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BATHURST POWER AND PAPER COMPANY LIMITED



SEVENTH ANNUAL REPORT
1934

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BATHURST POWER AND
PAPER COMPANY
LIMITED



SEVENTH ANNUAL REPORT
1934

Report of Directors

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

The Board of Directors submits herewith the Annual Report and Accounts for the year ended December 31st, 1934, prepared in accordance with the provisions of the Companies Act enacted in 1934.

The profit for the year, before provision for depreciation, was \$95,034.70. After deduction of depreciation amounting to \$100,000.00, the loss from operations for 1934 was \$4,965.30.

It became apparent early in the year that there was a substantial over-run of pulpwood in the block pile, the final adjustment as at December 31st, 1934, being \$190,356.60. This has been dealt with in the accounts as a prior year's adjustment.

An increase in sales of kraft liner, coupled with lower manufacturing costs, resulted in improved profits.

There was an increase in the volume of sulphite pulp sales and an improvement in prices received, resulting in a small profit for the year as compared with a loss for the previous year.

Newsprint sales were approximately the same as the preceding year, and unproductive of profit.

The Physical Assets have been well maintained and the Plant is in good condition. Inventories of raw material and supplies are available to meet demands for increased production and it is anticipated that further improvement in earnings will be reflected in the accounts for the year 1935.

The Balance Sheet shows the Company in sound financial condition with current assets at December 31st, 1934, of \$2,290,893.59, of which \$991,752 is in cash or marketable securities.

Current liabilities aggregate \$140,054.64 and the ratio of current assets to current liabilities is in excess of 16 to 1. Net current assets were \$2,150,838.95, as compared with \$1,894,212.37 at December 31st, 1933. Your Company has no bank or bonded indebtedness.

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

The Board of Directors wishes to express its appreciation of the loyal and efficient services of the officers, staff, and employees of the Company.

Respectfully submitted on behalf of the Board of Directors.

J. B. WHITE,
President.

MONTREAL, P.Q., April 15th, 1935.

BATHURST POWER AND PAPER COMPANY LIMITED

AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet, December 31st, 1934

ASSETS		LIABILITIES	
	Dec. 31, 1934	Dec. 31, 1933	
CURRENT ASSETS:			
Cash	\$ 58,375.35	\$ 87,946.14	CURRENT LIABILITIES:
Marketable Securities at cost			Accounts Payable
Dominion of Canada Bonds (Quoted Value, Dec. 31, 1934, \$196,939.70)	179,044.76	237,912.99	Accrued Liabilities
Provincial, Municipal and Other Bonds (Quoted Value, Dec. 31, 1934, \$808,601.25)	754,332.00	774,068.00	Taxes and Stumpage Dues
Accounts and Notes Receivable (less Reserve for Doubtful Accounts)	203,140.02	235,281.04	
Inventories of Raw Materials, Supplies and Finished Products, as determined and certified by responsible officials of the Company, valued on the basis of average cost or market, whichever was the lower	859,986.82	634,997.85	
Expenditures on Current Season's Logging Operations	236,014.64	20,794.33	RESERVES:
	\$ 2,290,893.59	\$ 1,991,000.35	Depreciation of Buildings, Plant and Machinery
PROPERTIES at valuations placed thereon by the Directors at date of organization, January 1, 1928, plus subsequent additions at cost	\$22,466,250.99	\$22,459,076.41	Depletion of Timber Limits
INVESTMENTS IN ASSOCIATED AND OTHER COMPANIES	\$ 54,503.00	\$ 53,502.00	Mill Replacements and Insurance Fund
DEFERRED CHARGES:			
Prepaid Taxes, Unexpired Insurance and Expenses	\$ 18,666.41	\$ 15,948.00	
Depletion on Pulpwood on hand, to be absorbed in future operations	35,828.72		
	\$ 54,495.13	\$ 15,948.00	
	<u>\$24,866,142.71</u>	<u>\$24,519,526.76</u>	COMMON SHARES AND SURPLUS
			CLASS A:
			Authorized 750,000 shares without Nominal or Par Value.
			Issued 400,000 shares without Nominal or Par Value. \$14,400,000.00 \$14,400,000.00
			(Class A shares are redeemable at \$65.00 per share upon thirty days' notice.)
			CLASS B:
			Authorized 500,000 shares without Nominal or Par Value:
			Issued 300,000 shares without Nominal or Par Value 840,000.00 840,000.00
			CAPITAL SURPLUS:
			Balance December 31, 1933 8,804,082.45 8,804,082.45
			\$24,044,082.45 \$24,044,082.45
			DEFICIT as per statement attached. 72,044.08 245,933.20
			\$23,972,038.37 \$23,798,149.25
			<u>\$24,866,142.71</u> <u>\$24,519,526.76</u>

Approved on behalf of the Board:

J. B. WHITE
H. J. WEBB *Directors.*

Submitted with our report March 19th, 1935.

PRICE WATERHOUSE & Co.,
Auditors.

BATHURST POWER AND PAPER COMPANY
LIMITED

AND SUBSIDIARY COMPANIES

*Consolidated Statement of Profit and Loss and Deficit Account
December 31, 1934*

Sales.....		\$ 1,284,652.69
Cost of Sales.....		1,126,476.05
		\$ 158,176.64
ADD: Miscellaneous Income—		
Interest from Investments, Cash Dis-		
counts, Rents, etc.....	\$ 74,633.64	
Profit on Sale of Investments.....	11,764.52	86,398.16
		\$ 244,574.80
DEDUCT: General, Administration and Sell-		
ing Expenses—		
Administration Salaries, Expenses, etc.	\$ 85,126.24	
Selling Expenses and Commission.....	34,179.13	
Advertising.....	1,425.34	
Directors' Fees.....	820.00	
Idle Expenses—Woodland Division..	27,989.39	149,540.10
		\$ 95,034.70
DEDUCT: Provision for Depreciation of		
Plant and Equipment.....		100,000.00
		\$ 4,965.30
Loss from Operations for the year....		
ADD: Bathurst Electric & Water Power		
Co. Limited—Operating Loss before		
providing for Depreciation for the year		
ending December 31, 1934.....		2,004.42
		\$ 6,969.72
Combined loss for the year.....		
Deficit Balance, December 31, 1933.....	\$245,933.20	
Less: Adjustment of Over-run in Block		
Pile, and Sundry Other Adjustments,		
affecting prior years.....	180,858.84	65,074.36
		\$ 72,044.08
Deficit at December 31, 1934.....		\$ 72,044.08

Note—Depletion amounting to \$27,092.28 has been provided during the year.

Auditors' Report

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, 1934, 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 an amount of \$100,000.00 on account thereof has been charged against operations of the year 1934. Subject thereto, the attached Balance Sheet at December 31, 1934, 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.

PRICE, WATERHOUSE & CO.,
Auditors.

MONTREAL, March 19, 1935.

BATHURST POWER AND PAPER COMPANY
LIMITED

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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>Acting-Manager and 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	

