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

FOR THE FISCAL YEAR
ENDING DECEMBER 31st

1945

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ANNUAL REPORT

CANADIAN OIL COMPANIES,
LIMITED

FOR THE FISCAL YEAR
ENDING DECEMBER 31st,
1945

CANADIAN OIL COMPANIES, LIMITED

1945



OFFICERS

JOHN IRWIN, MONTREAL, *President*

P. A. THOMSON, MONTREAL
Vice-President

GORDON F. PERRY, TORONTO
Vice-President

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

H. F. HOECKER, TORONTO, *Secretary*

C. W. WALKER, TORONTO, *Treasurer*

REG. C. WEST, TORONTO, *General Sales Manager*

DIRECTORS

ARNOLD ASHTON
AUBREY DAVIS
JOHN IRWIN

JOHN W. McKEE
GORDON F. PERRY
E. G. 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:
TERMINAL BUILDING,
TORONTO, CANADA

CANADIAN OIL COMPANIES, LIMITED

TO THE SHAREHOLDERS:

YOUR DIRECTORS submit herewith the 37th Annual Report of your Company for the year ending December 31st, 1945. This Report contains the Balance Sheet as at December 31st, 1945, 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, Debenture and Bond Interest, Employees Pension Fund and Income & Excess Profits Taxes, amounted to \$1,921,558.85 as compared with \$1,783,981.11 for the preceding year—an increase of \$137,577.74 of which \$70,000.00 is attributable to reduction in Inventory Reserve.

After providing for the above items and adding the Refundable Portion of Excess Profits Tax, the Net Profit for the year amounted to \$486,867.94 as against \$437,629.97 for the preceding year—an increase of \$49,237.97.

Surplus Account as at December 31st, 1945, totalled \$1,475,637.48 as against \$1,359,659.21 for the year ending December 31st, 1944—an increase of \$115,978.27.

Current assets amount to \$6,836,763.01 compared with current liabilities of \$2,025,826.66 resulting in a net working capital of \$4,810,936.35 as compared with \$2,996,225.56 for the previous year.

By Supplementary Letters Patent issued to your Company, bearing date the 21st day of August, 1945, the Capital of the Company was increased by creating an issue of 20,000—5% cumulative preference shares of the par value of \$100.00 each and by redividing the issued and unissued 192,000 common shares without nominal or par value into 384,000 common shares and by increasing the common Capital stock of your Company from 384,000 shares to 750,000 shares without nominal or par value.

As a preliminary step, the Company issued Rights to the holders of common stock resident in Canada, offering them the opportunity of acquiring further common shares in the Company on the basis of one share of the new stock for every three shares of the old stock held.

Further, it was decided to create an issue of 4% First Mortgage Bonds in the aggregate amount of \$10,000,000.00—\$3,000,000.00 of this amount was authorized forthwith and \$2,000,000.00 was sold.

This additional issued Capital was only made available during the last few months of 1945, consequently, the full benefit of it has not as yet accrued to your Company, but it is reflected in the net working capital, principally represented by Dominion of Canada Bonds.

This has enabled your Company to retire the 4% Sinking Fund Debentures which would have been due on January 2nd, 1955, and to increase its working Capital by \$2,609,541.84. Should the need arise for further Capital, there remains unissued, 10,000 of the 5% preference shares and 366,000 common shares without nominal or par value, as well as \$8,000,000.00 of the authorized First Mortgage Bonds.

Your Directors record with profound sorrow the death of Mr. F. H. Littlefield, Chairman of the Board. Since 1909 he has served this Company in the capacity of General Manager, Vice-President, President, and since April, 1939, as Chairman of the Board of Directors.

It is with sincere regret that we also record the passing of Major-General John B. White, C.B.E., D.S.O., E.D., a valued Director of this Company.

Your Directors, at this time, wish to welcome back those employees who served their country in the Armed Forces and elsewhere and again to express their appreciation for the loyal and efficient service rendered by the officers and staff of your Company throughout the year.

On behalf of the Board,

A handwritten signature in cursive script, appearing to read 'J. Brown', written in black ink. The signature is fluid and extends across the width of the text area.

President.

CANADIAN OIL COMPANIES, LIMITED

PROFIT AND LOSS ACCOUNT (Year ended December 31st, 1945)

Net Profit for year before undermentioned items.....		\$1,851,558.85
ADD: Reduction in Inventory Reserve charged to operations in previous years.....		70,000.00
		<u>\$1,921,558.85</u>
DEDUCT:		
Depreciation on Buildings, Plant and Equipment.....	\$624,327.24	
Interest on 4% Debentures and 4% First Mortgage Bonds.....	70,363.67	
Payment re Employees' Pension Fund...	70,000.00	
		<u>764,690.91</u>
Net Profit before undermentioned taxes.....		1,156,867.94
Provision for Income and Excess Profits Taxes (including Refundable Portion of Excess Profits Tax, \$110,000.00).		780,000.00
		<u>376,867.94</u>
ADD: Refundable Portion of Excess Profits Taxes.....		110,000.00
		<u>110,000.00</u>
NET PROFIT FOR YEAR.....		<u><u>\$ 486,867.94</u></u>

