

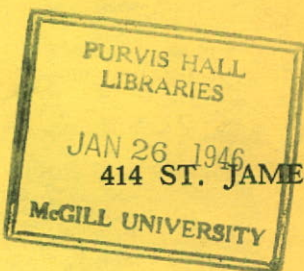
Consolidated Diversified Standard Securities Limited



FINANCIAL REPORT

FOR PERIOD FROM
JULY 13th TO DECEMBER 31st

1932



HEAD OFFICE

414 ST. JAMES STREET, MONTREAL

McGILL UNIVERSITY

Consolidated Diversified Standard Securities Limited

BOARD OF DIRECTORS

HON. W. E. FOSTER, L.L.D.	C. B. HOWARD, Esq. M.P.
A. E. MIDDLETON HOPE, C. A.	THOS. BRADLEY, Esq.
HON. B. M. HILL	R. W. T. BURLEIGH, Esq.
W. W. SNIDER, Esq.	A. C. SMITH, Esq.
A. G. TIERNEY, Esq.	

OFFICERS

HON. W. E. FOSTER, L.L.D.	- - - - -	<i>President</i>
A. E. MIDDLETON HOPE, C. A.	- - - - -	<i>Vice-President and Treasurer</i>
A. G. TIERNEY, Esq.	- - - - -	<i>Secretary</i>
HON. B. M. HILL	- - - - -	<i>Managing Director</i>

SOLICITORS

HYDE, AHERN, PERRON, PUDDICOMBE & SMITH

AUDITORS

PRICE, WATERHOUSE & COMPANY

Consolidated Diversified Standard Securities Limited

Montreal, February 10th, 1933.

TO THE SHAREHOLDERS:

Your Directors herewith present for your approval the Company's first Financial Report and Balance Sheet.

The Company was organized in May 1932 but certain unavoidable delays did not permit of the commencement of business until July 13th last, at which date the assets and liabilities of Diversified Standard Securities Limited, Second Diversified Standard Securities Limited and Third Diversified Standard Securities Limited were taken over in accordance with the terms of the agreements which were submitted to and approved by the Shareholders of each Company at the Special General Meetings held on March 23rd, 1932.

The portfolio of the Company is comprised of the securities of over 140 Companies, and a list of the stocks and bonds held is appended. The market value of these investments at the end of our fiscal year shows an appreciation of approximately 23% over the book value.

The Gross Income for the five and a half months period under review was \$87,401.16, which is an increase over the six months period July 1st to December 31st, 1931, and from the above amount \$52,659.78 is carried forward to Realized Capital Profits.

One of the real benefits which has so far been derived through bringing under one Management the activities of Diversified, Second and Third Diversified Standard Securities Limited, is in connection with the Operating Expenses. Under the three former

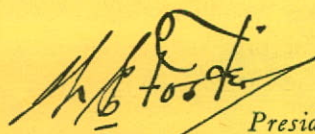
Companies this item amounted to \$25,201.70 for the period from July 1st to December 31st, 1931, whereas similar disbursements of this Company from July 13th to December 31st, 1932, were only \$13,115.40, and this latter amount includes certain non-recurring items.

In the circular letter dated January 18th, 1932, which was forwarded to shareholders of the three old Companies, the estimated saving on expenses was \$15,000 per annum. It will be noted that as shown by the accompanying Report the saving for the five and a half months period is \$12,086.30, or at the rate of over \$24,000 per annum.

Another benefit to the shareholders is the fact that it has been possible to place the Company's Preference shares on a dividend basis, and the first disbursement on this class of stock was at the rate of 25c. per share, payable December 1st, 1932 to shareholders of record November 1st, 1932. The net asset value of these Preference shares as reflected by the Balance Sheet of December 31st, 1932, was \$18.73 per share.

Now that the heavy expenses and retarding restrictions which surrounded the three old Companies have been eliminated, your Company finds itself in a much better position to cope with the many perplexing problems which are ever present during periods similar to the one through which we are now passing.

Submitted on behalf of the Directors.



