

Texaco Canada Ltd.



1st
Annual Report

McCOLL-FRONTENAC

OIL COMPANY LIMITED

for
Period Ending

JANUARY THIRTY-FIRST
1929

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Annual Report
MCCOLL-FRONTENAC
OIL COMPANY LIMITED

for
Period Ending
JANUARY THIRTY-FIRST
1929

OFFICERS:

President

JOHN IRWIN, Montreal

Vice-President

P. A. THOMSON, Montreal

Vice-President, Eastern Division

J. M. PRITCHARD, Montreal

Vice-President, Central Division

S. S. GRIFFITHS, Toronto

Vice-President, Western Division

H. H. BRADBURN, Winnipeg

Vice-President, Production Division

J. A. WALES, 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

ARTHUR HUGHES, *Secretary-Treasurer*

FRED. HUNT, *Asst. Secretary-Treasurer*

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 their first annual report covering the thirteen months period ended January 31, 1929. The success which has attended your Company's operations during the period is particularly gratifying, while benefits from the Company's expansion programme of the past year should become more pronounced throughout the current year.

Early in the year your Directors decided to make January 31st mark the end of our fiscal year. At that time sales of gasoline and oil are not as heavy as throughout other periods of the year, therefore, the convenience of the officers and staff is better served by the change.

Total operating profits for the thirteen months period under review amounted to \$1,622,660.76. After allowance for depreciation and reserve for bad debts, but before providing for income tax, net profits amounted to \$1,317,296.10.

You will note from our statement that inventories are high. This is due entirely to the necessity of storing at our Montreal and Toronto Refineries, large quantities of crude oil brought in by our own tank steamers during the open months of navigation.

Notwithstanding the fact that during the year we increased substantially the capacity of our Montreal refinery, sales throughout the Eastern Division have so outstripped production that further extensions are necessitated and these are now in progress.

Sales in the Toronto Division have shown a very large increase. We have, therefore, found it necessary to add to the equipment there by the installation of units for the manufacture of our Cyclo gas. We anticipate that these units will be in operation during the month of June.

In Western Canada our branches at Winnipeg, Regina, Saskatoon, Calgary and Vancouver have all shown substantial increases in sales and profits. The principal business at these branches has

been the sale of our lubricating oils. During the past year we established several of our standard service stations at Winnipeg and Regina for the distribution of gasoline. The results have been so satisfactory as to justify your directors in considering plans for still further development throughout the West.

In the Maritime Provinces quite an extensive programme is being carried out. At the opening of the automobile season there we expect to have in operation bulk stations and our standard filling stations at strategical points.

Last year our tank steamer, the "B. B. McColl," operating on the Great Lakes, was destroyed. It was fully covered by insurance, and an order was immediately placed with the Furness Shipbuilding Company in England for the construction of another tanker to replace the "B. B. McColl." The new tanker was launched last month and is now on its way to Toronto. It will be one of the largest and most up-to-date tankers on the Great Lakes having a carrying capacity of 14,000 barrels on 14-foot draft, as against the "B. B. McColl's" carrying capacity of 7,000 barrels. This steamer will enable us to effect a substantial saving in freight on crude oil between the ports of Buffalo and Toronto.

Our filling station programme, which was inaugurated early last year, has been completely carried out. We now have filling stations of our standard design at the most important points from Windsor, Ontario, to Quebec City. The majority of these stations were only completed during the latter part of 1928 when heavy automobile traffic was over for the season. With these stations ready for operation at the beginning of 1929 season, we may look forward with assurance to substantial increases in gallonage, in fact, this is already indicated in our sales for the first two months of our current fiscal year, which show an increase in gallonage of nearly 50% over the same period of 1928.

Your Directors 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.

