

Commercial Alcohols
LIMITED

THIRTY-FIRST
Annual Report

31st March 1954

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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*

*A product of
Commercial Alcohols Limited*

Commercial Alcohols Limited

MONTREAL

Directors

F. L. ALLEN	C. G. KERTLAND
V. E. JOHNSON	R. F. POWELL
H. C. KERMAN	P. A. SARGENT
C. S. VOLK	

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Officers

V. E. JOHNSON	<i>President</i>
C. G. KERTLAND	<i>Vice President and General Manager</i>
H. C. KERMAN	<i>Vice President and Assistant General Manager</i>
F. L. ALLEN	<i>Vice President</i>
J. W. ROSS	<i>Secretary-Treasurer</i>

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Head Office

3176 NOTRE DAME STREET EAST
MONTREAL 4, QUE.

Branch Offices and Warehouses

352 McRAE DRIVE
LEASIDE, TORONTO 17, ONT.

58 VICTORIA STREET
WINNIPEG, MAN.

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Transfer Agent and Registrar

THE EASTERN TRUST COMPANY
134 St. James St. West
MONTREAL 1, QUE.

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Auditors

MCDONALD, CURRIE & CO.
507 Place D'Armes
MONTREAL 1, QUE.

Commercial Alcohols Limited

THIRTY-FIRST ANNUAL REPORT

To the Shareholders:

Your Directors submit herewith your Company's Thirty-First Annual Report together with the Consolidated Balance Sheet at 31st March 1954 of Commercial Alcohols Limited and its wholly-owned subsidiary, Eastern Distilleries Limited, the Consolidated General Statement of Income and Expenditure for the year ended 31st March 1954 and the Consolidated Statement of Surplus for the same period.

These statements show a loss for the year, after all charges, of \$9,978 compared to a profit of \$218,938 for the preceding year. The decrease in earnings is due mainly to lower prices for industrial alcohols during the past year. All divisions of the Company operated at near maximum capacity during the year.

Depreciation for the year on the Company's fixed assets was taken at the normal rates as in the previous year. Additional depreciation in excess of the normal rates could have been taken on the Gatineau plant but was omitted since there was no advantage in taking such depreciation.

Funded debt amounting to \$274,000 matured during the year. By agreement with the bondholders payment of \$200,000 of this total was deferred until 30th June 1954. The balance of \$74,000 was paid. In addition \$200,000 was paid on funded debt instalments which fell due, but were not met in prior years. The balance of these instalments amounting to \$200,000 has also been deferred until 30th June 1954 by agreement with the bondholders. You will note from the attached Balance Sheet that all instalments due on Funded Debt within the next twelve

months, including those deferred, have been shown as current liabilities to state more clearly the current position of the Company and to eliminate lengthy explanatory notes.

On 27th November 1953 Canadian International Paper Company made offers to the Common and Preferred Shareholders of the Company to purchase their shares under certain conditions. To date 97.54% of the Common Shares and 89.16% of the Preferred Shares have been deposited by shareholders and purchased under the offer. Canadian International Paper Company accordingly controls 96.50% of the voting stock of your Company.

The Board reports with regret the passing of Mr. Joshua D. Arnold who died in June 1953 after having served the Company loyally for twenty-three years. Mr. Arnold was Assistant Secretary-Treasurer of the Company.

No dividends were paid during the year on either the Preferred or Common Shares of the Company.

Your directors and officers take this opportunity to express to the employees of the Company appreciation for their loyal service during the past difficult year.

Submitted on behalf of the Board,

V. E. JOHNSON,

President.

21st May 1954.

Commercial A
and Wholly-owned
CONSOLIDATED

Assets

	31st March		
	1954	1953	1952
CURRENT ASSETS:			
Cash.....	\$ 9,333	\$ 18,733	\$ 14,421
Accounts receivable, less provision for doubtful accounts.....	269,223	331,754	359,842
Inventories of finished products, raw materials and supplies — valued at the lower of cost or market.....	552,571	736,462	583,211
Containers on hand.....	29,759	23,043	12,460
Prepaid expenses.....	40,688	50,780	30,229
Total Current Assets.....	901,574	1,160,772	1,000,163
FIXED ASSETS:			
Land — at cost.....	8,775	8,775	8,775
Buildings and equipment — at cost.....	4,605,848	4,559,796	4,470,975
	4,614,623	4,568,571	4,479,750
Less: Accumulated depreciation.....	2,517,238	2,178,031	1,865,346
	2,097,385	2,390,540	2,614,404
RIGHTS AND CONTRACTS.....	125,875	125,795	113,790
BOND DISCOUNT AND EXPENSE,			
less amounts written off.....	45,622	57,622	69,622