W. B. Foster
President.

Consolidated Diversified S

BALANCE SHEET AS A

ASSETS

Cash in Banks.....	\$ 5,754.37
Dividends Declared (Received in January).....	\$3,977.19
Interest Accrued on Bonds.....	559.30
Receivable from Broker.....	234.85
	<hr/>
	4,771.34
	<hr/>
Investments at Cost.....	\$10,525.71
(Quoted market value Dec. 31, 1932, \$945,568.54)	767,138.92
Shares of Consolidated Diversified Standard Securities Limited, held for resale.....	495.00
Furniture and Fixtures.....	1,204.84
Prepaid Items.....	919.33

Approved on behalf of the Board:

W. E. FOSTER }
B. M. HILL } Directors.

\$780,283.80

AUDITORS' REPORT T

We have made an examination of the books and accounts of the Company from July 13 to December 31, 1932, and have obtained all the information the securities have been made by us and found in order, and we report so as to exhibit a true and correct view of the state of the Company's affairs given to us and as shown by the books of the Company.

Montreal, January 31, 1933.

Standard Securities, Limited

DECEMBER 31st, 1932

LIABILITIES

Dividends payable in respect of Preference Shares to be issued.....	\$ 1,455.83	
Interest Accrued on Subscribers' Instalments.....	1,750.25	
Provision for Dominion Income Tax.....	1,771.53	
		\$ 4,977.61
Capital and Surplus represented by:		
Capital Stock:		
Authorized—		
55,000 Non-cumulative First Preference Shares, no par value. (Preferential as to \$2.50 per Share dividend and redeemable at \$50.00 at call)		
160,000 Class "A" Common Shares, no par value		
112,500 Class "B" Common Shares, no par value		
Issued—		
44,900 14/25 Non-Cumulative First Preference Shares.....	\$621,053.83	
134,108 32/40 Class "A" Common Shares.....		
112,500 Class "B" Common Shares.....		
To be issued, when fully paid or in exchange for shares in Old Companies.		
6,630 7/25 Non-cumulative First Preference Shares.....	147,022.58	
19,868 12/40 Class "A" Common Shares.....		
		\$768,076.41
Less: Balances due on subscriptions.....	50,671.41	
		\$717,405.00
Realized Capital profits, net.....	52,659.78	
Balance at credit of Profit & Loss Account as per statement attached.....	5,241.41	
		775,306.19
		<u>\$780,283.80</u>

TO THE SHAREHOLDERS

The Consolidated Diversified Standard Securities Limited for the period mentioned and explanations we have required, periodical examinations of the accounts and that, in our opinion, the above Balance Sheet is properly drawn up and the affairs according to the best of our information and the explanations

PRICE, WATERHOUSE & CO.
Auditors.

Consolidated Diversified Standard Securities Limited

PROFIT AND LOSS ACCOUNT

For the Period from July 13 to December 31, 1932

Dividends and Interest earned on Investments.....	\$29,273.03	
Premium on New York Funds.....	3,525.28	
		<u>32,798.31</u>
Profit on sale of Investments.....	\$52,226.97	
Capital return, Cumberland Pipe Liquidation		
Dividends received.....	2,375.88	
		<u>54,602.85</u>
		<u>\$87,401.16</u>
Expenses:—		
Interest paid, office expenses, Provincial and Municipal		
Taxes, etc.....	13,115.40	
		<u>\$74,285.76</u>
Deduct:—		
Provision for Dominion Income Tax.....	\$1,771.53	
Dividend, 25c. per share on First Preference		
Shares.....	12,669.97	
Organization Expenses, net, charged		
to Capital Profits realized.....	\$1,943.07	
Realized Capital Profits, net, trans-		
ferred.....	52,659.78	
		<u>54,602.85</u>
		<u>69,044.35</u>
Balance, December 31, 1932.....	\$ 5,241.41	