April 18th, 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.....	14,943.39	
Provision for Depreciation.....	260,250.39	
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>

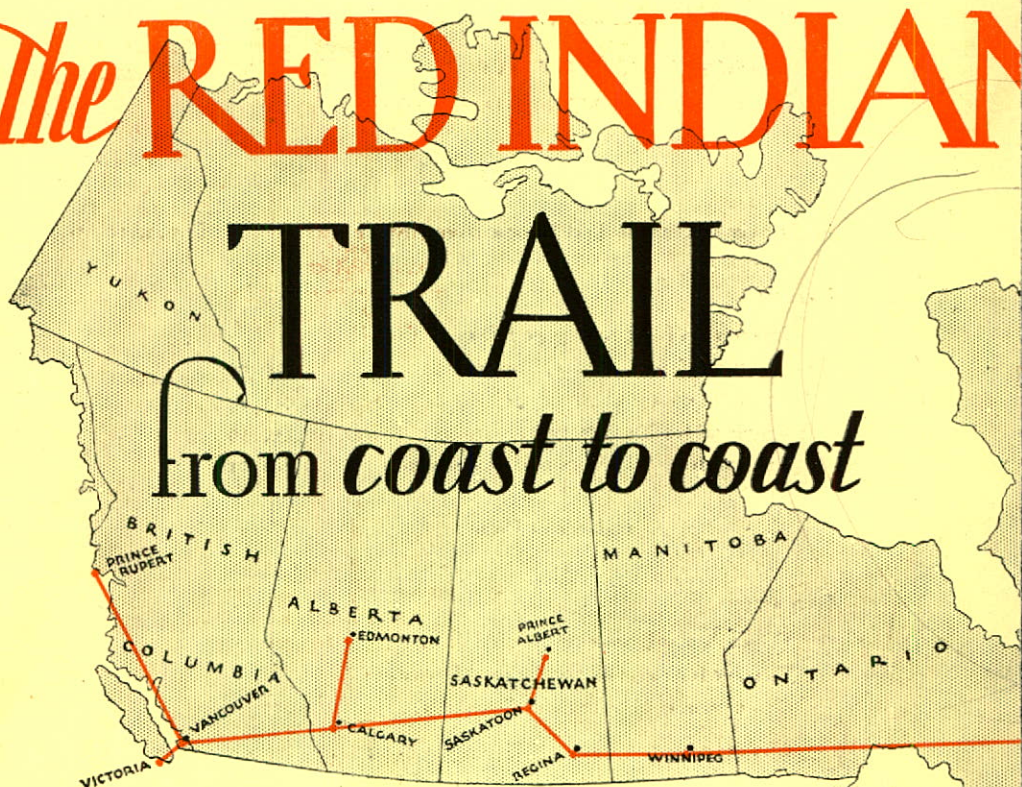
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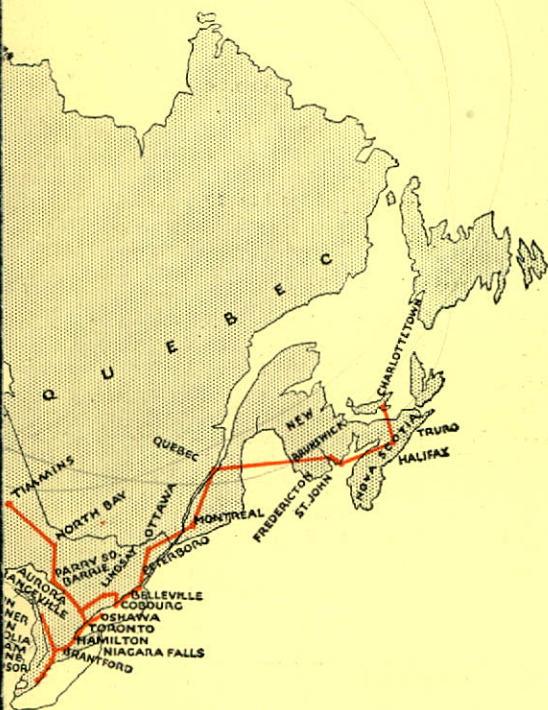
The RED INDIAN

TRAIL

from coast to coast



**Uniform Quality
and Service . . .
from Halifax . . .
to Vancouver!**



The McColl-Frontenac organization spans Canada from Atlantic to Pacific, and includes the most modern retail service stations, bulk stations, refineries and transportation facilities.



McCOLL-FRONTENAC AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$ 75,167.23	
Bonds and Stocks not in excess of Market Values.....	1,602,626.48	
Accounts and Bills Receivable, less Re- serves of \$100,200.41.....	1,009,852.87	
Inventories at cost.....	1,741,756.71	
	<hr/>	\$4,519,403.29

INVESTMENTS, LOANS AND MORTGAGES AND BALANCES RECEIVABLE ON EQUIPMENT IN HANDS OF CUSTOMERS.....