APPROVED ON BEHALF OF THE BOARD:

V. E. JOHNSON }
C. G. KERTLAND } Directors.

\$3,170,456	\$3,734,729	\$3,797,979
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Subsidiary Company

BALANCE SHEET

Liabilities

	31st March		
	1954	1953	1952
CURRENT LIABILITIES:			
Bank loan (secured)	\$ 31,900	\$ 289,200	\$ 317,000
Accounts payable and accrued liabilities	320,146	218,773	188,631
Provision for provincial income taxes	—	17,404	28,000
Taxes payable — other than income taxes	6,209	11,177	8,693
Accrued interest on funded debt	19,982	24,152	23,421
Amount due on capital cost of liquor recovery equipment	73,467	158,793	217,342
	<u>451,704</u>	<u>719,499</u>	<u>783,087</u>
Instalments on funded debt and deferred liability maturing within one year	724,000	686,500	599,000
Total Current Liabilities	1,175,704	1,405,999	1,382,087
DEFERRED LIABILITY	—	50,000	62,500
FUNDED DEBT:—			
excluding instalments maturing within one year included in current liabilities —			
3¼% first mortgage bonds —			
Authorized issue of	\$1,000,000		
Maturing in semi-annual instalments of \$100,000 each	—	100,000	300,000
5% second mortgage bonds —			
Authorized issue of	\$1,000,000		
Maturing in semi-annual instalments of \$100,000 each	900,000	1,000,000	1,000,000
5% third mortgage bonds —			
Authorized issue of	\$ 300,000		
Maturing in semi-annual instalments of \$30,000 each	30,000	90,000	150,000
5% prior first mortgage bonds —			
Authorized issue of	\$ 140,000		
Maturing in semi-annual instalments of \$14,000 each	52,900	66,900	100,500
	<u>982,900</u>	<u>1,256,900</u>	<u>1,550,500</u>
CAPITAL STOCK AND SURPLUS:			
Preferred stock —			
8% cumulative convertible redeemable shares of \$5 each Authorized, issued and fully paid —			
48,325 shares	241,625	241,625	241,625
(arrears of dividends amount to \$2.00 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 —			
342,010 shares	757,152	757,152	757,152
	<u>998,777</u>	<u>998,777</u>	<u>998,777</u>
Surplus — as per attached statement	13,075	23,053	*195,885
	<u>1,011,852</u>	<u>1,021,830</u>	<u>802,892</u>
	<u>\$3,170,456</u>	<u>\$3,734,729</u>	<u>\$3,797,979</u>

*Deficit.

Commercial Alcohols Limited

and Wholly-owned Subsidiary Company

CONSOLIDATED GENERAL STATEMENT OF INCOME AND EXPENDITURE

For The Years Ended 31st March

	1954	1953	1952
NET OPERATING PROFIT—			
before making the following deductions.....	\$ 476,418	\$ 709,311	\$ 986,594
Salaries and fees paid to executive officers.....	47,100	43,330	40,530
Fees paid to other directors.....	3,060	3,390	3,880
Legal fees.....	425	5,480	2,821
Provision for depreciation.....	344,336	314,881	454,918
Interest on funded debt.....	88,933	94,792	97,455
Amortization of bond discount and expense.....	12,000	12,000	12,000
Provision for provincial income taxes.....	*(9,458)	16,500	28,000
	486,396	490,373	639,604
NET PROFIT OR (LOSS) FOR THE YEAR.....	\$ (9,978)	\$ 218,938	\$ 346,990

*Rebate.

CONSOLIDATED STATEMENT OF SURPLUS

For The Years Ended 31st March

	1954	1953	1952
Balance at beginning of year.....	\$ 23,053	\$ (195,885)	\$ (542,875)
Net profit or (loss).....	(9,978)	218,938	346,990
Balance at end of year.....	\$ 13,075	\$ 23,053	\$ (195,885)

() denote deficit.

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 1954 and the consolidated general statement of income and expenditure and consolidated statement of surplus 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 surplus 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 1954 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, 19th May 1954.

Permanent Protection



PROTECTS AGAINST RUST



WILL NOT EVAPORATE



Economical Protection

Canada's Fastest Selling

Anti-Freeze

(Alcohol Base)

PRODUCTS
OF
COMMERCIAL ALCOHOLS LIMITED

PURE AND DENATURED
ETHYL ALCOHOL

All Grades

SOLO
and
SUPER PYRO

Radiator Anti-Freezes

RID-ICE

Gasoline Conditioner

RAD-GUARD

Rust Inhibitor

85% MAGNESIA INSULATION

Pipe Covering and Blocks

Plastic Cement

SHELLAC

Bone Dry Bleached Shellac

Refined De-waxed Bleached Shellac



