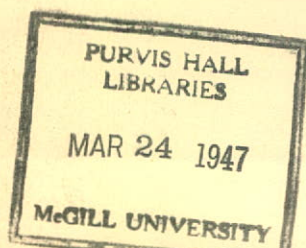


**GYP SUM, LIME
AND
ALABASTINE,
CANADA, LIMITED**



**TWENTIETH ANNUAL REPORT
1946**



BOARD OF DIRECTORS

GEORGE A. DOBBIE

J. E. McCONNELL

S. G. DIXON, K.C.

C. GORDON COCKSHUTT

P. P. TYLER

R. A. BRYCE

W. H. COOPER

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 & CO.

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

To the Shareholders :

Your Directors submit herewith the Twentieth Annual Report, Consolidated Balance Sheet and Statement of Profit and Loss and Surplus for the fiscal year ended November 30th, 1946, which set forth the financial position of the Company and the results of its operations.

Net earnings, after providing for all charges, including \$498,243.29 for depreciation and depletion, but before income and excess profits taxes, amounted to \$1,356,970.47 or \$3.08 per share. Tax provision, exclusive of the refundable portion, required \$775,000.00 or \$1.76 per share, resulting in a net addition to earned surplus of \$581,970.47 or \$1.32 per share. While the reduction in taxation rates has afforded some relief, they are still onerous and amount to approximately sixty per cent of earnings.

Fixed Assets increased by \$276,602.48 and included the completion of a new rockwool unit at Caledonia, Ontario, a new gas-fired kiln at Hespeler, Ontario, and the partial installation of sprinkler systems at Caledonia and Montreal.

Following an established precedent, modernization of plants and equipment is being continuously carried on to further increase their efficiency and productivity.

Outstanding 5½% bonds due in 1948 amounting to \$2,174,500.00 were redeemed by an issue of \$1,000,000.00 ten year 2¾% serials and \$1,000,000.00 3½% twenty-year bonds. The balance of \$174,500.00 was paid from current funds. This refunding has resulted in an appreciable saving in interest charges.

Renegotiation of war business which included the years 1941 to 1945, has been completed on a mutually satisfactory basis.

There has been no abatement in the demand for your Company's products and sales for the year under review established an all-time record. Orders on hand being greatly in excess of present manufacturing facilities, a carefully considered programme for further expansion has been inaugurated.

With control of ceiling prices still in effect and with sharp advances in the cost of materials and labour, the satisfactory margin of operating profit could not have been attained but for a very substantial increase in sales. In this connection and while very little difficulty has been experienced in your Company's relations with its employees, there continues to be an unceasing demand for higher wages.

Your Directors are of the opinion that with a continuation of the present activity in the building trades results for 1947 will compare favourably with 1946. With this in mind, and refinancing having been completed, a dividend of 80 cents per share for 1947 has been declared, payable 20 cents quarterly commencing March 1st.

It gives your Directors much pleasure to acknowledge the loyalty and efficiency of the executive officers and employees throughout the year.

Submitted on behalf of the Board of Directors.

GEORGE A. DOBBIE,
President.

CONSOLIDATED GYPSUM, LIME AND ALA

and its wholly-owned
STANDARD LIME CO.
(Incorporated under The

30th November 1934

ASSETS

CURRENT:

Cash on hand and in banks		\$ 713,450.18
Dominion of Canada bonds at cost (market value \$698,000)		675,000.00
Accounts receivable less reserves		841,470.74
Inventories as determined and certified by the management — rock mined valued at cost and other inventories valued at the lower of cost or market.....		881,981.78
Life insurance—cash surrender value.....		32,374.25
		881,981.78
Total current assets		\$3,144,276.95

DEFERRED AND SUNDRY:

Repair parts and stores	\$ 199,869.77	
Deferred development expenditures less amounts written off	147,084.31	
Mortgages receivable and sundry prepaid expenses.....	23,752.80	370,706.88
		370,706.88