855,526.90

DEFERRED CHARGES:

Insurance, Taxes, Advertising, etc., paid in advance.....	172,824.27
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FIXED ASSETS:

Land, Buildings and Equipment at cost..	\$7,708,368.58	
Processes, Trade Marks, Goodwill and Premiums paid on purchase of Sub- sidiary Companies' Capital Stocks, less the Surplusses of these Com- panies at date of acquisition.....	7,690,008.57	
	<hr/>	15,398,377.15

\$20,946,131.61

APPROVED ON BEHALF OF THE BOARD:

JOHN IRWIN, Director.

P. A. THOMSON, Director.

OIL COMPANY LIMITED

COMPANIES

JANUARY 31st., 1929

LIABILITIES

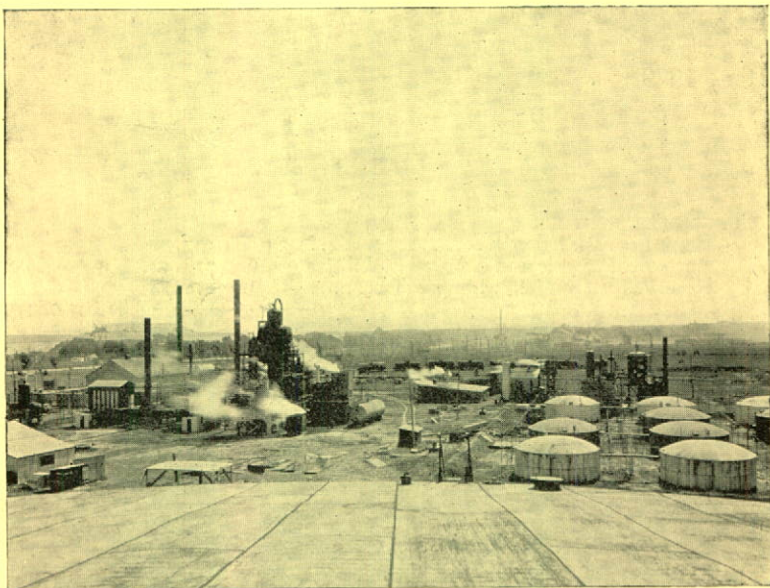
CURRENT LIABILITIES:	
Bank Loans (secured).....	\$1,884,197.70
Accounts Payable and Accrued Liabilities	648,728.14
Reserve for Dominion Income Tax.....	110,158.74
	<u>\$2,643,084.58</u>
DEFERRED CONTRACT LIABILITIES.....	192,400.00
FIRST MORTGAGE BONDS OF FRONTENAC OIL REFINERIES LIMITED 6½% DUE 1942:	
Issued.....	\$1,000,000.00
LESS: Held by McColl-Frontenac Oil Co. Ltd.....	989,400.00
	<u>10,600.00</u>
RESERVES:	
For Depreciation.....	\$829,370.96
For Accrued and Unpaid Dividends on Shares of Subsidiary Company.....	94,237.50
	<u>923,608.46</u>
CAPITAL STOCKS OUTSTANDING:	
Frontenac Oil Refineries Limited:—	
7% Cumulative Preferred Shares of \$100.00 each (Authorized issue 20,000 shares).....	897,500.00
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.....	\$8,890,000.00
LESS: Subscriptions unpaid.....	614,248.53
	<u>8,275,751.47</u>
	<u>16,573,251.47</u>
SURPLUS ACCOUNT:	
Balance as per statement attached.....	603,187.10
	<u>\$20,946,131.61</u>

AUDITORS' REPORT TO THE SHAREHOLDERS:

