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BATHURST POWER AND PAPER COMPANY LIMITED

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SIXTH ANNUAL REPORT
1933

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BATHURST POWER AND
PAPER COMPANY
LIMITED

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SIXTH ANNUAL REPORT
1933

Report of Directors

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

The Board of Directors submits herewith its report and accounts for the year ended the 31st December, 1933, and in order to afford a ready comparison with the last report, the figures for the previous year are restated on the Balance Sheet.

The loss for the year, before providing for depreciation and excluding prior year's adjustments amounting to \$28,201.82 which have been charged direct to deficit, is \$15,257.67. While the result is a considerable improvement over the preceding year, it continues to reflect the low ebb of business that has prevailed in the industry during the period under review.

Sales of newsprint were the lowest of any calendar year since the Company was organized, and the cost of production was substantially in excess of the prevailing market price.

Sulphite Pulp and Kraft Liner sales were considerably greater than in the preceding year. Average sales prices received were substantially the same as in 1932, and in the case of Kraft Liner, were productive of a small profit.

Your Board of Directors authorized last year the construction of a new pipe line for the supply of fresh water to the mill—the old pipe line which was constructed in 1915 being in imminent danger of collapse. The amount spent during the year and charged to Capital Account was \$110,947.01. The work was completed on the 10th January, 1934, and a plentiful supply of fresh water is now available which materially improves operating conditions at the plant. The book value of the old pipe line, after crediting the amount accumulated for depreciation in respect thereof, was charged against the Depreciation Reserve together with the value of some old dwellings which were demolished during the year.

The physical assets have been well maintained and the plant is in good condition. Continued effort has been made to effect economies in all departments.

The financial position of your Company continues very liquid. Cash and marketable securities (at quoted values) at the end of 1933 aggregate over \$1,082,000, and compare with current liabilities of \$96,787.98. Net Working Capital at \$1,894,212.37 compares with \$2,021,583.17 at December 31st, 1932. The reduction of \$127,370.80 is explained by the loss from operations and the capital expenditures referred to in a preceding paragraph. All capital expenditures were made out of current funds. Nevertheless the ratio of current assets to current liabilities is in excess of 20 to 1.

The immediate business outlook appears to be more encouraging, and if general conditions continue to improve, there is reason to hope that the Company will be able to present a better operating statement at the end of the current year.

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

The Board of Directors takes this opportunity to acknowledge the loyal and efficient services of the officers, staff and employees during a difficult year.

Respectfully submitted on behalf of the Board of Directors.

J. B. WHITE,
President.

MONTREAL, P.Q., April 16th, 1934.

BATHURST POWER AND PAPER COMPANY LIMITED

AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet, December 31st, 1933

ASSETS		LIABILITIES			
CURRENT ASSETS:	Dec. 31, 1933	Dec. 31, 1932	CURRENT LIABILITIES:	Dec. 31, 1933	Dec. 31, 1932
Cash.....	\$ 87,946.14	\$ 52,119.67	Accounts Payable.....	\$ 69,757.34	\$ 74,024.30
Marketable Securities at cost—			Accrued Accounts.....	27,030.64	20,113.15
Dominion of Canada Bonds (Quoted Value, Dec. 31, 1933, \$238,858.50) ..	237,912.99	227,529.04		\$ 96,787.98	\$ 94,137.45
Municipal and Other Bonds (Quoted Value, Dec. 31, 1933, \$755,390.00) ..	774,068.00	622,268.82	RESERVES:		
Accounts Receivable (less Reserve for Doubtful Accounts).....	235,281.04	178,812.81	Depreciation of Buildings, Plant, etc. . . .	*340,361.13	431,038.69
Inventories of Raw Materials, Supplies and Finished Products as valued by the Management.....	634,997.85	1,024,053.63	Depletion of Timber Limits.....	268,997.07	261,538.51
Expenditures on Current Season's Logging Operations.....	20,794.33	10,936.65	Mill Replacements and Insurance Fund.....	15,231.33	9,613.88
				\$ 624,589.53	\$ 702,191.08
	\$ 1,991,000.35	\$ 2,115,720.62	*After deducting a loss of \$90,677.56 in respect of properties demolished during year.		
PROPERTIES:			COMMON SHARES AND SURPLUS:		
Timber Limits, Undeveloped Water Sites, Buildings, Plant and Machinery as revalued December 31, 1927, with subsequent additions.....	22,459,076.41	22,448,697.46	Represented by 400,000 Shares of Class A Stock and 300,000 Shares of Class B Stock, without Nominal or Par Value (Class A Shares are redeemable at \$65.00 upon thirty days' notice).		
INVESTMENT IN ASSOCIATED AND OTHER COMPANIES.....	53,502.00	53,504.00	BALANCE at date of Organization.....	24,044,082.45	24,044,082.45
DEFERRED CHARGES:			DEFICIT as per Statement attached.....	245,933.20	202,473.71
Prepaid Taxes, Insurance and Expense..	15,948.00	20,015.19		\$23,798,149.25	\$23,841,608.74
	\$24,519,526.76	\$24,637,937.27		\$24,519,526.76	\$24,637,937.27

Approved on behalf of the Board:

J. B. WHITE } Directors.
H. J. WEIRD }

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, 1933, 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 four years ending December 31, 1933, and subject thereto, the above Balance Sheet at December 31, 1933, is, in our opinion, properly drawn up so as to show a true and correct view of the financial position of Bathurst Power & 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 1, 1934.

PRICE, WATERHOUSE & CO.,
Auditors.

BATHURST POWER AND PAPER COMPANY
LIMITED
AND SUBSIDIARY COMPANIES

*Consolidated Statement of Profit and Loss and Deficit
December 31, 1933*

Sales		\$ 1,094,996.94
Cost of Sales		1,035,521.35
	Gross Profit	\$ 59,475.59
ADD:		
Interest from Investments, Cash Discounts, Rents, Premium on U.S. Funds, etc.....		76,726.79
	Total Income	\$ 136,202.38
DEDUCT:		
Administration Salaries, Expenses, etc.....	\$81,181.42	
Selling Expenses and Commission	27,130.05	
Advertising	1,094.23	
Idle Expenses—Woodlands Division	40,960.12	
		150,365.82
	Loss	\$ 14,163.44
ADD: Bathurst Electric & Water Power Co. Limited—		
Operating Loss before providing for Depreciation for the year ending December 31, 1933		1,094.23
Loss for the year before providing for Depreciation of Buildings, Plant and Machinery	\$ 15,257.67	
ADD: Deficit Balance, December 31, 1932		202,473.71
Adjustments affecting prior years—net		28,201.82
	Deficit at December 31, 1933	\$ 245,933.20

BATHURST POWER AND PAPER COMPANY
LIMITED



Officers

BRIG.-GEN. J. B. WHITE.....	<i>President</i>
GEO. M. MCKEE.....	<i>Vice-President</i>
H. J. WEBB.....	<i>Treasurer</i>
G. A. SCHRYER.....	<i>Asst. Treasurer</i>
SMITH MORSE.....	<i>Comptroller</i>
S. B. BOND.....	<i>Secretary</i>

Directors

F. J. CAMPBELL	P. A. THOMSON
GEO. M. MCKEE	H. J. WEBB
R. W. STEELE	BRIG.-GEN. J. B. WHITE

J. B. WOODYATT



