

Texaco Canada Ltd.



Third Annual Report
McCOLL-FRONTENAC
OIL COMPANY LIMITED

for
Fiscal Year Ending
JANUARY THIRTY-FIRST
1931

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McCOLL-FRONTENAC OIL COMPANY
Limited



Third Annual Report

for
Fiscal Year Ending
JANUARY THIRTY-FIRST

1931

MCCOLL-FRONTENAC OIL COMPANY LIMITED

1930

President

JOHN IRWIN, Montreal

Vice-President

P. A. THOMSON, Montreal

Vice-President

In Charge of Operations

J. A. WALES, Montreal

Vice-President

In Charge of Eastern and Maritime Divisions Marketing

J. M. PRITCHARD, Montreal

Vice-President

In Charge of Central Division Marketing

S. S. GRIFFITHS, Toronto

Vice-President

In Charge of Western Division Marketing

H. H. BRADBURN, Winnipeg

Secretary-Treasurer

FRED. HUNT, Montreal

Comptroller

L. A. BROOKS, C.A.

Directors

J. IRWIN

A. J. NESBITT

P. A. THOMSON

E. R. PARKINS, K.C.

GORDON F. PERRY

J. B. WOODYATT

J. A. WALES

Fiscal Agents

NESBITT, THOMSON & COMPANY LIMITED

Transfer Agents

MONTREAL TRUST CO.

Registrars

ROYAL TRUST CO.

Auditors

PRICE, WATERHOUSE & COMPANY

P. S. ROSS & SONS

Head Office of the Company

ROYAL BANK BUILDING

MONTREAL - CANADA

MCCOLL-FRONTENAC OIL COMPANY

Limited

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting herewith your Company's third annual report, together with Balance Sheet, as at 31st January, 1931, and Profit and Loss account for the twelve months period ending that date.

Results of operations during the year under review can be regarded as distinctly gratifying, the Company's business in all departments having recorded satisfactory growth.

Total profits from operations and income from investments amounted to \$2,449,546.25, as compared with \$2,171,394.01 for the previous year, an increase of \$278,152.24.

Current assets amounted to \$5,210,101.14, being a ratio of more than five to one over current liabilities of \$1,005,873.30. Accounts receivable amounted to \$1,924,388.42, against which a reserve has been established of \$334,872.79, which is sufficient to look after all bad and doubtful debts on the books of the Company.

During the year under review the Company's policy of contracting for its supply of crude on the basis of prevailing market prices was amply justified, reductions in crude oil prices having been passed on to the public by successively reducing the prices of gasoline.

Additions to your Company's refineries referred to in the last annual report were completed early in the year and put into operation. All of your Company's refining plants have been well maintained and are at a high state of efficiency.

Delivery of the two new tank steamers, the S.S. "Cyclo Chief" and S.S. "Cyclo Warrior" was made early last year, and

the operation of these ships contributed considerably to the success of your Company.

During the year your Company's fiscal agents, Messrs. Nesbitt, Thomson & Company, Limited, sold an additional \$2,265,000 First Mortgage and Collateral Trust 6% Convertible Bonds Series "A". This makes outstanding an amount of \$9,765,000 of the \$10,000,000 which they had under option. The proceeds have been used for the creation of Marine Bulk Terminals at Halifax, N.S., Saint John, N.B., and Kingston, Ont., and for additions to the refineries and completion of the Service Station and Marketing Division expansion program.

Your Directors feel that your Company has successfully completed a period of expansion into all the leading markets of the Dominion of Canada, and that the immediate future should be one of moderate expansion, giving particular emphasis to consolidation and reduction of operating expenses.

Your Directors wish again to express their appreciation of the faithful and efficient service rendered by all the staff and employees of your Company.

On behalf of the Board.

J. IRWIN,
President.

MONTREAL, April 29, 1931.

McCOLL-FRONTENAC OIL COMPANY, LIMITED AND SUBSIDIARY COMPANIES

STATEMENT OF PROFIT AND LOSS AND SURPLUS ACCOUNT YEAR ENDING JANUARY 31, 1931

Profits from Operations and Income from Investments..... \$2,449,546.25

DEDUCT:

Reserve for Depreciation.....	\$450,000.00	
Reserve for Bad Debts.....	154,928.00	
Dividends paid on Shares of Subsidiary Companies.....	5,235.35	
Amortization of Bond Discount.....	39,198.96	
Bank and Other Interest.....	35,874.74	
	<u>685,237.05</u>	
		\$1,764,309.20

DEDUCT ALSO:

