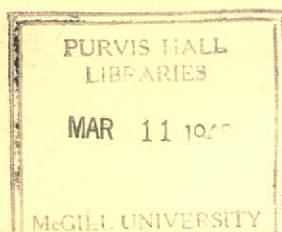


Cooperation
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GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED



TWENTY-FIRST ANNUAL REPORT
1947



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 have the pleasure to submit herewith a Consolidated Balance Sheet and Profit and Loss Statement, with accompanying Auditors' Report, which set forth the financial position of your Company as at 30th November, 1947, and the result of the operations for the year.

Earnings, after all charges, including \$564,979.94 for depreciation and depletion, but before income taxes, amounted to \$1,683,415.73 or \$3.82 per share. Provision for Dominion and Provincial taxes of \$835,000.00 or \$1.89 per share required a deduction of approximately 50%, and therefore a final net profit has been carried forward to Surplus Account of \$848,415.73 or \$1.93 per share. This compares with \$581,970.47 or \$1.32 per share the previous year.

With this satisfactory result from the year's operations and your Company having maintained its strong financial position the Directors declared a dividend of \$1.00 per share for the year 1948, payable 25c quarterly.

Inventories are shown at \$1,269,046.99 as against \$881,981.78 at the end of 1946. This is a conservative increase when taking into account not only the rise in the level of prices of all materials purchased, but also the higher cost of finished goods and the larger stocks required due to the increased volume of production.

The net Capital Expenditure for the year amounting to \$600,039.58 is distributed about evenly among your Company's more important plants across Canada. It represents mainly the cost of additional equipment and other manufacturing facilities budgeted for at the beginning of the year in anticipation of the heavy demand for your Company's products continuing well into 1948. In this connection, the above-mentioned reserve for depreciation and depletion of fixed assets is substantially larger than that set up in any previous year.

Serial Bonds amounting to \$100,000.00 have been retired and provision has been made for the retirement of a further \$100,000.00 falling due 1st November, 1948. This is shown under "Current Liabilities" in the Balance Sheet.

Following the trend of recent years sales again established an all-time record. Modest increases in the selling prices of some products were put into effect but they do not in themselves counterbalance the continuing rising costs, including the unceasing demands for higher wages. It is the additional volume of business and the capital invested year by year in extending and modernising the plants of the Company that are chiefly responsible for the improved net profit position.

In view of the continued activity in the construction industry, the housing shortage in almost every section of the country and the increased output of the large industrial companies using our products, your Directors feel justified in looking to the future with complete confidence.

On behalf of the Board of Directors it is a pleasure to acknowledge the loyal co-operation and efficient support of the executive officers and employees rendered by them throughout the year.

Submitted on behalf of the Board of Directors.

GEORGE A. DOBBIE,
President.

CONSOLIDATED GYPSUM, LIME AND ALA

(Incorporated under The
and its wholly
STANDARD LIME

30th Nov

ASSETS

CURRENT:

Cash on hand and in banks		\$ 635,424.12
Dominion of Canada bonds at cost, which is less than market value		675,000.00
Accounts receivable less reserves		1,047,976.87
Inventories as determined and certified by the management— Work-in-process valued at cost and other inventories valued at lower of cost or market		1,269,046.99
Life insurance—cash surrender value		33,324.00
		\$3,660,771.98

DEFERRED AND SUNDRY:

Repair parts and stores	\$ 255,351.69	
Deferred development expenditures less amounts written off.....	122,992.04	
Prepaid expenses, sundry deposits, etc.	46,034.62	424,378.35
		424,378.35

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	\$5,880,873.69	
Mines, mine development and quarries	1,800,011.58	
		\$7,680,885.27
Less reserves for depreciation and depletion.....	3,558,632.84	4,122,252.43
		\$8,328,159.66

BALANCE SHEET

ABASTINE, Canada, Limited

(Dominion Companies Act)

Owned subsidiary

COMPANY, LIMITED

December 31, 1947

LIABILITIES

CURRENT:

Accounts payable and accrued charges	\$ 697,898.96
Accrued interest on bonds	4,979.20
Provision for income, excess profits and other taxes.....	563,925.51
Dividend payable 1st December 1947	88,008.60
Serial bonds maturing 1st November 1948.....	100,000.00
	<hr/>
	\$1,454,812.27

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 \$100,000 annually 1st November 1949 to 1956 (1948 instalment shown in current liabilities) ..\$	800,000.00
20-year 3½% bonds due 1st November 1966.....	1,000,000.00
	<hr/>
	1,800,000.00

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	2,698,132.39
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	4,898,347.39

\$8,328,159.66

Approved on behalf of the Board,

GEORGE A. DOBBIE, Director.

P. P. TYLER, Director.

**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 1947**

OPERATING PROFIT for the year before deducting bond interest, depreciation and depletion		\$2,292,827.60
Deduct:		
Interest on funded debt	\$ 62,270.80	
Provision for depreciation and depletion.....	564,979.94	627,250.74
		<hr/>
OPERATING PROFIT for the year.....		\$1,665,576.86
Add income from investments		17,838.87
		<hr/>
PROFIT before providing for taxes on income.....		\$1,683,415.73
Provision for taxes on income.....		835,000.00
		<hr/>
NET PROFIT FOR THE YEAR		\$ 848,415.73

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

Remuneration of executive officers and legal fees.....	\$40,142.37
Remuneration of directors	9,166.60

**STATEMENT OF CONSOLIDATED EARNED SURPLUS
FOR THE YEAR ENDED 30th NOVEMBER 1947**

Balance at credit 30th November 1946.....	\$2,201,751.06
Add net profit for the year as above.....	848,415.73
	<hr/>
	\$3,050,166.79
Dividends paid (80c. per common share).....	352,034.40
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Balance at credit 30th November 1947.....	\$2,698,132.39

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 1947 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 above 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 1947 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.

Toronto, Canada,
29th January 1948.

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.

