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**40TH**  
**A N N U A L R E P O R T**  
**CANADIAN OIL COMPANIES,**  
**LIMITED**

FOR THE FISCAL YEAR  
ENDING DECEMBER 31st

**1948**





ANNUAL REPORT

CANADIAN OIL COMPANIES,  
LIMITED

FOR THE FISCAL YEAR  
ENDING DECEMBER 31st,  
1948

# CANADIAN OIL COMPANIES, LIMITED

1948



## OFFICERS

JOHN IRWIN, MONTREAL, *President*

P. A. THOMSON, MONTREAL      GORDON F. PERRY, TORONTO  
*Vice-President*                      *Vice-President*

A. C. MORRIS, TORONTO, *Vice-President and General Manager*

R. T. EYRE, TORONTO, *Vice-President — Operations*

REG. C. WEST, TORONTO, *Vice-President — Sales*

DOUGLAS ROBINSON, TORONTO, *Secretary*

C. W. WALKER, TORONTO, *Treasurer*

## DIRECTORS

ARNOLD ASHTON

AUBREY DAVIS

JOHN IRWIN

JOHN W. McKEE

GORDON F. PERRY

W. HAROLD REA

E. G. SMITH

W. DENT SMITH

P. A. THOMSON

*Fiscal Agents:*

NESBITT, THOMSON & COMPANY, LIMITED

*Transfer Agents and Registrars:*

THE TORONTO GENERAL TRUSTS CORPORATION

*Auditors:*

THORNE, MULHOLLAND, HOWSON & McPHERSON

*Head Office of the Company:*

204 RICHMOND STREET, WEST,  
TORONTO 1, CANADA

# CANADIAN OIL COMPANIES, LIMITED

TO THE SHAREHOLDERS:

YOUR DIRECTORS submit herewith the 40th Annual Report of your Company, and its subsidiary, White Rose Limited, for the year ending December 31st, 1948. This Report contains the Balance Sheet as at December 31st, 1948, together with Profit and Loss Account and Surplus Account, all in accordance with the report of your Company's auditors, Messrs. Thorne, Mulholland, Howson & McPherson.

Net Profit, before providing for Depreciation, Bond Interest, Employees' Pension Fund and Income Taxes, amounted to \$2,608,594.29 as compared with \$2,450,052.01—an increase of \$158,542.28.

After providing for the above items, the Net Profit for the year amounted to \$887,408.12 as against \$731,589.36 for the preceding year—an increase of \$155,818.76.

Surplus Account as at December 31st, 1948, totalled \$2,286,506.95 as against \$1,972,298.83 for the year ending December 31st, 1947—an increase of \$314,208.12.

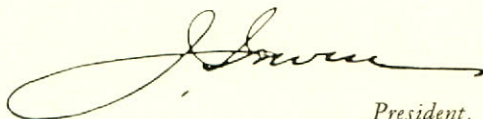
The privilege given to Taxpayers, as a War measure, to set up a Special Inventory Reserve, has now expired, and as the regulations required the payment of taxes on that portion of the Reserve not needed as a result of continued high price levels, the Reserve set up by this Company is now subject to Excess Profits Tax for the year 1947. Provision has been made for this tax by transferring the necessary amount from the Inventory Reserve to the "Provision for Taxes" and your Directors have decided to carry forward the balance in the Inventory Reserve as a special provision against future fluctuations in prices.

Current Assets amount to \$8,609,880.25 compared with Current Liabilities of \$4,452,777.84 resulting in a net working capital of \$4,157,102.41 as compared with \$3,970,673.98 for the previous year.

Capital Assets, i.e., Real Estate, Buildings, Plant and Equipment, now amount to \$19,886,191.88 as against \$18,986,909.76 for the previous year—an increase of \$899,282.12.

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

On behalf of the Board,

A handwritten signature in black ink, appearing to read 'J. Brown', with a large, sweeping flourish at the end.

*President.*

CANADIAN OIL COMPANIES, LIMITED  
AND ITS WHOLLY OWNED SUBSIDIARY  
WHITE ROSE LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
(Year ended December 31, 1948)

Net profit for year before undermentioned items .....	\$2,608,594.29
<b>DEDUCT:</b>	
Provision for depreciation on buildings, plant and equipment .....	\$ 967,564.74
Interest on 3¼% first mortgage bonds ..	146,171.43
Interest on 2¾% first mortgage bonds of White Rose Limited .....	8,250.00
Payment re employees' pension fund .....	70,000.00
	1,191,986.17
Net profit before undermentioned taxes .....	1,416,608.12
Provision for taxes on income .....	529,200.00
	887,408.12
<b>NET PROFIT FOR YEAR .....</b>	<b>\$ 887,408.12</b>

CONSOLIDATED STATEMENT OF SURPLUS  
(Year ended December 31, 1948)