Consolidated Diversified Standard Securities Limited

LIST OF SECURITIES OWNED AS OF DECEMBER 31st, 1932

BONDS		Cost
\$3,000	The Baltimore & Ohio R.R. Co. 4½%, 1960	\$ 1,646.02
\$4,000	Chile Copper Co. Debentures 5%, 1947	2,576.05
\$3,000	Houston Oil Co. of Texas 5½%, 1940	2,325.73
\$3,000	Illinois Central R.R. Co. 4¾%, 1966	1,680.12
\$6,000	International Hydro-Electric System 6%, 1944	3,358.04
\$4,000	International Telephone & Telegraph Corp. 5%, 1955	2,251.06
\$4,000	Remington Rand Inc. 5¾%, 1947	2,694.69
\$3,000	Vanadium Corp. of America 5%, 1941	1,494.27
		\$18,025.98
PREFERRED STOCKS		
100	Shares Canada Northern Power Corp. Ltd.	\$ 6,755.25
200	“ Standard Gas & Electric Company \$4 Preferred	7,727.22
100	“ Standard Gas & Electric Company \$6 Preferred	5,517.07
100	“ Standard Gas & Electric Company \$7 Preferred	6,901.42
		\$26,900.96
COMMON STOCKS		
100	Shares Adams-Millis Corp.	\$1,942.05
100	“ Air Reduction Co., Inc.	6,162.24
50	“ Alleghany Corporation	31.25
50	“ Allied Chemical & Dye Corp.	4,372.79
20	“ Allis-Chalmers Mfg. Co.	100.00
40	“ American Can Co.	1,290.00
25	“ American & Foreign Power Co.	68.75
100	“ American Home Products	4,439.10
100	“ American International Corp.	707.49
73	“ American Rolling Mill Co.	337.62
200	“ American Tobacco Co.	14,880.03
200	“ American Water Works & Elec. Co. V.T.C.	4,737.27
3,600	“ Atlantic Refining Co.	40,500.00
50	“ Atlas Powder Co.	375.00
110	“ Bangor & Aroostook Railroad Co.	1,622.50
100	“ Barnsdall Corp.	425.00
40	“ Beatrice Creamery Co.	680.00
40	“ Bendix Aviation Corp.	200.00
650	“ Borne Scrymser Co.	3,900.00
150	“ Briggs Manufacturing Co.	543.75
555	“ Buckeye Pipe Line Co.	11,814.94
600	“ Canada Dry Ginger Ale Inc.	7,851.91
175	“ Canadian Car & Foundry Co. Limited	787.50
100	“ Canadian Industries, Ltd.	6,950.00
5	“ Checker Cab Manufacturing Corp.	40.00
5	“ Chesebrough Manufacturing Co. Consolidated	325.00
200	“ Chrysler Corporation	1,225.00
50	“ Coca-Cola Company	5,948.01
20	“ Columbia Gas & Electric Corp.	117.50
100	“ Commercial Solvents Corp.	1,178.06

LIST OF SECURITIES OWNED AS OF DECEMBER 31st, 1932

		COMMON STOCKS—Continued	Cost
100	Shares	Commonwealth & Southern Corp.	\$ 200.00
50	"	Congoleum-Nairn, Inc.	368.75
60	"	Consolidated Bakeries of Canada Ltd.	240.00
100	"	Consolidated Gas Co. of N.Y.	4,563.01
3,020	"	Consolidated Oil Corp.	16,231.25
100	"	Continental Can. Co., Inc.	2,857.25
4,500	"	Continental Oil Co. (Del.)	21,375.00
18	"	Cord Corporation	47.25
100	"	Cream of Wheat Corp.	2,415.88
100	"	Cudahy Packing Co.	3,457.69
830	"	Cumberland Pipe Line Co., Inc.	3,320.00
100	"	Curtiss-Wright Corp. "A"	175.00
150	"	Curtiss-Wright Corp. Common	150.00
125	"	Dominion Bridge Co., Ltd.	1,531.25
400	"	Dominion Stores, Ltd.	6,276.48
20	"	Dresser Manufacturing Co. "B"	30.00
31	"	Dupont deNemours & Co., Inc.	736.25
200	"	Electric Auto-Lite Co.	3,848.08
305-59/600	"	Electric Bond & Share Securities Corp.	9,436.60
100	"	Electric Power & Light Corp.	378.54
300	"	Electric Storage Battery Co.	8,625.03
718	"	Eureka Pipe Line Co.	13,628.91
80	"	Foster-Wheeler Corp.	370.00
100	"	Freeport Texas Co.	2,805.83
100	"	General Motors Corp.	1,228.42
150	"	Gimbel Bros. Inc.	150.00
200	"	Hahn Department Stores, Inc.	125.00
748	"	Houston Oil Co. of Texas New	1,589.50
15	"	Houston Oil Co. of Texas Old	165.00
765	"	Humble Oil & Refining Co.	29,070.00
1,060	"	Imperial Oil, Limited	8,480.00
30	"	International Cement Corp.	150.00
56-18/100	"	International Hydro Electric System "A"	168.54
2,000	"	International Petroleum Co., Ltd.	20,000.00
30	"	International Telephone & Telegraph Corp.	138.75
105	"	Johns-Manville Corp.	1,233.75
133	"	Kroger Grocery & Baking Co.	1,512.87
100	"	Lambert Co., The	4,627.36
25	"	Loblaw Groceries Co., Ltd. "A"	253.12
100	"	Loew's Inc.	2,606.11
120	"	Loose-Wiles Biscuit Co.	3,131.78
900	"	Lorillard (P.) Co.	13,264.06
250	"	Massey-Harris Co. Ltd.	750.00
100	"	Mathieson Alkali Works Inc.	1,385.41
220	"	Montgomery Ward & Company	1,100.00
20	"	Mullins Manufacturing Corp.	70.00
125	"	McColl Frontenac Oil Co., Ltd.	1,125.00
180	"	National Cash Register Co.	1,050.00
400	"	National Dairy Products Corp.	10,445.93
50	"	National Steel Car Corp., Ltd.	400.00
3,430	"	National Transit Co.	19,722.50
200	"	Noranda Mines, Ltd.	4,178.97
114-33/40	"	North American Company	3,544.84
35	"	Ogllvie Flour Mills Co., Limited	6,475.00
100	"	Ohio Oil Company	725.00