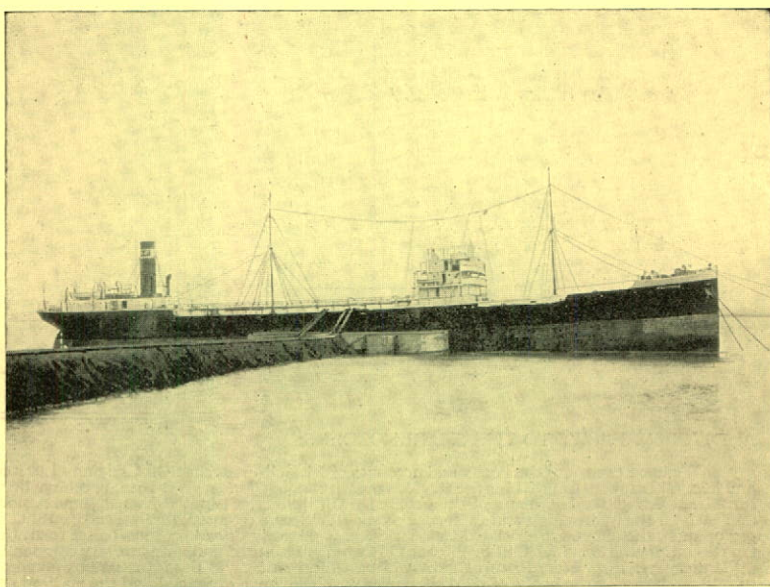
We have examined the books and accounts of McColl-Frontenac Oil Company Limited and McColl Brothers Limited for the thirteen months ending January 31, 1929, and have been furnished with audited accounts of the Frontenac Oil Refineries Limited for the same period, and with all the information and explanations which we have required; and we certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so 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.

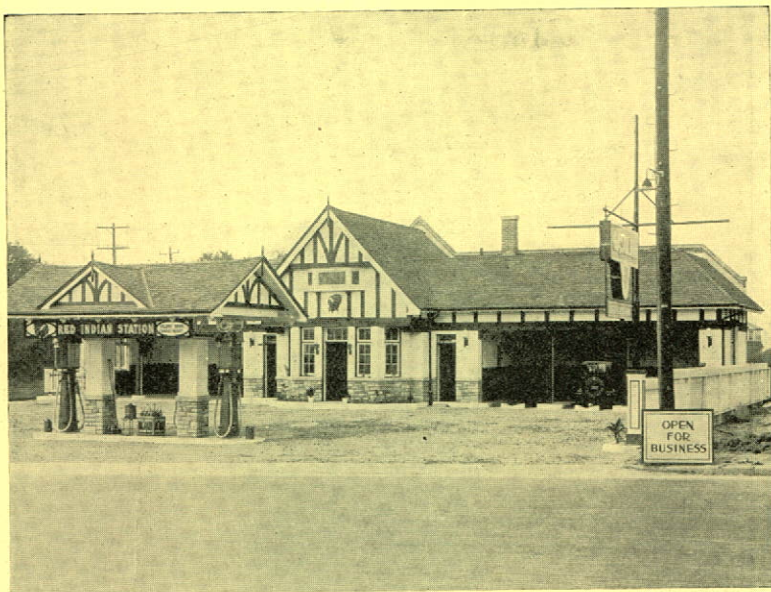
MONTREAL, April 25, 1929.



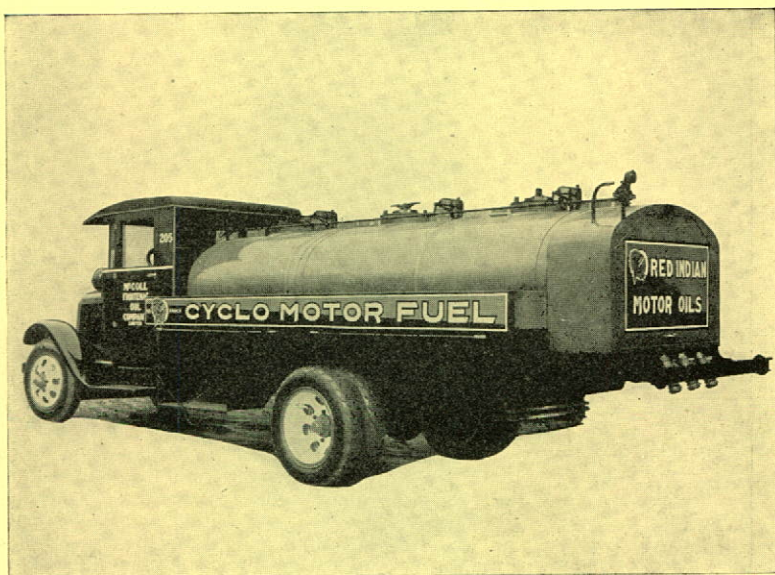
Montreal East Refinery to which extensions are now being made