Interest on Bonds.....	522,038.17	
Net Profit for the year before providing for Income Tax.....	\$1,242,271.03	
Provision for Income Tax year ending January 31, 1931..	50,287.44	
	<u>\$1,191,983.59</u>	
Dividends paid on McColl-Frontenac:		
6% Preferred Stock.....	480,237.00	
	<u>\$711,746.59</u>	
Dividends paid on Common Shares—four quarterly divi- dends of fifteen cents per share each up to December 31, 1930.....	298,181.85	
	<u>\$413,564.74</u>	

ADD: Surplus Balance at January 31, 1930... \$1,373,246.49

LESS: Reserve for Investments in Affili-
ated Companies and adjustments
affecting prior years..... 358,273.87

Surplus balance at January 31, 1931..... \$1,428,537.36

McCOLL-FRONTENAC AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT AND WORKING ASSETS:

Cash in Bank and on Hand.....	\$244,779.24	
Bonds and Stocks (less Reserve).....	228,546.90	
Accounts Receivable.....	\$1,924,388.42	
LESS: Reserve for Bad and Doubtful Accounts	334,872.79	
	<hr/>	1,589,515.63
Inventories of Merchandise and Supplies.	3,147,259.37	
	<hr/>	\$5,210,101.14

INVESTMENTS IN AFFILIATED COMPANIES AND LOANS AND MORTGAGES (less Reserve).....

1,040,313.55

DEFERRED CHARGES:

Insurance, Taxes and Other Prepaid Ex- penses.....	\$241,281.35	
Bond Discount and Expense.....	777,068.32	
	<hr/>	1,018,349.67

FIXED ASSETS:

Land, Buildings and Equipment at cost..	\$16,333,679.80	
Premiums paid on Purchase of Subsidiary Companies Capital Stocks, Trade Marks, Processes and Goodwill—		
Balance as at January 31, 1930.....	7,685,316.87	
	<hr/>	24,018,996.67

\$31,287,761.03

APPROVED ON BEHALF OF THE BOARD:

J. IRWIN, Director.

P. A. THOMSON, Director.

OIL COMPANY LIMITED COMPANIES

JANUARY 31st, 1931

LIABILITIES

CURRENT LIABILITIES:	
Accounts Payable and Accrued Liabilities	\$655,285.86
Bond Interest Payable.....	195,300.00
Income Tax Reserve.....	155,287.44
	<hr/>
	\$ 1,005,873.30
DEFERRED CONTRACT LIABILITIES.....	470,491.05
MORTGAGES PAYABLE.....	432,275.55
FIRST MORTGAGE BONDS FRONTENAC OIL REFINERIES LIMITED 6½% 1942.....	\$1,000,000.00
LESS: Held by McColl-Frontenac Oil Co. Ltd.....	989,900.00
	<hr/>
	10,100.00
RESERVE FOR DEPRECIATION.....	1,504,032.53
FIRST MORTGAGE COLLATERAL TRUST CONVERTIBLE 6% BONDS DUE 1949 (Total Authorized Issue \$25,000,000.00).....	9,765,000.00
*PREFERRED STOCK:	
6% Cumulative Sinking Fund Preferred Shares of \$100.00 each (Authorized issue 100,000 Shares).....	\$8,205,300.00
DEDUCT: 2,015 Shares held for Redem- ption.....	201,500.00
	<hr/>
	8,003,800.00
COMMON SHARES AND SURPLUS:	
Authorized issue 750,000 Shares without Nominal or Par Value:	
Issued and Subscribed for (less 3,610 Shares purchased and held by Sub- sidiary Company at cost)—496,390 Shares.....	\$8,800,083.25
LESS: Balances unpaid on Employees Subscriptions.....	132,432.01
	<hr/>
	\$8,667,651.24
Profit and Loss Account:	
Balance, January 31, 1931.....	1,428,537.36
	<hr/>
	10,096,188.60
NOTE: A dividend of Fifteen Cents per share on the Common Shares has been declared payable March 14, 1931.	
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	\$31,287,761.03
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*Redeemable at 105 on any dividend date after 30 days notice.