REFUNDABLE PORTION OF TAXES ON INCOME..... 120,756.90

FIXED (revalued and written down by the management as at 30th November 1934 with subsequent additions at cost):

Land, buildings, machinery and equipment	\$5,280,334.11	
Mines, mine development and quarries	1,800,511.58	
		7,080,845.69
Less reserves for depreciation and depletion	2,996,849.90	4,083,995.79
		4,083,995.79

\$7,719,736.52

BALANCE SHEET

BASTINE, Canada, Limited

owned subsidiary

COMPANY, LIMITED

(Dominion Companies Act)

December 31, 1946

LIABILITIES

CURRENT:

Accounts payable and accrued charges	\$ 607,106.00
Accrued interest on bonds	5,208.40
Reserve for income, excess profits and other taxes.....	530,456.06
	<hr/>
Total current liabilities	\$1,142,770.46

RESERVE FOR CONTINGENCIES

175,000.00

FUNDED DEBT:

First mortgage and collateral trust bonds—

Authorized \$3,000,000 whereof issued \$2,000,000 of
series of 1946:

Serial 2¾% bonds due 1st November 1947 to 1956.....\$1,000,000.00

20-year 3½% bonds due 1st November 1966..... 1,000,000.00 2,000,000.00

CAPITAL AND SURPLUS:

Capital:

Authorized 500,000 common shares of no par value

Issued 440,043 common shares of no par value.....\$2,200,215.00

Earned surplus

2,201,751.06	4,401,966.06
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Approved on behalf of the Board

GEORGE A. DOBBIE, Director.

P. P. TYLER, Director.

\$7,719,736.52

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

and its wholly-owned subsidiary
STANDARD LIME COMPANY, LIMITED

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS
FOR THE YEAR ENDED 30th NOVEMBER 1946**

OPERATING PROFIT for the year before deducting bond interest, depreciation and depletion:	\$1,961,731.03
Deduct:	
Interest on funded debt, including premium on United States funds.....	\$124,463.32
Provision for depreciation and depletion..	498,243.29
	622,706.61
OPERATING PROFIT for the year.....	\$1,339,024.42
Add income from investments	17,946.05
	17,946.05
NET PROFIT before providing for taxes on income	\$1,356,970.47
Provision for taxes on income	\$790,000.00
Less refundable portion thereof	15,000.00
	775,000.00
NET PROFIT FOR THE YEAR.....	\$ 581,970.47

NOTE—The expenses for the year include the following charges:

Remuneration of executive officers and legal fees.....	\$35,190.98
Remuneration of directors	7,666.60

**STATEMENT OF CONSOLIDATED EARNED SURPLUS
FOR THE YEAR ENDED 30th NOVEMBER 1946**

Balance at credit 30th November 1945.....	\$1,679,455.59
Add net profit for the year as above.....	581,970.47
	1,679,455.59
Deduct refunds on war business undertaken in prior years (after applying reduction of \$188,388 in net taxes)	\$2,261,426.06
	59,675.00
Balance at credit 30th November 1946....	\$2,201,751.06

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Gypsum, Lime and Alabastine, Canada, Limited and Standard Lime Company, Limited as at 30th November 1946 and the statements of consolidated profit and loss and consolidated earned surplus for the year ended that date. The accounts of Standard Lime Company, Limited included in the consolidated statements were reported upon by Messrs. Riddell, Stead, Graham and Hutchison, Chartered Accountants. We examined or tested accounting records of Gypsum, Lime and Alabastine, Canada, Limited and obtained all the information and explanations we required from its 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 report that in our opinion the accompanying consolidated balance sheet and related statements of consolidated profit and loss and consolidated earned surplus have been drawn up so as to exhibit a true and correct view of the state of the companies' affairs at 30th November 1946 and of the results of their operations for the year ended that date, according to the best of our information and the explanations given us and as shown by the books.

CLARKSON, GORDON & Co.,
Chartered Accountants.

Hamilton, Canada,
24th February 1947.

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.	Toronto, 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.