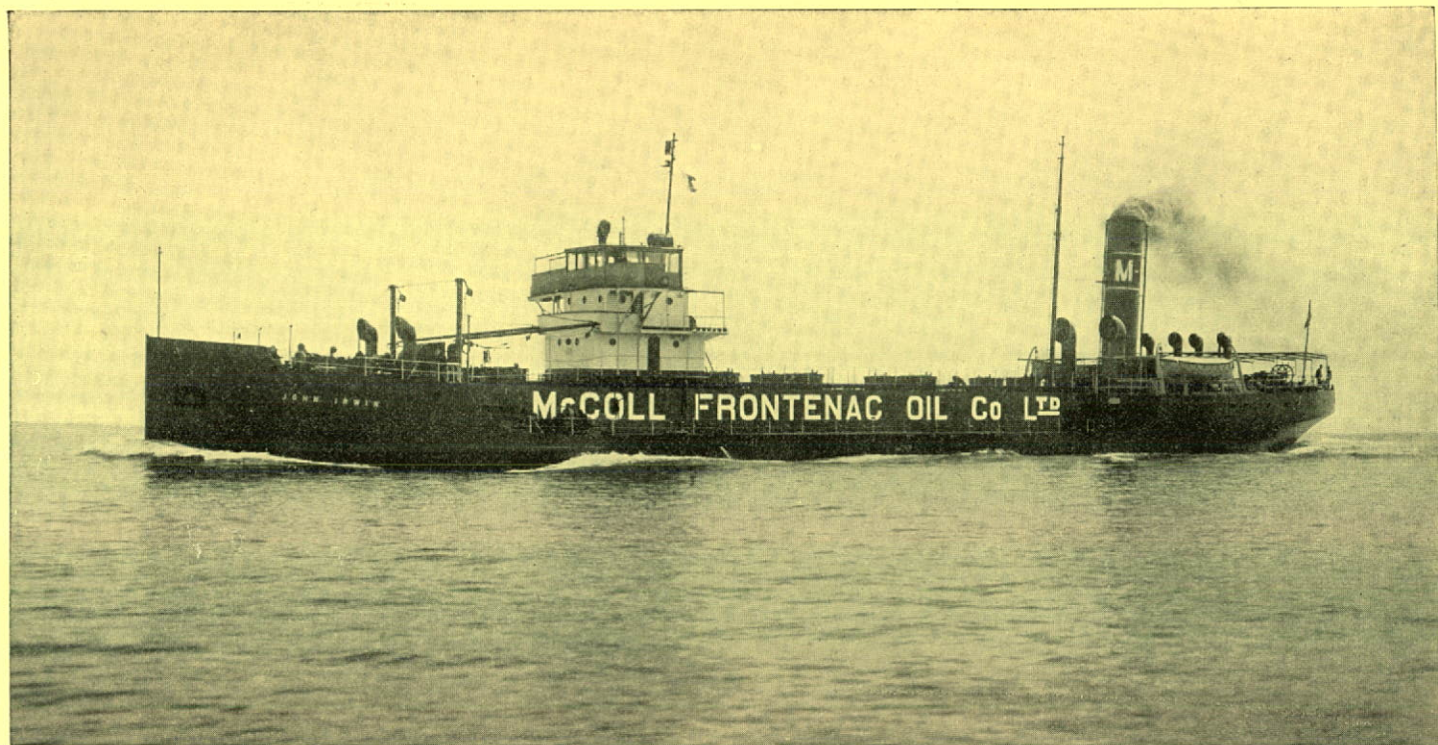
*"S.S. Frontenac" (11,300 ton Tanker) discharging Crude near
Montreal East Refinery*



Type of Service Station, which now dot all important highways in Eastern Canada



1,000 gallons capacity heavy delivery truck for Urban Service



New Tanker for Service between Buffalo and Toronto Refinery, Capacity 14,000 barrels