SURPLUS ACCOUNT

(Year ended December 31st, 1945)

Surplus, December 31st, 1944.....		\$1,359,659.21
ADD: Net Profit for year.....		486,867.94
		<u>\$1,846,527.15</u>
DEDUCT:		
Dividends on 8% Preference Stock.....	\$160,000.00	
Dividends on 5% Preference Stock from date of issue, September 1st, 1945.....	16,666.67	
Dividends on Common Stock.....	194,223.00	
		<u>370,889.67</u>
SURPLUS, DECEMBER 31ST, 1945.....		<u><u>\$1,475,637.48</u></u>

CANADIAN OIL COMPANIES, LIMITED

BALANCE SHEET

(DECEMBER 31, 1945)

ASSETS	
CURRENT ASSETS:	
Cash on hand and in banks	\$ 380,154.28
Dominion of Canada Bonds at cost	2,233,750.00
Accounts and Bills Receivable after provision for doubtful accounts	1,207,101.15
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	3,015,757.58
	\$6,836,763.01
DEFERRED ACCOUNTS RECEIVABLE, MORTGAGES AND SUNDRY INVESTMENTS	361,840.93
INVESTMENT IN AND ADVANCES TO SUBSIDIARY COMPANIES	17,972.91
DEFERRED CHARGES TO OPERATIONS INCLUDING REFINANCING EXPENSES	200,956.04
REFUNDABLE PORTION, EXCESS PROFITS TAX	272,702.36
CAPITAL ASSETS:	
Real Estate, Buildings, Plant and Equipment	13,457,395.58
GOODWILL	1.00
	\$21,147,631.83

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the Balance Sheet of Canadian Oil Companies, Limited as at December 31, 1945 and of the Profit and Loss and Surplus Accounts 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.

We have obtained all the information and explanations we have required, and, based upon such examination, report that, in our opinion,

LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable and Accrued Charges (including Sales and Gasoline Taxes payable January, 1946)	\$1,565,693.19
Provision for Income and Excess Profits Taxes after payments on account	407,633.47
Dividends payable January 2, 1946	52,500.00
	\$2,025,826.66
DEFERRED LIABILITIES:	
Four per cent Sinking Fund First Mortgage Bonds maturing July 2, 1960	2,000,000.00
Mortgages and Purchase Monies payable and Deferred Rentals	246,500.00
	2,246,500.00
RESERVE FOR DEPRECIATION ON CAPITAL ASSETS	8,078,735.69
RESERVE FOR FUTURE DEPRECIATION IN INVENTORY VALUES as provided for in Section 6(1)(b) of the Excess Profits Tax Act	180,000.00
CAPITAL:	
Authorized:	
8% Cumulative Preference Stock—20,000 shares par value \$100.00 each:	
5% Cumulative Preference Stock—20,000 shares par value \$100.00 each:	
Common Stock—750,000 shares, no par value:	
Issued:	
8% Preference Stock—20,000 shares	2,000,000.00
5% Preference Stock—10,000 shares	1,000,000.00
Common Stock—384,000 shares	4,140,932.00
	7,140,932.00
SURPLUS:	
Earned Surplus	1,202,935.12
Deferred Surplus re Refundable Tax	272,702.36
	1,475,637.48
	\$21,147,631.83

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, February 13th, 1946.

PRODUCTS

MOTOR FUELS

White Rose Ethyl
White Rose No-Knock
Red Seal
Diesel Fuel Oil
Avgas

MOTOR OILS

White Rose
En-Ar-Co
National
Diesel
White Rose Aviation



LUBRICATING AND INDUSTRIAL OILS

Black Oils
Car Oils
Castor Machine Oils
Compressor Oils
Crusher Oils
Cutting Oils
Cylinder Oils
Dynamo Oils
Electric Motor Oils
Engine Oils
Form Oils
Gas Engine Oils
Harness Oils
Ice Machine Oils

Leather Oils
Marine Oils
Process Oils
Separator Oils
Soluble Oils
Spindle Oils
Tempering Oils
Textile Oils
Thread Cutting Oils
Tractor Oils—Dursol "D"
Transformer Oils
Turbine Oils
White Oils
Wool Oils



GREASES

White Rose Automotive
White Rose Ball Bearing
White Rose Brick
White Rose Diamond Drill
White Rose Gear Shield
White Rose Graphite Cup
White Rose High Temperature
White Rose Mine Car
White Rose Semi-Fluid
White Rose Sponge
White Rose Yarn
Black Beauty Axle

SPECIALTIES

White Rose Belt Dressing
White Rose D.D.T. Fly Spray
White Rose D.D.T. Barn Spray
White Rose D.D.T. Surface Spray
White Rose Handy Oil
White Rose Linseed Soap
White Rose Liquid Soap
White Rose Livestock Spray
White Rose Neatsfoot Oil
White Rose Rock Drill Lubricant
White Rose Solv
White Rose Tune



ANTI-FREEZE

White Rose (Ethylene Glycol)
Hot Shot (Alcohol)

KEROSENE

Silverlight

