

Stock

Commercial Alcohols  
LIMITED

TWENTY-NINTH  
*Annual Report*

*31st March 1952*

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Commercial Alcohols  
LIMITED

TWENTY-NINTH  
*Annual Report*

*31st March 1952*



*Economical Protection*

*Canada's Fastest Selling*

*Anti-Freeze*

(Alcohol Base)

# Commercial Alcohols Limited

## MONTREAL

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### *Directors*

ARTHUR CROSS  
J. E. HARRINGTON  
W. J. HENDERSON  
SELWYN IRWIN  
C. G. KERTLAND  
T. R. McLAGAN  
GORDON M. WEBSTER

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### *Officers*

C. G. KERTLAND . . . . . *President*  
W. J. HENDERSON . . . . . *Vice-President*  
H. C. KERMAN . . . . . *Vice-President and General Manager*  
J. W. ROSS . . . . . *Secretary-Treasurer*  
J. D. ARNOLD . . . . . *Assistant Secretary-Treasurer*

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### *Head Office*

3176 NOTRE DAME STREET EAST  
MONTREAL 4

### *Branch Offices and Warehouses*

352 McRAE DRIVE  
LEASIDE, TORONTO 17

58 VICTORIA STREET  
WINNIPEG

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### *Transfer Agent and Registrar*

EASTERN TRUST COMPANY  
MONTREAL 1

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### *Auditors*

McDONALD, CURRIE & CO.

# Commercial Alcohols Limited

## TWENTY-NINTH ANNUAL REPORT

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To the Shareholders:

Your Directors have pleasure in submitting herewith your Company's Twenty-ninth Annual Report together with the Consolidated Balance Sheet as at 31st March, 1952 of Commercial Alcohols Limited and its subsidiary Eastern Distilleries Limited, as well as the Consolidated General Statement of Income and Expenditure and the Consolidated Statement of Deficit for the year ended 31st March, 1952.

These statements reflect the improvement in your Company's earnings and show a net operating profit after depreciation, interest on Funded Debt and all other charges of \$346,989.84 compared to a loss for the previous year of \$338,453.26.

Your Directors have decided that depreciation for the year ended 31st March, 1952 should be provided at the maximum normal rates presently allowed for Federal Income Tax purposes, and to defer taking double depreciation. Your Company has a substantial loss from previous years that can be partially used to offset the profit for the year thereby eliminating the payment of any Federal Income Tax. The decrease in depreciation taken this year, compared to the previous year, is made up of \$246,658.52 double depreciation and the normal reduction due to the regulations of the Federal Income Tax Department in basing depreciation on a declining basis.

The working capital of your Company, after reclassification of the amount due on capital cost of liquor recovery equipment, shows an improvement for the year of \$480,253.72 and you will note from the balance sheet that the Funded Debt and Deferred Liability have been reduced by \$286,500.00.

No dividends on either the Preferred or Common Shares of the Company have been paid and during the year the holders of 1,675 Preferred shares have exercised their option to convert the said shares into 2,010 Common shares.

Directors' fees have been paid during the current year in accordance with the by-laws of the Company. For the previous two years your Directors have voluntarily refused to accept any remuneration for their services in order to assist the Company.

The Bondholders have been most cooperative and have agreed to defer the \$300,000 past due First Mortgage Bonds in order to strengthen the Company's cash position for future operations.

As at 1st April, 1952 your Company has purchased the Anti-freeze Department of Standard Chemical Company Limited, Division of Dominion Tar and Chemical Company Limited, as a going concern and formed a new Automotive Division. This new division will sell and distribute throughout Canada such items as Super Pyro Anti-freeze, Solo Glycol (Permanent Type) Anti-freeze, and Rid-Ice Gasoline Conditioner. The sales to date of this Division are very satisfactory and the profits of this Department should add materially to the earnings of your Company in the coming year.

The Magnesia plant at Gatineau has been operating at full capacity and producing a product superior to any other magnesia insulation product in Canada. The total output of this plant is contracted for for approximately the next eight years.