AUDITORS' REPORT TO THE SHAREHOLDERS:

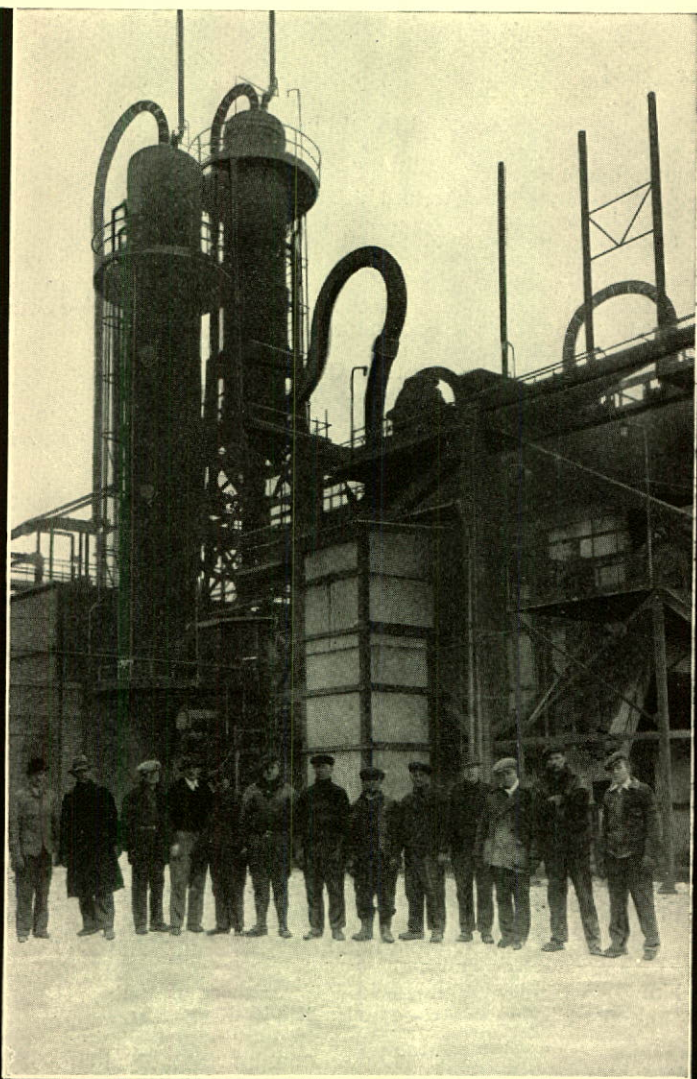
We have examined the books and accounts of McColl-Frontenac Oil Company Limited and its Subsidiary Companies for the year ending January 31, 1931, and have obtained all the information and explanations which we have required; and we certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at January 31, 1931, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,

P. S. ROSS & SONS,

Auditors.

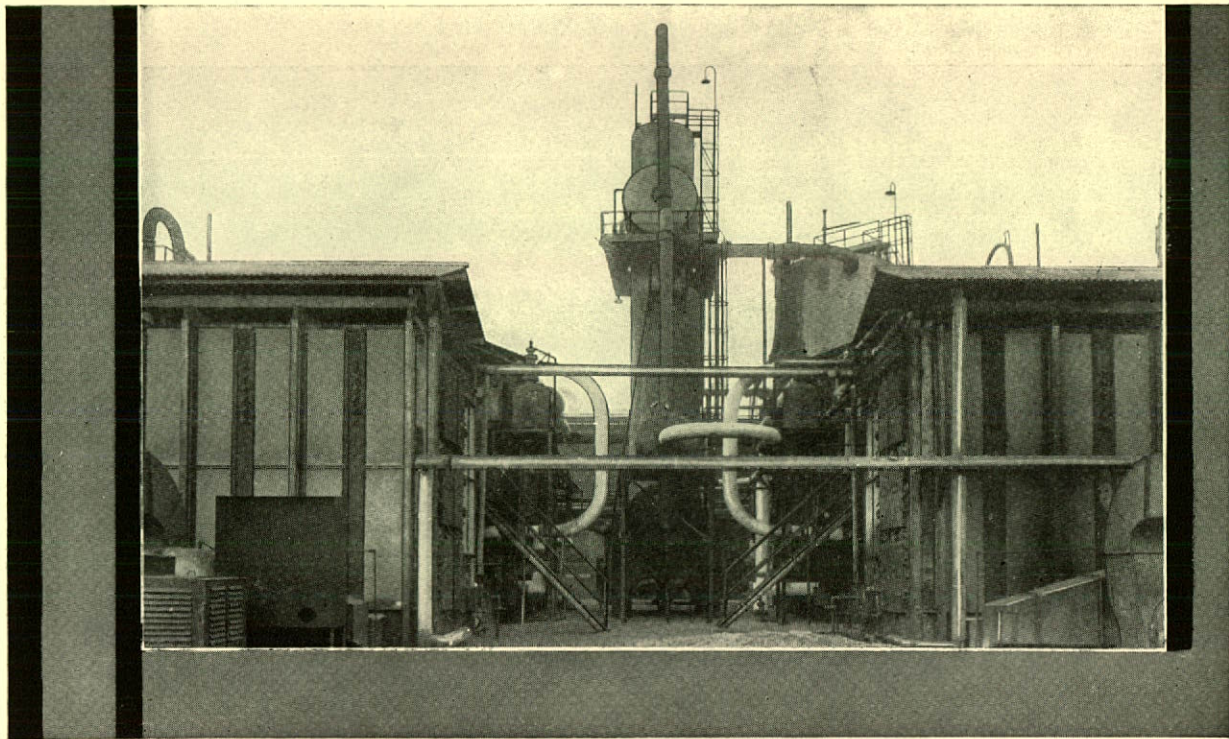
MONTREAL, April 15, 1931.



