

**GYPSUM, LIME
AND
ALABASTINE,
CANADA, LIMITED**



**FOURTEENTH ANNUAL REPORT
1940**

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MCGILL UNIVERSITY

BOARD OF DIRECTORS

COLONEL THE HON. HENRY COCKSHUTT—Chairman

GEORGE A. DOBBIE

J. R. INKSATER

J. E. McCONNELL

S. G. DIXON, K.C.

C. GORDON COCKSHUTT

P. P. TYLER

GEORGE A. DOBBIE	-	-	President
J. E. McCONNELL	-	-	Vice-President
C. GORDON COCKSHUTT	-	-	Vice-President
P. P. TYLER	-	-	Managing Director
F. ANDREWS	-	-	Comptroller and Treasurer
S. H. J. REID	-	-	Secretary

Bankers

BANK OF MONTREAL

Transfer Agent

MONTREAL TRUST COMPANY, TORONTO

Registrar

NATIONAL TRUST COMPANY, LIMITED, TORONTO

Auditors

CLARKSON, GORDON, DILWORTH AND NASH

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

To the Shareholders :

Your Board of Directors submits herewith the Fourteenth Annual Report, Consolidated Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30th, 1940.

Operations for the year, after providing for interest on funded debt, depreciation and depletion resulted in a net profit, before taxes, of \$384,014.40 or 87 cents per share, which is comparable to \$200,452.88 or 45½ cents per share for the previous fiscal year. Provision for estimated Provincial and Dominion Income Taxes and Excess Profits Tax requires a deduction of \$159,526.27 or 36 cents per share, compared with 8 cents per share for the previous period, leaving, after an inventory reserve of \$16,446.41, a net addition to Surplus Account of \$208,041.72, which now stands at \$582,426.82.

Volume of sales for the period under review is substantially higher than in the previous year and because of the greater demand upon manufacturing equipment and larger output at the quarries, it has been considered advisable to set up a reserve for depreciation and depletion of \$286,093.20, which is an increase of \$92,211.81, over the amount reserved last year.

Capital expenditures amounted to \$170,972.45, representing mainly the installation of a Gas Producing Plant and additional Lime Kiln at Beachville and an Insulating Rock-wool Plant at Caledonia.

Company Bonds amounting to \$103,000.00 were purchased during the year.

It is difficult at this time to predict with any degree of certainty what volume of business may be available for your Company during 1941 and the extent to which it will be profitable. The erection of buildings for strictly war purposes in the last nine months has lifted general construction to a higher level than in the years immediately preceding and a continuance of this program is apparently contemplated. In addition, the shortage of dwellings in the industrial centres where increased employment will be needed to produce war equipment is an urgent problem which doubtless will be solved either by private enterprise or governmental action. Gypsum products are essential to any type of housing construction and your Company, with manufacturing plants across Canada, will have an important part in this development. In view of this, and with normal building activity, the expectancy that business in 1941 will compare favourably with the year under review would seem to be justified.

It is a pleasure to acknowledge the valuable services rendered by the Executive Officers, Managers and Employees in conducting the affairs of the Company during the past year.

Submitted on behalf of the Board of Directors.

H. COCKSHUTT,
Chairman of the Board.

CONSOLIDATED GYPSUM, LIME AND A

And Its Wholly
STANDARD LIME C

30th Nov

ASSETS

CURRENT :

Cash on hand and in banks		\$ 330,887.62
Accounts and bills receivable less reserve		570,269.18
Inventories as determined and certified by the management:		
Rock mined and goods manufactured and in process valued at cost	\$ 352,652.18	
Manufacturing supplies and merchandise purchased for resale at the lower of cost or market	294,656.22	647,308.40
		\$1,548,465.20

DEFERRED :

Machinery supplies and repair parts	\$ 57,479.88	
Sundry prepaid charges	46,590.46	
Employees' accounts, expense advances	3,068.81	107,139.15

INVESTMENTS :

Bonds (Market value \$31,720)	\$ 28,727.15	
Life insurance cash surrender value	55,803.00	
Mortgages and sundry real estate	4,711.74	89,241.89
Investment in and advances to subsidiary companies (less amounts written off):		
Investment	\$ 1.00	
Advances	7,509.18	7,510.18

CASH IN HANDS OF TRUSTEES FOR BONDHOLDERS

28,059.95

FIXED :

Revalued and written down by the management as of 30th November 1934 with subsequent additions at cost:		
Land and buildings (freehold and leasehold), machinery and equipment	\$4,343,231.85	
Mines, mine development and quarries	1,806,548.43	
	\$6,149,780.28	
Less reserves for depreciation and depletion	1,191,046.51	4,958,733.77

Approved on behalf of the Board.

