

**COMMERCIAL ALCOHOLS
LIMITED**

Eighteenth
**ANNUAL
REPORT**

**FOR THE YEAR ENDING
MARCH THIRTY-FIRST, 1941**

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McGILL UNIVERSITY

COMMERCIAL ALCOHOLS LIMITED



DIRECTORS

THOS. ARNOLD, *Chairman*

C. G. KERTLAND, *President*

JOHN IRWIN, *Vice-President*

W. J. HENDERSON

A. LAFONTAINE, K.C.

F. J. MANNING

J. A. WALES



Head Office:

3176 NOTRE DAME STREET EAST, MONTREAL



Transfer Agents:

EASTERN TRUST CO., MONTREAL, QUE.



Auditors:

McDONALD, CURRIE & CO.

COMMERCIAL ALCOHOLS LIMITED



June 9th, 1941.

To the Shareholders:

Your Directors submit herewith your Company's Eighteenth Annual Report, together with balance sheet as at March 31, 1941, also statement of profit and loss and surplus account for the twelve-month period ending on that date.

During the year dividends amounting to forty cents per share were paid on the preferred shares of the company, and a nominal dividend of ten cents per share was paid on the common shares. Your directors also declared a dividend of fifteen cents per share on the common stock of the company payable May 1st to shareholders of record April 15, 1941.

The net operating profits for the year were \$158,882.87, and after deducting all charges and expenses, management, depreciation, and providing for Dominion and Provincial Income and Excess Profit taxes, the net profits were \$73,514.93, whereas in 1940 your company had a net operating profit of \$152,289.50 and a net profit of \$97,429.54, the decrease this year in net profit being due to the big increase in Income and Excess Profit taxes which amounted to \$48,914.93 compared to \$20,666.87 the previous year.

After disbursing \$39,059.00 in dividends, the earned surplus was increased from \$129,976.48 to \$156,212.09, and the working capital of the company increased from \$233,365.45 to \$261,884.61.

The sum of \$26,677.58 was invested in additional plant and equipment during the year under review. These additions were made to increase the capacity of your company's plants to take care of war orders, and special arrangements have been made with the War Depreciation Board to depreciate this additional plant at an increased rate.

Raw materials required by your company for the coming year are in stock or have been contracted for at favourable prices.

Your company's operations and sales during the year under review were very satisfactory, and the plants are operating at full capacity.

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 employees.

Respectfully submitted,

On behalf of the Board,

C. G. KERTLAND,
President.

COMMERCIAL ALCOHOLS LIMITED

Balance Sheet as at 31st March, 1941

ASSETS	LIABILITIES
CURRENT ASSETS:	
Cash	\$ 50,831 46
\$5,000.00 Dominion of Canada 3 1/2% Bonds due 1948-52	5,000 00
Accounts receivable—less reserve	78,989 09
Inventories—finished products, raw materials and supplies— as determined by actual count, weight or measurement, and valued at or below cost	195,952 65
	330,773 20
Containers on hand	12,271 10
	\$343,044 30
PREPAID EXPENSES	8,954 69
FIXED ASSETS:	
Buildings, plant and equipment— at cost	395,126 54
RIGHTS AND CONTRACTS	
	113,652 09
APPROVED ON BEHALF OF THE BOARD:	
THOMAS ARNOLD	}
C. GORDON KERTLAND	
	<i>Directors.</i>
	\$860,777 62
	CURRENT LIABILITIES:
	Accounts payable and accrued charges \$ 24,909 54
	Provision for taxes, including Dominion and Provincial income taxes and excess profits taxes 51,250 15
	Preferred dividend payable 5,000 00
	\$ 81,159 69
	RESERVE FOR DEPRECIATION OF FIXED ASSETS
	189,598 84
	CAPITAL AND SURPLUS:
	Preferred Stock—
	Authorized, issued and fully paid—50,000 8% cumulative convertible redeemable shares of a par value of \$5.00 each \$250,000 00
	Common Stock—
	Authorized:
	400,000 shares without nominal or par value
	Issued and fully paid:
	188,287 shares at 31st March, 1940. \$178,602 00
	5,205 shares issued for cash, under employees' stock subscription plan 5,205 00
	193,485 shares at 31st March, 1941. 183,807 00
	Earned Surplus
	as per attached statement 156,212 09
	590,019 09
	On 31st March, 1941, a dividend of 15 cents per common share was declared payable on 1st May, 1941, to shareholders of record of 15th April, 1941.
	CONTINGENT LIABILITY— in respect of containers in hands of customers if returned within ninety days of shipping date
	\$860,777 62

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Commercial Alcohols Limited for the year ended 31st March 1941, and we have obtained all the information and explanations which we have required.

Subject to the final determination of the company's liability for income and excess profits taxes by the Department of National Revenue, in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the company.

Montreal, 20th May, 1941.

MCDONALD, CURRIE & CO.
Chartered Accountants.