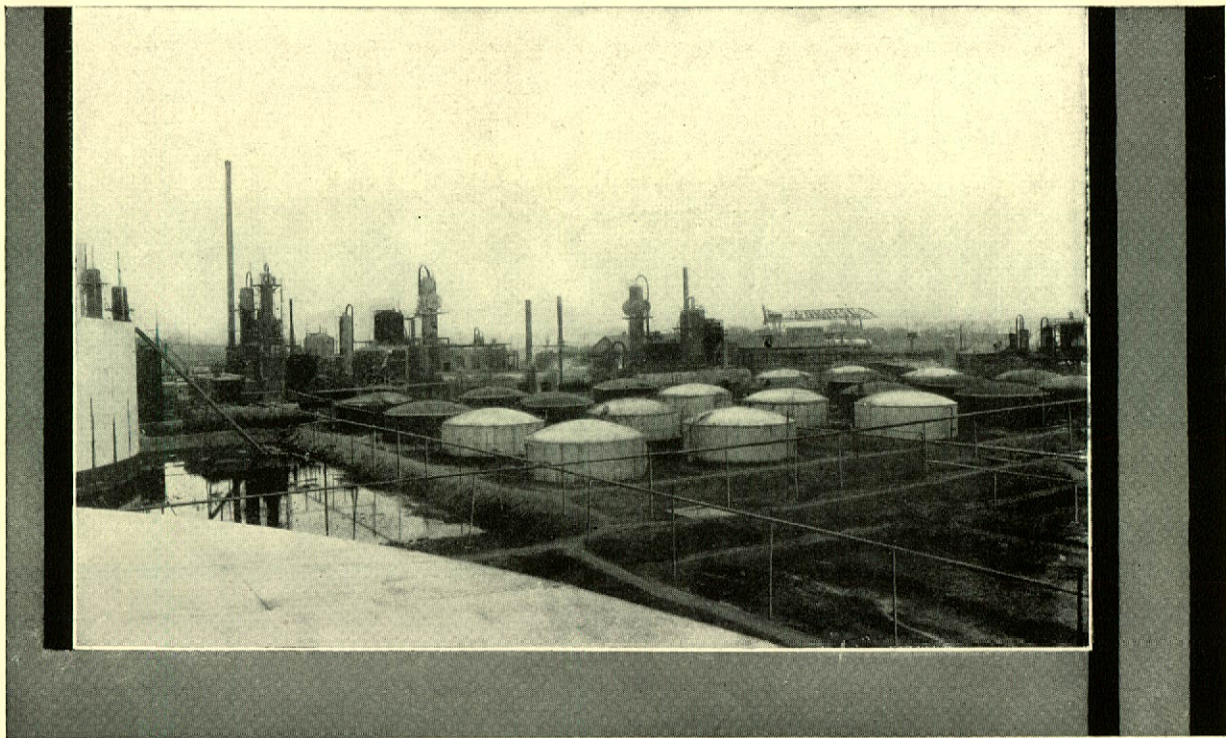
A CRACKING UNIT AT MONTREAL EAST REFINERY, THAT HAS SET A NEW
WORLD'S RECORD, RUNNING 64 DAYS AND 5 HOURS CONSECUTIVELY.
PHOTOGRAPH TAKEN FEBRUARY 14TH, 1931.



AT THE DOCK—MONTREAL EAST.
THE "S.S. FRONTENAC" ANCHORED IN THE STREAM, WITH THE "S.S. JOHN IRWIN" AND
"CYCLO CHIEF" TIED UP AT THE WHARF



THE NEW CYCLO UNIT AT TORONTO REFINERY



A BIRDS' EYE VIEW OF THE REFINERY AT MONTREAL EAST, P.Q.