The Alcohol plant situated at Gatineau has also been operating to capacity and producing a superior Ethyl alcohol. While there was a minor price adjustment in March, 1952, it is estimated that your Company's earnings from the sale of alcohol during the coming year will be maintained at a satisfactory level.

The Shellac Bleaching and Refining plant at Montreal has also been operating to capacity and sales have been maintained at a uniformly high level.

The loyal and efficient services rendered by the employees of the Company during the past year are acknowledged and sincerely appreciated by the Directors and Officers of the Company.

Submitted on behalf of the Board,

C. G. KERTLAND,  
President.

26th May 1952.

# Commercial A

and Subsidiaries

CONSOLIDATED

## Assets

	31st March	
	1952	1951
<b>CURRENT ASSETS:</b>		
Cash .....	\$ 14,421.03	\$ 9,217.30
Accounts receivable, less reserve .....	359,842.33	257,117.10
Inventories of finished products, raw materials and supplies — valued at the lower of cost or market .....	583,210.95	448,970.75
Containers on hand .....	12,460.41	4,029.61
Prepaid expenses .....	30,228.77	38,866.68
	1,000,163.49	758,201.44
<b>FIXED ASSETS — at cost:</b>		
Land .....	8,774.71	8,774.71
Buildings and equipment .....	4,470,974.77	4,423,820.08
	4,479,749.48	4,432,594.79
Less: Reserves for depreciation .....	1,865,345.68	1,410,427.11
	2,614,403.80	3,022,167.68
<b>RIGHTS AND CONTRACTS</b> .....	113,790.09	113,790.09
<b>BOND DISCOUNT AND EXPENSE,</b> less amounts written off .....	69,621.52	81,621.52

**NOTES:**

- (1) Following standard practice in the trade, containers in hands of customers may be returned for credit within ninety days of shipping date.
- (2) By agreement with the holder of the first mortgage bonds, instalments of \$100,000 each due 31st December 1950, 30th June 1951 and 31st December 1951 have been deferred to 30th June 1952.
- (3) Depreciation for the year ended 31st March 1952 has been provided at the maximum rates presently allowed for Federal income tax purposes, excluding double depreciation.
- (4) This item was shown as a deferred liability in the previous year but has been reclassified above for purposes of comparison.

APPROVED ON BEHALF OF THE BOARD:

C. G. KERTLAND	}	Directors.
W. J. HENDERSON		

\$3,797,978.90	\$3,975,780.73
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# cohols Limited

ry Company

## BALANCE SHEET

### Liabilities

	31st March	
	1952	1951
<b>CURRENT LIABILITIES:</b>		
Bank loan (secured) .....	\$ 317,000.00	\$ 490,000.00
Accounts payable and accrued expenses .....	188,631.01	183,072.53
Provision for Provincial income taxes .....	28,000.00	—
Taxes payable — other than income taxes .....	8,692.54	4,823.78
Accrued interest on funded debt .....	23,420.84	25,255.52
Amount due on capital cost of liquor recovery equipment (see Note 4) .....	217,342.35	318,226.58
	<u>783,086.74</u>	<u>1,021,378.41</u>
<b>DEFERRED LIABILITY:</b>		
Payable in semi-annual instalments of \$12,500 each on 1st September 1952 and 1st March 1953, the balance being payable on 1st September 1953 .....	87,500.00	100,000.00
<b>FUNDED DEBT:</b>		
3¼% first mortgage bonds —		
Authorized issue of .....	<u>\$1,000,000.00</u>	
Maturing in semi-annual instalments of \$100,000 each (see Note 2) .....	800,000.00	1,000,000.00
5% second mortgage bonds —		
Authorized issue of .....	<u>\$1,000,000.00</u>	
Maturing in semi-annual instalments of \$100,000 each commencing 31st December 1954 .....	1,000,000.00	1,000,000.00
5% third mortgage bonds —		
Authorized issue of .....	<u>\$ 300,000.00</u>	
Maturing in semi-annual instalments of \$30,000 each .....	210,000.00	270,000.00
5% prior first mortgage bonds —		
Authorized issue of .....	<u>\$ 140,000.00</u>	
Maturing in semi-annual instalments of \$7,000 each .....	114,500.00	128,500.00
	<u>2,124,500.00</u>	<u>2,398,500.00</u>
<b>CAPITAL STOCK LESS DEFICIT:</b>		
Preferred stock —		
8% cumulative convertible redeemable shares of \$5 each		
Authorized, issued and fully paid —		
50,000 shares as at 31st March 1951 .....		250,000.00
1,675 shares converted into common stock during the year .....		—
48,325 shares as at 31st March 1952 .....	241,625.00	
(arrears of dividends amount to \$1.20 per share)		
Common stock —		
Authorized —		
400,000 shares without nominal or par value (of which 57,990 shares are reserved for conversion of preferred shares)		
Issued and fully paid —		
340,000 shares as at 31st March 1951 .....		748,777.00
2,010 shares issued on conversion of preferred stock during the year .....		—
342,010 shares as at 31st March 1952 .....	757,152.00	
	<u>998,777.00</u>	<u>998,777.00</u>
Deficit — as per attached statement .....	195,884.84	542,874.68
	<u>802,892.16</u>	<u>455,902.32</u>
	<u>\$3,797,978.90</u>	<u>\$3,975,780.73</u>