COMMERCIAL ALCOHOLS LIMITED



GENERAL STATEMENT OF INCOME AND EXPENDITURE For The Year Ended 31st March, 1941

NET OPERATING PROFIT—before the following deductions.		\$158,882.87
Salaries and fees paid to executive officers.	\$13,401.67	
Fees paid to other directors.	1,080.00	
Legal fees.	290.21	14,771.88
		<hr/>
		\$144,110.99
Provision for depreciation.	21,681.65	
		<hr/>
		\$122,429.34
Provision for Dominion and Provincial income and excess profits taxes.		48,914.41
		<hr/>
NET PROFIT.		<u>\$ 73,514.93</u>

STATEMENT OF EARNED SURPLUS For The Year Ended 31st March, 1941

BALANCE AT CREDIT—31st March, 1940.		\$129,976.48
DEDUCT: Income and excess profits taxes applicable to prior periods. . .		8,220.32
		<hr/>
		\$121,756.16
ADD: Net profit for the year.		73,514.93
		<hr/>
		\$195,271.09
DEDUCT: Preferred dividends paid and payable.	\$20,000.00	
Common dividend paid.	19,059.00	39,059.00
		<hr/>
BALANCE AT CREDIT—31st March, 1941.		<u>\$156,212.09</u>

COMMERCIAL ALCOHOLS LIMITED



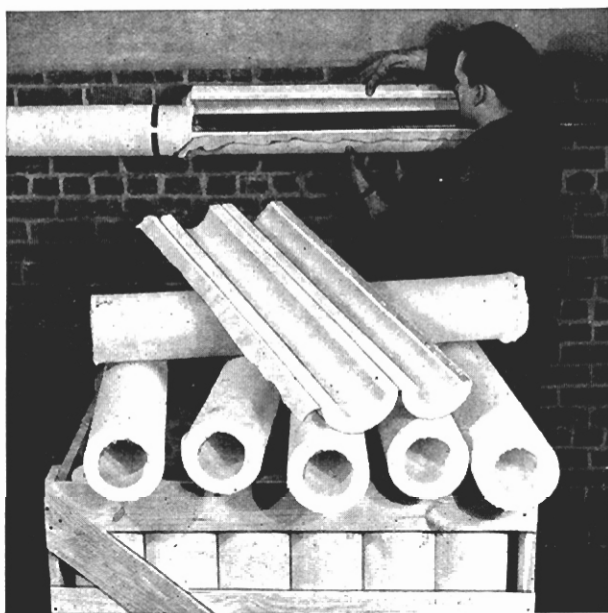
Comparative Statement
of
INCOME AND SURPLUS ACCOUNT
for the
Years ended 31st March

	1941	1940	1939
NET OPERATING PROFIT.....	\$158,882.87	\$152,289.50	\$121,423.02
LESS: Executive salaries and fees....	13,401.67	14,420.00	14,380.00
Directors' fees.....	1,080.00	940.00	960.00
Legal fees.....	290.21	95.00	412.10
Depreciation.....	21,681.65	18,738.09	17,075.29
Income taxes.....	48,914.41	20,665.87	15,504.23
	<hr/>	<hr/>	<hr/>
NET PROFIT.....	73,514.93	97,429.51	73,091.40
LESS: Preferred dividends.....	20,000.00	20,000.00	20,000.00
	<hr/>	<hr/>	<hr/>
LESS: Common dividends.....	19,059.00	17,911.50	---
	<hr/>	<hr/>	<hr/>
	31,455.93	59,518.04	53,091.40
Previous Surplus.....	129,976.48	66,093.06	14,331.48
Reserve for containers.....	---	---	4,490.11
Adjustment prior period.....	—	4,365.38	---
	<hr/>	<hr/>	<hr/>
	164,432.41	129,976.48	71,912.99
LESS: Taxes prior periods.....	8,220.32	-	5,819.93
	<hr/>	<hr/>	<hr/>
EARNED SURPLUS.....	<u>\$156,212.09</u>	<u>\$129,976.48</u>	<u>\$ 66,093.06</u>
WORKING CAPITAL:			
CURRENT ASSETS.....	\$343,044.30	\$267,119.91	\$201,149.35
CURRENT LIABILITIES.....	81,159.69	33,754.46	28,305.69
	<hr/>	<hr/>	<hr/>
WORKING CAPITAL.....	<u>\$261,884.61</u>	<u>\$233,365.45</u>	<u>\$172,843.66</u>

COMMERCIAL ALCOHOLS LIMITED

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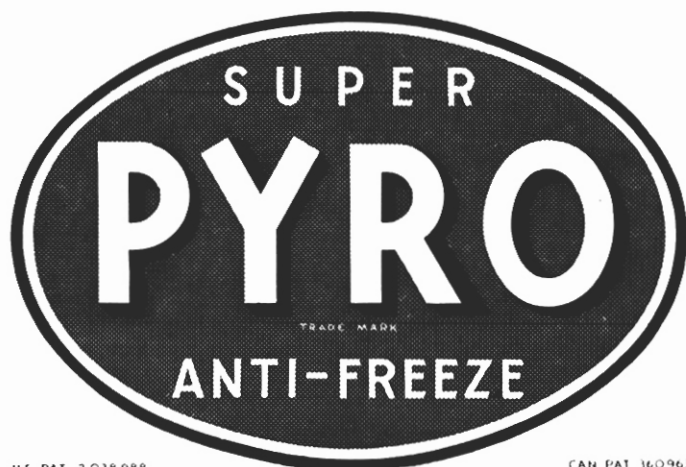
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