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BATHURST POWER AND PAPER COMPANY LIMITED

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FOURTH ANNUAL REPORT
1931

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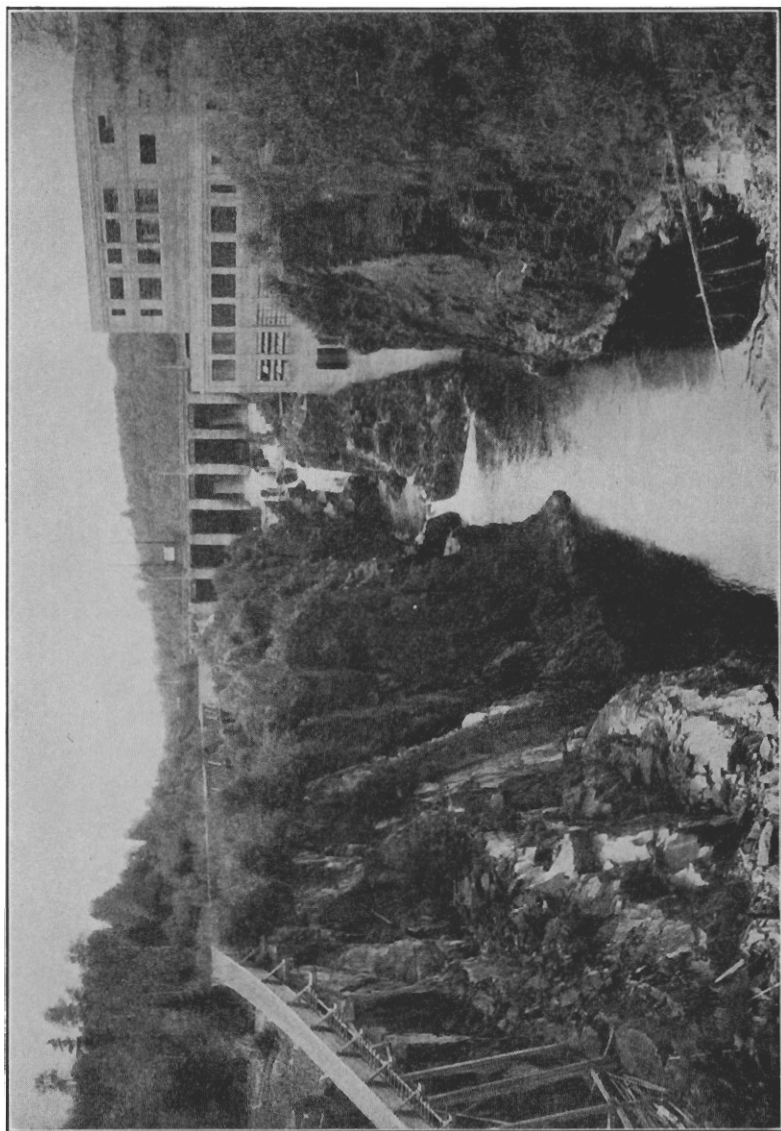
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McGILL UNIVERSITY

BATHURST POWER AND
PAPER COMPANY
LIMITED



FOURTH ANNUAL REPORT
1931



Power House at Nipisiguit Great Falls

Report of Directors

To the Shareholders of
Bathurst Power and Paper Company, Limited.

Your Directors submit herewith the fourth annual report of your Company, together with balance sheet as of December 31st, 1931, and relative profit and loss statement for the year ended that date.

After making provision for depletion of timber limits at the rate of \$1.00 per cord on wood cut and after making other adjustments, but before charging depreciation, the net loss for the year was \$201,565.23.

Conditions in the newsprint industry continued unsatisfactory throughout 1931. Sales of newsprint during the year were slightly under 10,000 tons and the average price realized was substantially lower than in the preceding year. The Company has booked contracts for the current year which are sufficient to allow for a 50% operation of one machine. Sales of sulphite pulp were below the previous year and the price realized was unproductive of profit.

During the year arrangements were completed for the manufacture of kraft liner board, one newsprint machine being equipped for that purpose at a cost of approximately \$165,000, and went into complete operation at the end of the year. The product has been favourably received in the trade and prospects for 1932 indicate that the Company may expect to receive its fair share of the business.

The balance sheet reflects an excellent financial position with net current assets exceeding \$2,100,000 and with a ratio of current assets to current liabilities in excess of 22 to 1. Cash and marketable securities (at quoted values) together are in excess of \$654,000. Your Company has no funded indebtedness or bank loans.

