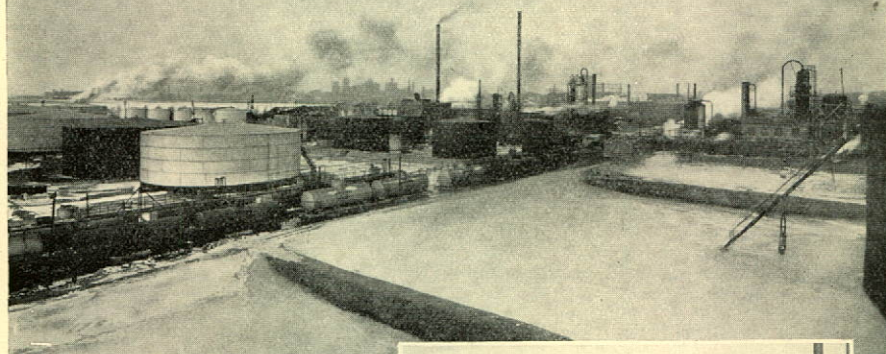
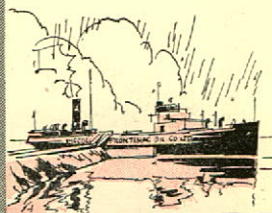
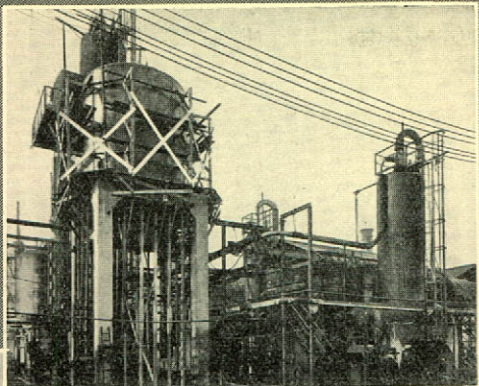
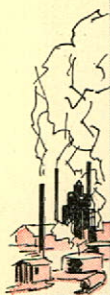
Auditors.

MONTREAL PRODUCTION



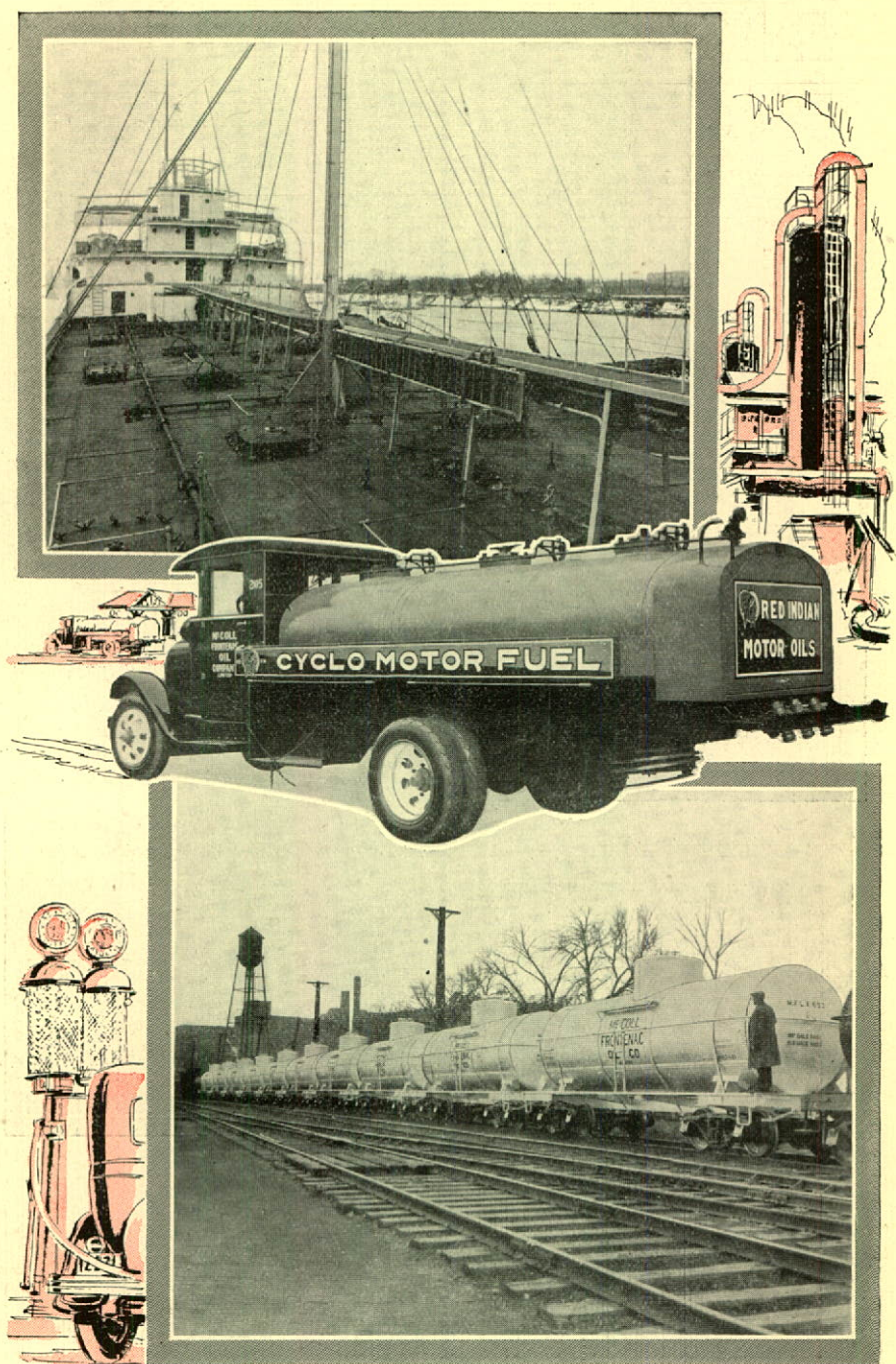
SOME INTERESTING ASPECTS OF THE MONTREAL EAST END REFINERY, OF PARTICULAR INTEREST ARE, CENTRE, A GENERAL VIEW OF THE REFINERY, AND IMMEDIATELY BELOW IT, THE NEW CYCLO GAS UNIT NOW COMPLETED.