LIST OF SECURITIES OWNED AS AT DECEMBER 31st, 1932

		COMMON STOCKS—Continued	Cost
120	Shares	Pacific Lighting Corp.....	\$ 4,629.53
94-22/40	"	Paramount Publ.	165.46
300	"	Penny (J.C.) Company.....	7,358.84
125	"	Phillips Petroleum Co.....	484.37
20	"	Public Service Corp. of N.J.....	600.00
50	"	Quebec Power Company.....	625.00
25	"	Radio Corporation of America.....	96.87
10	"	Radio-Keith-Orpheum Corp. "A".....	80.00
60	"	Remington Rand Inc.....	90.00
20	"	Republic Steel Corp.....	42.50
200	"	Reynolds (R.J.) Tobacco Co.....	7,612.06
300 ¼	"	Safeway Stores Inc.....	12,180.77
100	"	Seaboard Oil Company of Delaware.....	787.50
126	"	Sears-Roebuck & Company.....	1,433.25
5,900	"	Socony-Vacuum Corp.....	44,250.00
500	"	South Penn Oil Company.....	6,437.50
375	"	South-West Pennsylvania Pipe Lines.....	9,890.62
100	"	Southern California Edison Co.....	2,761.78
50	"	Southern Railway Company.....	150.00
100	"	Standard Brands Inc.....	1,062.50
100	"	Standard Gas & Electric Co. Common.....	1,845.38
2,100	"	Standard Oil Co. of California.....	39,637.50
6,500	"	Standard Oil Co. (Indiana).....	121,062.50
1,000	"	Standard Oil Co. of Kentucky.....	10,018.97
800	"	Standard Oil Co. (of Nebraska).....	8,600.00
2,000	"	Standard Oil Co. (N.J.).....	50,500.00
221	"	Standard Oil Co. of Ohio.....	4,696.25
25	"	Standard Paving & Materials Ltd.....	37.50
55-62/100	"	Sun Oil Co.....	1,464.75
600	"	Texas Gulf Sulphur Co.....	11,191.40
40	"	Underwood Elliott Fisher Co.....	360.00
60	"	Union Carbide & Carbon Corp.....	997.50
80	"	Union Tank Car Co.....	960.00
100	"	United Corp. (The).....	593.43
40	"	United Fruit Co.....	640.00
100	"	U.S. Realty & Improvement.....	237.50
20	"	Vulcan Detinning Co.....	182.50
120	"	Walworth Company.....	90.00
120	"	Warner Bros. Pictures.....	105.00
30	"	Warren Brothers Co.....	45.00
20	"	Westinghouse Electric & Mfg. Co.....	335.00
100	"	White Rock Mineral Springs Co.....	1,955.28
20	"	Worthington Pump & Machinery Corp.....	220.00
			<u>\$722,001.73</u>
MISCELLANEOUS INACTIVE STOCKS.....			<u>\$210.25</u>
SUMMARY			
Bonds.....		\$18,025.98	
Preferred Stocks.....		26,900.96	
Common Stocks.....		722,001.73	
Miscellaneous Inactive Stocks.....		210.25	
			<u>\$767,138.92</u>