The physical assets have been well maintained and the plants are in good condition to take advantage of any improvement in business.

The auditors, Messrs. Price, Waterhouse and Company, retire at this time, and being eligible, offer themselves for re-election.

The Directors wish to acknowledge the loyal and efficient services rendered by all employees during a difficult year.

By Order of the Board of Directors.

S. B. BOND,
Secretary.

BATHURST, N.B., April 14th, 1932.

BATHURST POWER AND PAPER COMPANY LIMITED

AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet, December 31st, 1931

ASSETS	LIABILITIES
CURRENT ASSETS:	
Cash	\$ 59,322.95
Marketable Securities at Cost—	
Dominion of Canada Bonds (Quoted value \$202,762.50)	216,863.47
Municipal and Other Bonds (Quoted value \$392,140.90)	461,429.32
Accounts Receivable (less Reserve for Doubtful Accounts)	137,599.29
Inventories of Raw Materials, Supplies and Finished Products as certified by the Management	1,308,180.82
Expenditures on Logging Operations, Season 1931-32	16,323.25
	\$2,199,719.10
PROPERTIES:	
Timber Limits, Undeveloped Water Sites, Buildings, Plant and Machinery as re-valued December 31st, 1927, with subsequent additions	22,445,087.39
INVESTMENTS IN ASSOCIATED AND OTHER COMPANIES	
	59,443.00
DEFERRED CHARGES:	
Prepaid Taxes, and Insurance and Expense	\$ 56,276.57
Organization Expenses, less amount written off	30,000.00
	86,276.57
	\$24,790,526.06
CURRENT LIABILITIES:	
Accounts Payable	\$ 81,483.54
Accrued Accounts	14,750.36
	\$ 96,233.90
RESERVES:	
Depreciation of Buildings and Plant, etc	\$ 431,038.69
Depletion of Timber Limits	251,163.29
Mill Replacements, and Insurance Fund	8,868.44
	691,070.42
COMMON STOCK AND SURPLUS:	
Balance at date of Organization	\$24,044,082.45
Deficit as per statement attached	40,860.71
	24,003,221.74
Represented by 400,000 Shares of Class A Stock and by 300,000 Shares of Class B Stock without nominal or par value.	
Contingent Liability in respect of a legal action pending, the amount of which cannot be determined at this date.	
	\$24,790,526.06

Approved on behalf of the Board:

ERNEST ROSSITER }
H. J. WEBB } Directors

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of the Bathurst Power & Paper Company Limited and its subsidiary companies for the year ending December 31, 1931, and have obtained all the information and explanations which we have required. No provision has been made for depreciation of Buildings, Plant and Machinery during the years ending December 31, 1930, and December 31, 1931, and, subject thereto, the above Balance Sheet at December 31, 1931, is, in our opinion, properly drawn up so as to show a true and correct view of the financial position of Bathurst Power and Paper Company Limited and its subsidiary companies at that date according to the best of our information and the explanations given to us and as shown by the books of the Companies.

Montreal, March 3, 1932.

PRICE, WATERHOUSE & CO.
Auditors.

BATHURST POWER AND PAPER COMPANY
LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Statement of Profit and Loss and Deficit
as at December 31, 1931

Loss from Operations after deducting all operating, selling and management expenses and after making provision for Depletion of Timber Limits at the rate of \$1.00 per cord on wood cut.	\$ 86,460.70
ADD: Idle Expenses, Bad Debts written off and other adjustments.	115,104.53
	115,104.53
Loss for the year before providing for Depreciation of Buildings, Plant and Machinery.	\$201,565.23
	201,565.23

Consolidated Statement of Deficit Account
December 31, 1931

SURPLUS—Balance at January 1, 1931.	\$181,000.68
DEDUCT: Adjustment affecting prior years.	20,296.16
	\$160,704.52
DEDUCT: Loss for the year as above.	201,565.23
	\$ 40,860.71

BATHURST POWER AND PAPER COMPANY LIMITED

Officers

A. J. NESBITT	<i>President</i>
P. A. THOMSON	<i>Vice-President</i>
A. E. MCLEAN	<i>Vice-President and General Manager</i>
H. J. WEBB	<i>Treasurer</i>
G. A. SCHRYER	<i>Asst. Treasurer</i>
S. B. BOND	<i>Secretary</i>
S. MORSE	<i>Comptroller</i>

Directors

GEO. M. MCKEE	E. ROSSITER
A. J. NESBITT	H. J. WEBB
P. A. THOMSON	BRIG.-GEN. J. B. WHITE
J. B. WOODYATT	

