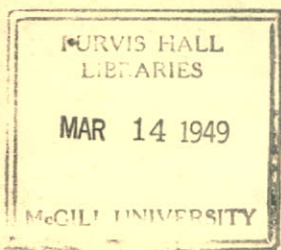


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# GYP SUM, LIME AND ALABASTINE, CANADA, LIMITED



TWENTY-SECOND ANNUAL REPORT  
1948





# 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

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

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Bankers  
BANK OF MONTREAL

Transfer Agent  
MONTREAL TRUST COMPANY, TORONTO

Registrar  
NATIONAL TRUST COMPANY, LIMITED, TORONTO

Auditors  
CLARKSON, GORDON & CO.

# GYP SUM, LIME AND ALABASTINE, CANADA, LIMITED

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To the Shareholders:

Your Directors are pleased to present herewith a Consolidated Balance Sheet and Profit and Loss Statement as at November 30, 1948, setting forth the financial position of your Company as certified by your auditors in their accompanying report.

The year was one of outstanding accomplishments. Sales and earnings as well as funds reinvested in plant extensions and additions were the highest in the Company's history.

Earnings, after all charges, including \$644,322.28 for depreciation and depletion, but before income taxes and provision for fluctuation in inventory values, amounted to \$2,084,473.69 or \$4.74 per share. Provision for Dominion and Provincial Taxes and Inventory Reserve required \$804,300.00 and \$125,000.00 respectively, a total of \$929,300.00 or \$2.11 per share. A final net profit, therefore, has been carried forward to Surplus Account of \$1,155,173.69 or \$2.63 per share. This compares with \$848,415.73 or \$1.93 per share the previous year.

In consideration of the result of the year's operations, and a strong working capital position being maintained, your Directors declared a dividend of \$1.00 per share for the year 1949 payable 25¢ quarterly, together with an extra dividend of 25¢ payable March 1, 1949.

To assure the supply of basic materials essential to the Company's manufacturing processes, and in view of the increase in the volume of production, inventories have been increased from \$1,269,046.99 to \$1,434,281.94 with an adequate reserve provided for any decline in prices.

Net Capital Additions to Fixed Assets for the year amounting to \$652,534.76 represented mainly the cost of the expansion and modernization of plant facilities. During the year several Company

houses were erected at Caledonia and Hespeler for the use of employees. The reserve for depreciation has, therefore, been increased substantially and is higher than 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 November 1, 1949. This is shown under "Current Liabilities" in the Balance Sheet.

Your Company introduced during the year a Sickness and Accident Insurance plan as a service to its employees. The cost is divided equally between employees and the Company. With very few exceptions all employees have participated and now enjoy the benefits of this attractive group plan at low cost to themselves.

Despite increased cost of materials and generally higher wage rates your Company has succeeded in holding the prices of its products at a level that does not constitute any material increase in the cost of house building. The improved net profit position is largely the result of the increase in sales volume and the modernization of plants.

Every indication points to maximum operations for some time to come in view of the increase in the number of building permits issued and the continuing demand by the large industrial companies using our products.

The loyalty and efficiency of the executive officers, their staff and employees throughout the year is sincerely appreciated.

Submitted on behalf of the Board of Directors.

GEORGE A. DOBBIE,  
President.

# CONSOLIDATED GYPSUM, LIME AND ALA

(Incorporated under The  
and its wholly-c  
STANDARD LIME C

November

## ASSETS

### CURRENT:

Cash on hand and in banks.....	\$1,061,334.63
Dominion of Canada bonds at cost (approximate market value \$679,000) .....	675,000.00
Accounts receivable less reserves .....	1,172,587.76
Inventories as determined and certified by the management — work-in-process valued at cost and other inventories valued at the lower of cost or market .....	1,434,281.94
Life insurance—cash surrender value .....	34,234.75
	\$4,377,439.08