H. COCKSHUTT, Director.
GEORGE A. DOBBIE, Director.

\$6,739,150.14

BALANCE SHEET

ALABASTINE, Canada, Limited

Owned Subsidiary
 COMPANY, LIMITED
 December, 1940

LIABILITIES

CURRENT :

Accounts payable and accrued charges	\$ 298,712.01
Accrued interest on bonds	47,806.89
Dominion, Provincial and other taxes (estimated)	169,000.00
	<u>\$ 515,518.90</u>

FUNDED DEBT :

Gypsum, Lime and Alabastine, Canada, Limited	
First mortgage 5½% sinking fund gold bonds due 1st March 1948, authorized and issued	\$4,000,000.00
Less: Bonds redeemed and cancelled	\$383,500.00
Bonds purchased and held by the company	636,000.00
	<u>1,019,500.00</u>
	\$2,980,500.00

Note: Sinking fund payments of \$121,092.50 each, due annually 1933 to 1940, have not been made.

Standard Lime Company, Limited

First mortgage 6% sinking fund gold bonds due 1st September 1944, authorized and issued.....	\$ 600,000.00
Less: Bonds redeemed and cancelled	145,000.00
	<u>\$ 455,000.00</u>
	3,435,500.00

Note: Standard Lime Company, Limited has also outstanding \$560,000 6½% sinking fund gold debentures due 1st September 1939, all of which are owned by Gypsum, Lime and Alabastine, Canada, Limited.

RESERVES :

Sinking fund reserve	5,489.42
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CAPITAL :

Authorized 500,000 common shares of no par value	
Issued 440,043 shares	\$2,200,215.00
SURPLUS as per profit and loss account attached.....	582,426.82
	<u>2,782,641.82</u>

\$6,739,150.14

**GYPHUM, LIME AND ALABASTINE,
CANADA, LIMITED**

And Its Wholly Owned Subsidiary
STANDARD LIME COMPANY, LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the Year Ended 30th November, 1940

MANUFACTURING PROFIT, before de- preciation		\$1,359,265.87
DEDUCT :		
Selling, administrative and sundry expenses	\$456,582.66	
Executive salaries and legal fees	25,454.31	
Remuneration of directors	9,666.60	491,703.57
		\$ 867,562.30
Add interest on investments		637.67
		\$ 868,199.97
DEDUCT :		
Interest on funded debt:		
Gypsum, Lime and Alabastine, Canada, Limited	\$170,790.48	
Standard Lime Company, Limited.....	27,301.89	
	\$198,092.37	
Depreciation	261,945.16	
Depletion	24,148.04	484,185.57
NET PROFIT FOR THE YEAR, before pro- viding for income and excess profits taxes		\$ 384,014.40
Less: Provision for Provincial income and Dominion income and estimated excess profits taxes		
Reserve for possible future loss on inventory	\$159,526.27	
	16,446.41	175,972.68
NET PROFIT FOR YEAR AFTER TAXES.		\$ 208,041.72
SURPLUS 30th NOVEMBER 1939	\$398,060.64	
DEDUCT loss on fixed assets disposed of...	23,675.54	374,385.10
SURPLUS 30th NOVEMBER 1940		\$ 582,426.82

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the accounts of Gypsum, Lime and Alabastine, Canada, Limited as at 30th November 1940. In connection therewith we examined or tested the accounting records of the company and obtained all the information and explanations we require from officers and employees; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions. We received a balance sheet of Standard Lime Company, Limited as at 30th November 1940 and related statement of profit and loss, audited by Messrs. Riddell, Stead, Graham & Hutchison, Chartered Accountants, and the assets and liabilities and operating results of that company as shown therein have been included in the above consolidated balance sheet and the accompanying consolidated profit and loss statement.

Subject to the foregoing, and to the sufficiency of the reserve for depreciation, we report that in our opinion the above consolidated balance sheet and related statements of consolidated profit and loss and surplus have been drawn up in accordance with accepted principles of accounting so as to exhibit a true and correct view of the state of the company's affairs at 30th November 1940 and of the results of the operations for the year, according to the best of our information and the explanations given us and as shown by the books.

CLARKSON, GORDON, DILWORTH and NASH,
Chartered Accountants.

HEAD OFFICE

Paris, Ontario.

GENERAL SALES OFFICE

Gypsum House—50 Maitland Street
Toronto, Ont.

BRANCH OFFICES

905 University Tower Bldg.	509 Richards Street
Montreal, Que.	Vancouver, B.C.
Winnipeg, Man.	

MILLS, MINES and QUARRIES

GYPSUM, LIME and ALABASTINE,
Canada, Limited

Caledonia, Ont.	Gypsumville, Man.
Montreal East, Que.	Hespeler, Ont.
Winnipeg, Man.	Beachville, Ont.
New Westminster, B.C.	Scarborough, Ont.
Calgary, Alta.	Milton, Ont.
Falkland, B.C.	Paris, Ont.
Baddeck, N.S.	

STANDARD LIME COMPANY, LIMITED

Joliette, Que.	St. Marc, Que.
Ste. Emelie, Que.	Montreal, Que.