TORONTO PRODUCTION



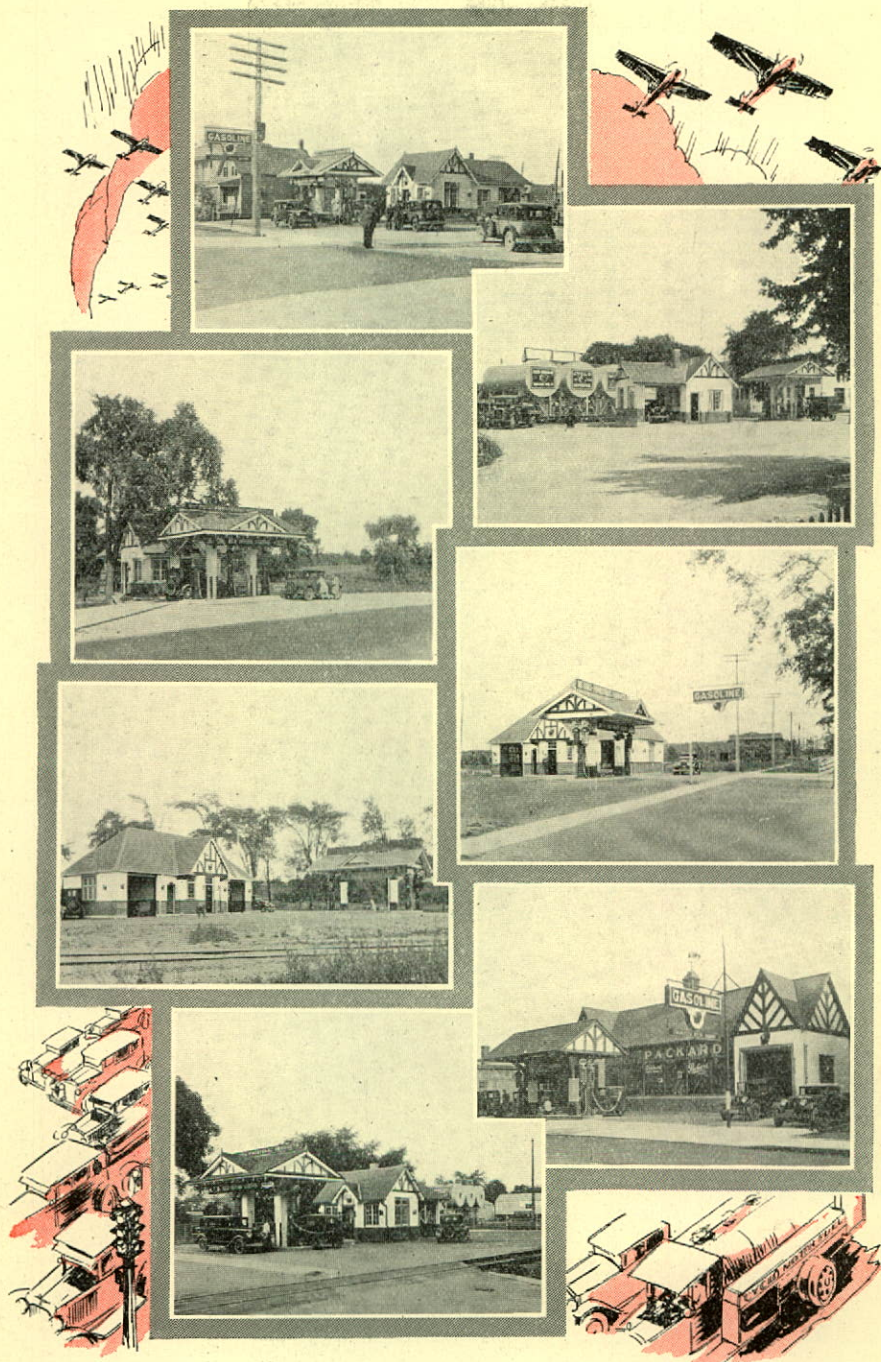
REPRESENTATIVE PHOTOGRAPHS OF TORONTO REFINERY FACILITIES. At Top, CYCLO UNIT; CENTRE, GENERAL VIEW OF REFINERY; LOWER RIGHT, FOUNDATIONS OF NEW JENKINS UNIT; LOWER LEFT, CRUDE STRIPPING UNIT.