### DEFERRED AND SUNDRY:

Repair parts and stores.....	\$ 316,839.42	
Deferred development expenditures less amounts written off.....	105,140.06	
Prepaid expenses, sundry deposits, etc. ....	47,107.60	
Cash in hands of trustee for the bondholders .....	5,651.00	474,738.08
		474,738.08

REFUNDABLE PORTION OF TAXES ON INCOME..... 87,674.19

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

Land, buildings, machinery and equipment.....	\$6,534,408.45	
Mines, mine development and quarries .....	1,799,011.58	
	\$8,333,420.03	
Less reserves for depreciation and depletion.....	4,199,802.64	4,133,617.39
		\$9,073,468.74

# BALANCE SHEET

## BASTINE, Canada, Limited

(Dominion Companies Act)

Owned subsidiary

COMPANY, LIMITED

30, 1948

### LIABILITIES

#### CURRENT:

Accounts payable and accrued charges .....	\$ 707,991.74
Accrued interest on bonds .....	4,750.00
Provision for taxes (including taxes on income) .....	537,238.17
Dividend payable December 1, 1948 .....	110,010.75
Serial bonds maturing November 1, 1949 .....	100,000.00
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	\$1,459,990.66

RESERVES FOR CONTINGENCIES AND FLUCTUATION IN INVENTORY VALUES.....	300,000.00
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#### FUNDED DEBT:

First mortgage and collateral trust bonds— Authorized \$3,000,000 whereof \$2,000,000 were issued in series of 1946 —	
Serial 2¾% bonds due \$100,000 annually November 1, 1950 to 1956 (1949 instalment shown in current liabilities).....	\$ 700,000.00
20-year 3½% bonds due November 1, 1966.....	1,000,000.00
	<hr/>
	1,700,000.00

#### 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 .....	3,413,263.08
	<hr/>
	5,613,478.08

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**\$9,073,468.74**

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 NOVEMBER 30, 1948**

OPERATING PROFIT for the year before deducting interest on funded debt, depreciation and depletion .....	\$2,770,362.90
Deduct:	
Interest on funded debt .....	\$ 59,520.80
Provision for depreciation and depletion.....	644,322.28
OPERATING PROFIT FOR THE YEAR.....	\$2,066,519.82
Add income from investments.....	17,953.87
PROFIT before taxes on income and provision for fluctuation in inventory values.....	\$2,084,473.69
Provision for taxes on income.....	\$804,300.00
Provision for fluctuation in inventory values.....	125,000.00
NET PROFIT FOR THE YEAR.....	\$1,155,173.69

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

Remuneration of executive officers and legal fees.....	\$41,346.98
Remuneration of directors .....	9,166.60

**STATEMENT OF CONSOLIDATED EARNED SURPLUS  
FOR THE YEAR ENDED NOVEMBER 30, 1948**

Balance at credit November 30, 1947.....	\$2,698,132.39
Add net profit for the year.....	1,155,173.69
	\$3,853,306.08
Deduct dividends paid (\$1. per share).....	440,043.00
Balance at credit November 30, 1948.....	\$3,413,263.08



## AUDITORS' REPORT TO THE SHAREHOLDERS

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We have examined the consolidated balance sheet of Gypsum, Lime and Alabastine, Canada, Limited and Standard Lime Company, Limited as at November 30, 1948 and the statements of consolidated profit and loss and consolidated earned surplus for the year ended that date. In connection therewith we made a general review of the accounting methods of Gypsum, Lime and Alabastine, Canada, Limited and, without making a detailed audit of the transactions, we examined or tested the accounting records of the company. We received all the information and explanations we required from its officers and employees. 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 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 November 30, 1948 and of the results of their operations for the year according to the best of our information, the explanations given us and as shown by the books of the company and the audited accounts of the subsidiary.

**CLARKSON, GORDON & Co.,**  
Chartered Accountants.

Toronto, Canada,  
February 2, 1949.

## **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**

**GYP SUM, 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.



