

13th Annual Report

Year Ending

MARCH 31st, 1936



Commercial Alcohols Limited

3176 Notre Dame Street East

TORONTO

MONTREAL

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May 4, 1936

To the Shareholders:

Your Directors have pleasure in submitting herewith your Company's Thirteenth Annual Report, together with the Balance Sheet as at March 31, 1936, and Profit and Loss Account for the twelve months period ending on that date, prepared in accordance with the provisions of the Dominion Companies Act, 1934, and amendments thereto.

Your Company's net profits, after deductions of reserve for Depreciation, Bond Interest, Directors' Fees, and Income Tax, amounted to \$15,226.32, compared with the amount of \$1,534.50 in the previous year.

During the year your Company made expenditures which increased the amount of the fixed assets of your Company by \$16,103.00. The major portion of this amount was to provide for additional production in the Magnesia Insulation Department. The sales in this Department showed a material increase over the previous year.

Your Directors are continuing to follow the policy of moderate expansion and making capital expenditures chiefly for the purpose of economy and increased efficiency.

Your Company's operations and sales during the year under review were satisfactory. All the Company's plants and equipment have been well maintained and are in good condition.

Your Directors wish to express their appreciation of the faithful and efficient services rendered by the Staff and the employees.

On behalf of the Board,

C. G. KERTLAND,
President

DIRECTORS

THOMAS ARNOLD T. T. ARNOLD JOHN IRWIN H. C. KERMAN
C. G. KERTLAND A. LAFONTAINE, K.C. J. A. WALES

COMMERCIAL ALCOHOLS LIMITED

Balance Sheet as at 31st March 1936

	ASSETS		LIABILITIES	
Current Assets:			Current Liabilities:	
Cash on Hand.....		180.00	Bank Overdraft.....	65.18
Accounts Receivable.....	25,309.53		Bank Loan—Secured under Section 88 of the "Bank Act", by guarantee, and by pledge of \$109,500.00 par value of the Company's own Bonds.....	19,950.00
Less:—Reserve for Bad Debts.....	300.00	25,009.53	Bills Payable—Secured.....	26,333.73
			Accounts Payable and Accrued Expenses.....	23,512.40
Inventories—Finished Products, Raw Materials and Supplies—at cost.....		73,300.44	Provision for Dominion, Provincial and other Taxes.....	8,879.61
Containers on hand—at cost.....		15,258.75		78,740.92
		113,748.72	Reserve for Containers:	7,470.58
			Six per cent fifteen year first mortgage convertible gold bonds due 1st December 1944:	
Deferred Charges —Sundry Prepaid Expenses.....		3,950.54	Authorized.....	\$125,000.00
Investment in and advances to Eastern Distilleries Limited —a wholly-owned Subsidiary Company—at Nominal Value.....		1.00	Issued and Outstanding.....	118,000.00
			Less—Held by the Royal Bank of Canada as Collateral Security for Loan.....	109,500.00
Fixed Assets:				8,500.00
Buildings, Plant and Equipment—at cost.....		255,790.53	Capital:	
Less:—Reserves for Depreciation.....		93,539.56	Preferred Stock:	
		162,250.97	Authorized, Issued and Fully Paid—2,500—8% Cumulative Shares.....	250,000.00
			(Dividends are in arrears since 1st October 1928)	
Rights and Contracts:			Common Stock:	
			Authorized—150,000 shares without nominal or par value	
			Issued and Fully Paid—100,000 shares.....	\$100,000.00
			Deficit —as at 31st March 1935.....	\$68,834.50
			Deduct: Net Profit for the year.....	15,226.32
				53,608.18
				46,391.82
				296,391.82
				\$391,103.32
			Contingent Liabilities:	
			Containers in hands of Customers.....	\$35,815.85

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of Commercial Alcohols Limited for the year ended 31st March 1936 and we have obtained all the information and explanations required.

We report that, in our opinion, the above Balance Sheet and relative Statements of Income and Expenditure and Deficit, are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs and the results of the operations for the year, according to the best of our information and the explanations given to us and as shown by the books of the Company.

MONTREAL, 1st May 1936.

(Signed) McDONALD, CURRIE & CO.,
Chartered Accountants.

COMMERCIAL ALCOHOLS LIMITED

GENERAL STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 1936

Net Operating Profit for the year		54,147.62
Deduct:		
Provision for Depreciation	17,850.03	
Executive Salaries	16,195.00	
Directors' Fees	1,460.00	
Bond Interest	510.00	
Legal Fees	40.00	36,055.03
		<hr/>
		18,092.59
Deduct:		
Provision for Income Taxes		2,866.27
Net Profit for the Year		<hr/>
		\$15,226.32

STATEMENT OF DEFICIT FOR THE YEAR ENDED 31ST MARCH, 1936

Balance at Debit of Profit and Loss Account as at 31st March, 1935	68,834.50
Deduct: Net Profit for the Year	15,226.32
Balance at Debit of Profit and Loss Account as at 31st March, 1936	<hr/>
	\$53,608.18