# Commercial Alcohols Limited

## and Subsidiary Company

### CONSOLIDATED GENERAL STATEMENT OF INCOME AND EXPENDITURE

For The Years Ended 31st March

	1952	1951
NET OPERATING PROFIT —		
before making the following deductions.....	\$ 986,594.07	\$ 674,270.51
Salaries and fees paid to executive officers.....	40,530.00	38,966.68
Fees paid to other directors.....	3,880.00	—
Legal fees.....	2,821.00	1,300.00
Provision for depreciation.....	454,918.57	856,695.17
Interest on funded debt.....	97,454.66	103,761.92
Amortization of bond discount and expense..	12,000.00	12,000.00
Provision for Provincial income taxes.....	28,000.00	—
	639,604.23	1,012,723.77
NET PROFIT OR (LOSS) FOR THE YEAR		
(see Note 3).....	\$ 346,989.84	(\$ 338,453.26)

### CONSOLIDATED STATEMENT OF DEFICIT

For The Year Ended 31st March 1952

Balance — 31st March 1951.....	\$ 542,874.68
Net profit for the year.....	346,989.84
Balance — 31st March 1952.....	\$ 195,884.84

# *Auditors' Report*

T O T H E S H A R E H O L D E R S

We have examined the consolidated balance sheet of Commercial Alcohols Limited and its wholly owned subsidiary company as at 31st March 1952, and the consolidated general statement of income and expenditure and consolidated statement of deficit for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated general statement of income and expenditure and consolidated statement of deficit are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at 31st March 1952, and the combined results of their operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

McDONALD, CURRIE & CO.,  
Chartered Accountants.

MONTREAL, 23rd May 1952.

**Permanent Protection**



**PROTECTS AGAINST RUST**



**WILL NOT EVAPORATE**

# Rid-Ice

ABSORBS MOISTURE  
KEEPS FUEL SYSTEM CLEAN  
ASSURES QUICK STARTING



*Protects the whole gas-line system  
against Freeze-ups*

- ★ *absorbs water in gas tanks*
- ★ *keeps fuel line clean*
- ★ *dissolves gasoline gum*
- ★ *keeps carburetor jets clean*
- ★ *makes smoother driving  
all year-round*

**PRODUCTS  
OF  
COMMERCIAL ALCOHOLS LIMITED**

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**PURE AND DENATURED  
ETHYL ALCOHOL**

**All Grades**

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**SOLO  
and  
SUPER PYRO**

**Radiator Anti-Freezes**

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**RID-ICE**

**Gasoline Conditioner**

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**85% MAGNESIA INSULATION**

**Pipe Covering and Blocks**

**Plastic Cement**

---

**SHELLAC**

**Bone Dry Bleached Shellac**

**Refined De-waxed Bleached Shellac**



