

CANADIAN  
OIL COMPANIES,  
LIMITED  
(TORONTO)

*Annual  
Statement*



For year ending

DECEMBER 31st, 1938  
LIBRARIES

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McGILL UNIVERSITY

CANADIAN  
OIL COMPANIES,  
LIMITED  
(TORONTO)

*Annual  
Statement*



For year ending

DECEMBER 31st, 1938

TORONTO 2, ONTARIO,  
APRIL 14TH, 1939.

TO THE SHAREHOLDERS OF  
CANADIAN OIL COMPANIES, LIMITED.

On behalf of your Board of Directors, I have pleasure in submitting herewith Balance Sheet, Profit and Loss Account and Surplus Account for the year ending December 31st, 1938, as certified by the Company's Auditors, Messrs. Thorne, Mulholland, Howson and McPherson.

Gallongage sales for the year have shown a satisfactory increase.

Net Operating Profits for the year, before providing for Depreciation and Income Taxes, amount to \$891,844.99 as compared with \$785,360.91 for 1937, an increase of \$106,484.08.

After providing \$478,527.78 for Depreciation on Buildings, Plant and Equipment and \$71,000.00 for Federal and Provincial Income Taxes, Net Profit for the year amounted to \$342,317.21, an increase of \$74,331.91 over the preceding year.

After payment of dividends and sundry adjustments, the Surplus Account as at December 31st, 1938, amounted to \$955,485.34, an increase of \$105,466.71.

Dividends amounting to 62½¢ per share were paid on the Common Stock during 1938.

Upon recommendation of the Company's Auditors certain changes were made in the set-up of the Balance Sheet as at December 31st, 1938. Steel drum containers formerly included in the Accounts Receivable and in the Inventories are now included with the Capital Assets. The Reserve heretofore set up against Bad Debts is now deducted from the Accounts Receivable and the net amount shown.

Due mainly to the above changes, Current Assets are reduced as compared with last year's Balance Sheet by \$636,527.56. The Capital Assets have been increased \$959,654.15 after transferring the steel drum containers together with additions and extensions during the year.

Since its organization in 1908, your Company has been controlled by The National Refining Company of Cleveland, Ohio. Subsequent to the close of the fiscal year just ended, the controlling interest was purchased by Nesbitt, Thomson and Company, Limited and is now owned by Canadians.

It is believed that the change will result in a considerable expansion of the business.

Respectfully submitted,

F. H. LITTLEFIELD,  
*President.*

# CANADIAN OIL COMPANIES, LIMITED

BALANCE SHEET  
DECEMBER 31st, 1938

## ASSETS

<i>Current Assets:</i>		
Cash on hand and in banks.....	\$110,568.26	
Accounts and Bills Receivable after provision for doubtful Accounts.....	621,248.78	
Inventory, 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.....	1,637,626.15	\$2,369,443.19
<i>Deferred Accounts Receivable, Mortgages and Sundry Investments</i> .....		96,425.94
<i>Investment in and Advances to Subsidiary Companies</i> .....		10,754.37
<i>Deferred Charges to Operations</i> .....		33,853.37
<i>Capital Assets:</i>		
Real Estate, Buildings, Plant and Equipment.....		9,193,130.31
Goodwill.....		1.00
		<u>\$11,703,608.18</u>

## LIABILITIES

<i>Current Liabilities:</i>		
Bank Advances.....	\$300,000.00	
Accounts Payable and Accrued Charges.....	668,190.10	
Provision for Federal and Provincial Taxes.....	78,000.00	
Dividend payable January 2nd, 1939.....	40,000.00	
		<u>\$1,086,190.10</u>
<i>Deferred Liabilities:</i>		
Mortgages Payable and Deferred Rentals.....		10,200.00
<i>Reserve for Depreciation on Capital Assets</i> .....		4,475,520.74
<i>Capital and Surplus:</i>		
Authorized Capital:		
8% Cumulative Preference Stock—20,000 shares, par value \$100.00 each:		
Common Stock—192,000 shares, no par value:		
Issued Capital:		
Preference Stock— 20,000 shares.....	\$2,000,000.00	
Common Stock —143,764 shares.....	3,176,212.00	
		<u>\$5,176,212.00</u>
Surplus.....	955,485.34	
		<u>6,131,697.34</u>
		<u>\$11,703,608.18</u>

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the Balance Sheet of Canadian Oil Companies, Limited as at December 31st, 1938, and of the Profit and Loss and Surplus Accounts for the year ending 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.

We have obtained all the information and explanations we have required, and, based upon such examination, report that, in our opinion, the above Balance Sheet and the accompanying Profit and Loss and Surplus Accounts for the year are properly drawn up so as to exhibit, in accordance with accepted principles of accounting consistently maintained by the Company during the year under review, a true and correct statement of the position and operations of Canadian Oil Companies, Limited, according to the best of our information and the explanations given us and as shown by the books of the Company.

THORNE, MULHOLLAND, HOWSON & MCPHERSON,

Chartered Accountants.

Toronto, March 7th, 1939.

# CANADIAN OIL COMPANIES, LIMITED

## PROFIT AND LOSS ACCOUNT

(Year Ending December 31st, 1938)

Net Profit for year, before providing for depreciation and Income Taxes .....		\$891,844.99
<i>Deduct:</i>		
Depreciation on Buildings, Plant and Equipment.....	\$478,527.78	
Provision for Federal and Provincial Income Taxes.....	71,000.00	
	<hr/>	<hr/>
		549,527.78
<i>Net Profit for year</i> .....		<u><u>\$342,317.21</u></u>

## SURPLUS ACCOUNT

(Year Ending December 31st, 1938)

Surplus, December 31st, 1937.....	\$850,018.63	
<i>Add:</i>		
Net Profit for year.....	\$342,317.21	
Sundry Adjustments applicable to prior years.....	13,002.00	
	<hr/>	<hr/>
		\$1,205,337.84
<i>Deduct:</i>		
Dividends on Preference Stock, 8%.....	\$160,000.00	
Dividends on Common Stock, 6 $\frac{1}{2}$ %.....	89,852.50	
	<hr/>	<hr/>
		249,852.50
<i>Surplus, December 31st, 1938</i> .....		<u><u>\$955,485.34</u></u>