TRANSPORTATION

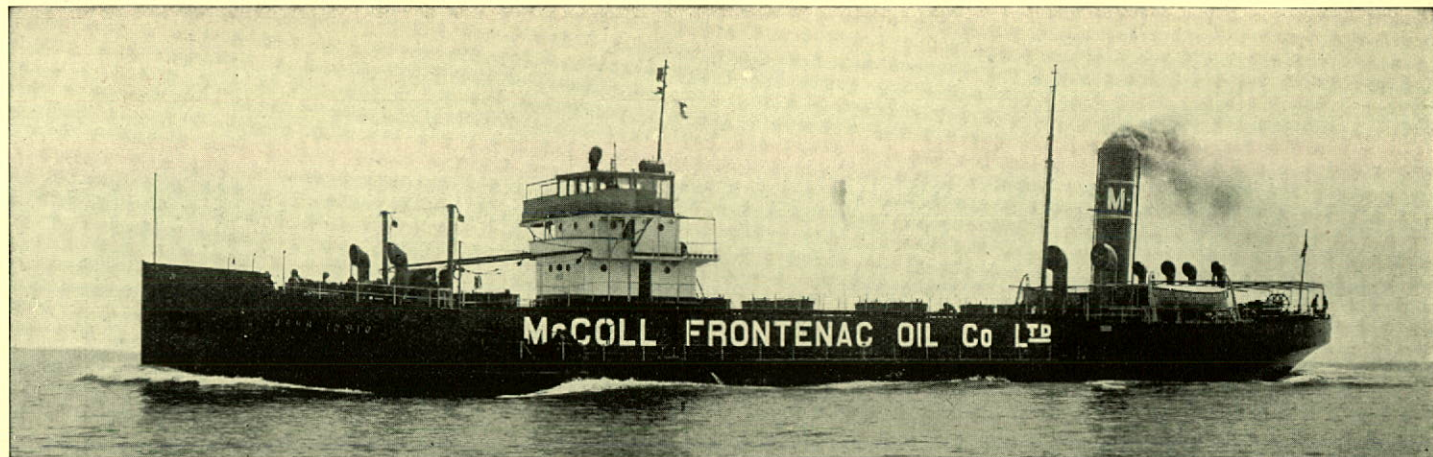


McCOLL-FRONTENAC TRANSPORTATION ON LAND AND WATER. AT TOP, THE S.S. FRONTENAC, LOOKING FORWARD, SHOWING THE CLOSED HATCHES OF THE OIL TANKS: CENTRE, A CYCLO TANK WAGON: BOTTOM, SOME OF THE NEW TANK CARS RECENTLY DELIVERED.

SERVICE



SEVEN INFORMATIVE VIEWS OF McCOLL-FRONTENAC SERVICE STATIONS
IN VARIOUS PARTS OF CANADA.



THE ABOVE PHOTO REPRESENTS OUR TWO NEW TANKERS, THE "CYCLO CHIEF" AND "CYCLO WARRIOR" WITH A CAPACITY OF 27,000 BARRELS

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