

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



**FIFTEENTH ANNUAL REPORT
1941**

PURVIS HALL
LIBRARIES

FEB 4 1946

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 Directors submit herewith the Fifteenth Annual Report of your Company's affairs, together with the Consolidated Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30th, 1941.

Net earnings after providing for interest on funded debt, depreciation and depletion, and before making provision for taxes, contingencies and possible future inventory losses, amount to \$702,769.03 or \$1.60 per share. Reserves for Income and Excess Profits Taxes and Contingencies require a deduction of \$450,000.00, or \$1.02 per share, which together with an inventory reserve of \$19,451.09 leaves a net addition to Surplus Account of \$233,317.94 which now amounts to \$810,065.67. The final net profit per share of 53 cents compares with 47.3 cents per share earned the previous year.

In addition to demands from private sources, construction of buildings for strictly war purposes and the erection of war-time houses has provided your Company with an increased volume of business. This has resulted in added utilisation of manufacturing facilities which have been maintained in good repair, all plants being equipped for efficient and economical operation. The reserve for depreciation and depletion has been increased by \$303,736.21.

Capital Expenditures for the year amounted to \$117,639.78, consisting chiefly of the replacement of buildings and equipment destroyed by fire at the Paris Plant, additional kiln and gas producer at Beachville and an extension to the storage warehouse at Caledonia, Ontario.

Company Bonds amounting to \$330,500.00 were purchased during the year, including \$13,000.00 of the Standard Lime Company Bonds for Sinking Fund purposes.

Your Company, in common with many others, is faced with ever increasing problems due to Government regulations and restrictions necessary for the expansion of Canada's war effort. The re-allocation of man-power will probably result in a labour shortage and higher labour costs. Uncertainties as to the rationing of raw materials, supplies and equipment caused by the mobilization of these resources for war industries may disrupt normal manufacturing operations.

The post-war position of your Company is the subject of considerable thought and discussion by your Directors. Heavy taxation is essential under war-time conditions and it is therefore your Directors' endeavour to promulgate such policies as will result in your Company being in as strong a physical and financial position as possible.

The valuable services rendered by the Executive Officers, Managers and Employees under trying conditions are gratefully acknowledged.

Submitted on behalf of the Board of Directors.

H. COCKSHUTT,
Chairman of the Board.

CONSOLIDATED GYPSUM, LIME AND AL

And Its Wholly
STANDARD LIME C

30th Nov

CURRENT:	ASSETS		
Cash on hand and in banks		\$	502,513.16
Accounts and bills receivable less reserve			658,380.79
Inventories as determined and certified by the management:			
Rock mined and goods manufactured and in process valued at cost	\$	303,189.42	
Manufacturing supplies and merchandise purchased for resale at the lower of cost or market		416,385.32	719,574.74
			\$1,880,468.69
 DEFERRED:			
Machinery supplies and repair parts	\$	105,524.86	
Sundry prepaid charges		52,520.07	158,044.93
 INVESTMENTS:			
Dominion of Canada bonds at cost	\$	99,000.00	
Life insurance cash surrender value		60,003.00	
Mortgages and sundry real estate		1,074.45	160,077.45
Investment in subsidiary company (less written off)			1.00
 CASH IN HANDS OF TRUSTEES FOR BONDHOLDERS			38,171.74
 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	\$	4,404,895.27	
Mines, mine development and quarries		1,806,550.43	
		\$6,211,445.70	
Less reserves for depreciation and depletion		1,482,822.07	4,728,623.63

Approved on behalf of the Board.

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

\$6,965,387.44

BALANCE SHEET

ALABASTINE, Canada, Limited

Owned Subsidiary
COMPANY, LIMITED

ber, 1941

LIABILITIES

CURRENT:

Accounts payable and accrued charges		\$ 392,909.05	
Accrued interest on bonds			43,246.25
Dominion, provincial and other taxes (estimated)	\$ 383,636.37		
Less: paid on account of 1941 Dominion income tax.....	100,000.00		283,636.37

NOTE: In view of the negotiations between the Dominion and the Provincial governments the liability for Provincial taxes on 1941 revenue amounting to approximately \$30,000. has not been included in the above figure.

Reserve for contingencies			125,000.00
			<u>\$ 844,791.67</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	953,500.00	1,337,000.00	
		<u>\$2,663,000.00</u>	

Note: Sinking fund payments of \$121,092.50 each, due annually 1933 to 1941, 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	158,000.00		
		<u>\$ 442,000.00</u>	3,105,000.00

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			5,315.10
----------------------------	--	--	----------

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.....	810,065.67	3,010,280.67	
		<u>\$6,965,387.44</u>	

**GYPSUM, 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, 1941

MANUFACTURING PROFIT, before de- preciation		\$1,726,165.54
DEDUCT:		
Selling, administrative and sundry expenses	\$494,521.64	
Executive salaries and legal fees	30,030.66	
Remuneration of directors	11,249.92	535,802.22
		\$1,190,363.32
Add interest on investments		544.69
		\$1,190,908.01
DEDUCT:		
Interest on funded debt:		
Gypsum, Lime and Alabastine, Canada, Limited	\$157,750.69	
Standard Lime Company, Limited	26,652.08	
	\$184,402.77	
Depreciation and depletion	303,736.21	488,138.98
NET PROFIT FOR THE YEAR, before pro- viding for income and excess profits taxes		\$ 702,769.03
Less:		
Provision for Provincial income and Dominion income and estimated ex- cess profits taxes	\$325,000.00	
Provision for contingencies	125,000.00	
Provision for possible future loss on inventory	19,451.09	469,451.09
NET PROFIT FOR YEAR AFTER TAXES and CONTINGENCIES		\$ 233,317.94
SURPLUS 30th NOVEMBER 1940	\$582,426.82	
DEDUCT loss on fixed assets disposed of...	5,679.09	576,747.73
SURPLUS 30th NOVEMBER 1941		\$ 810,065.67

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the accounts of Gypsum, Lime and Alabastine, Canada, Limited as at 30th November, 1941. In connection therewith we examined or tested the accounting records of the company and obtained all the information and explanations we required 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 1941 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 states of the company's affairs at 30th November 1941 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.

Toronto, Canada,
2nd February 1942.

HEAD OFFICE

Paris, Ontario.

GENERAL SALES OFFICE

Gypsum House—50 Maitland Street
Toronto, Ont.

BRANCH OFFICES

905 University Tower Bldg.
Montreal, Que.

509 Richards Street
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.