Surplus, December 31, 1947 .....	\$1,972,298.83
Net profit for year .....	887,408.12
	2,859,706.95
Dividends on 8% preference shares .....	\$ 160,000.00
Dividends on 5% preference shares .....	50,000.00
Dividends on preference shares, 4% series ..	40,000.00
Dividends on common shares .....	323,200.00
	573,200.00
<b>SURPLUS, DECEMBER 31, 1948 .....</b>	<b>\$2,286,506.95</b>

# CANADIAN OIL CO AND ITS WHOLLY OWNED SUBSIDIARIES CONSOLIDATED BALANCE SHEET

## ASSETS

### CURRENT ASSETS:

Cash on hand and in banks . . . . .	\$ 781,148.21	
Accounts and bills receivable after provision for doubtful accounts . . . . .	1,630,246.76	
Inventory of merchandise and supplies as determined and certified by the management and valued on the company's usual basis which in total does not exceed laid-down cost or fair market value, whichever was the lower . . . . .	6,198,485.28	\$8,609,880.25
DEFERRED ACCOUNTS RECEIVABLE, MORTGAGES AND SUNDRY INVESTMENTS . . . . .		1,416,215.58
INVESTMENT IN AND ADVANCES TO SUBSIDIARY COMPANIES NOT CONSOLIDATED . . . . .		45,818.99
DEFERRED CHARGES TO OPERATIONS INCLUDING REFINANCING EXPENSES . . . . .		402,198.28
REFUNDABLE PORTION OF EXCESS PROFITS TAX . . . . .		255,627.25
SINKING FUND FOR 3 $\frac{1}{4}$ % FIRST MORTGAGE BONDS: Payment to be made January 2, 1949, as per contract . . . . .		135,000.00
CAPITAL ASSETS: Real estate, buildings, plant and equipment . . . . .		19,886,191.88
GOODWILL . . . . .		1.00

\$30,750,933.23

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the above consolidated balance sheet of Canadian Oil Companies, Limited and its subsidiary White Rose Limited as of December 31, 1948 and of the consolidated statements of profit and loss and surplus for the year ended on that date. In connection therewith we examined or tested the accounting records and other supporting evidence and made a general review of the accounting methods and of the operating and income accounts for the year but did not make a detailed audit of the transactions.



# COMPANIES, LIMITED

SUBSIDIARY, WHITE ROSE LIMITED

SHEET, DECEMBER 31, 1948

## LIABILITIES

### CURRENT LIABILITIES:

Accounts payable and accrued charges (including sales and gasoline taxes payable January, 1949).....	\$3,773,135.04	
Provision for taxes on income.....	482,142.80	
Provision for sinking fund payment due January 2, 1949.....	135,000.00	
Dividends payable January 2, 1949.....	62,500.00	\$ 4,452,777.84

### DEFERRED LIABILITIES:

3¼ Percent sinking fund first mortgage bonds maturing April 1, 1962.....	4,500,000.00	
Mortgages and purchase monies payable including 2¾% first mortgage bonds of White Rose Limited and deferred rentals.....	908,197.49	5,408,197.49

RESERVE FOR DEPRECIATION ON CAPITAL ASSETS.....		10,109,518.95
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RESERVE FOR FUTURE DEPRECIATION IN INVENTORY VALUES, less provision for excess profits tax thereon in the amount of \$27,000.00.....		153,000.00
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### CAPITAL STOCK:

#### Authorized:

- 20,000 8% cumulative preference shares,  
par value \$100.00 each.
- 10,000 5% cumulative redeemable pref-  
erence shares, par value \$100.00 each.
- 50,000 cumulative preference shares, par  
value \$100.00 each, issuable in series.
- 750,000 common shares of no par value.

#### Issued:

20,000 8% cumulative preference shares	2,000,000.00	
10,000 5% cumulative redeemable pref- erence shares.....	1,000,000.00	
10,000 4% series cumulative redeemable preference shares.....	1,000,000.00	
404,000 common shares.....	4,340,932.00	8,340,932.00

### SURPLUS:

Earned surplus.....	2,030,879.70	
Deferred surplus re refundable tax.....	255,627.25	2,286,506.95
		<u>\$30,750,933.23</u>

We report that in our opinion the above consolidated balance sheet and the related statements of profit and loss and surplus are properly drawn up so as to exhibit a true and correct view of the state of the companies' affairs as of December 31, 1948 and the results of their operations for the year ended on that date, according to the best of our information and the explanations given us and as shown by the books of the companies. All our requirements as auditors have been complied with.

THORNE, MULHOLLAND, HOWSON & McPHERSON,  
*Chartered Accountants.*

Toronto, February 23, 1949.

# THE "WHITE ROSE" LINE

*Embraces over 600*  
**PETROLEUM  
PRODUCTS**



**KNOWN EVERYWHERE**

*as*

***"The Pick of them all!"***



