



28th ANNUAL REPORT 1954

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

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GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

C. GORDON COCKSHUTT, *Chairman*

DIRECTORS

P. P. TYLER	J. E. McCONNELL
R. A. BRYCE	S. G. DIXON, Q.C.
J. H. ROBINSON	G. H. DOBBIE
R. W. COOPER	

OFFICERS

P. P. TYLER	- - - - -	<i>President</i>
J. E. McCONNELL	- - - - -	<i>Vice-President</i>
S. G. DIXON, Q.C.	- - - - -	<i>Vice-President</i>
J. H. ROBINSON	- - - - -	<i>General Manager</i>
K. P. HAYES	- - - - -	<i>Secretary-Treasurer</i>

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**

ANNUAL REPORT

*for the year
ended November 30,
1954*

TO THE SHAREHOLDERS:

Your Directors take pleasure in submitting herewith the Annual Report of the Company and the Consolidated Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30th, 1954, together with the report of your auditors.

As predicted in our last report to the shareholders, sales improved as the year progressed and an all-time record was again established. The pressure on profit margins however has continued and net earnings have not kept pace with sales. The expansion and modernization of plants during the post-war years has enabled the Company to increase production substantially and to give uninterrupted service to its customers. The business of Standard Lime Company has been well maintained and this wholly owned subsidiary made an appreciable contribution to the parent Company in both sales and earnings.

Net profit for the year after deducting all charges other than Dominion and Provincial income taxes amounted to \$3,092,091, equivalent to \$7.03 a share. Taxes on income required a deduction of \$1,430,000, leaving a net profit transferred to Surplus Account of \$1,662,091, or \$3.78 a share. Depreciation and Depletion amounted to \$825,061 and the accumulated reserve has been increased to \$8,784,009.

Despite the relatively large investment in improvements and additions to plants during the year there is an increase in Net Working Capital of \$333,494, bringing the total to \$6,217,511. In view of the Company's financial position your Directors declared two quarterly dividends of 60¢ per share payable March 1st and June 1st, 1955.

Total net capital expenditures amounted to \$1,268,480. They include a gypsum recovery plant, perlite plant and warehouse at Caledonia, and additional manufacturing facilities at Montreal East. In the latter part of the year construction was started on a new office building in Toronto which, when completed, will make it possible to consolidate the office staffs and greatly increase the efficiency of the over-all administration.

Reports from usually well-informed sources across Canada predict that the present level of business generally will hold throughout 1955. The outlook for the building trades appears to be more promising than for some other industries, it being the consensus of opinion that there will be greater activity in the field of construction, both residential and industrial, than in 1954. Undoubtedly the uptrend during the latter months of that year was largely attributable to the recent amendments to the National Housing Act under which mortgage loans have been made available to prospective home owners upon reasonably attractive terms. It is expected that the Company's lime plants will continue to operate at close to capacity.

Reflecting the confidence your Directors have in the future, tentative plans to embark upon a programme of further development have been approved and it is estimated that expenditures on Capital Account will in all probability be greater than in any previous year.

The death of Mr. S. H. J. Reid, Secretary of the Company for many years, is recorded with the deepest regret.

Your Directors are very pleased to acknowledge the co-operation and loyalty of the managers, their assistants and all employees who have rendered such valuable service to the Company.

Submitted on behalf of the Board of Directors.

P. P. TYLER,
President.

GYP SUM, L I M E A N D A L A B A S T I N E
(Incorporated under the
 A N D I T S W H O L L Y - O W N E D S U B S I D I A R Y

Consolidated

ASSETS

N O V E M B E R
 (with comparative figures)

	1954	1953
CURRENT:		
Cash - - - - -	\$ 1,230,162	\$ 1,043,450
Government of Canada bonds at cost (approximate market value \$2,073,300)	2,047,856	2,287,356
Accounts receivable less allowance for doubtful accounts - - - - -	2,031,228	1,711,073
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	2,568,349	2,521,232
Prepaid expenses and sundry deposits - - - - -	27,728	31,810
Life insurance—cash surrender value - - - - -	38,740	38,109
Total current assets - - - - -	<u>\$ 7,944,063</u>	<u>\$ 7,633,030</u>
DEFERRED:		
Development expenditures - - - - -	\$ 75,628	\$ 70,537
Cash in hands of trustee for the bondholders - - - - -	6,618	6,618
	<u>\$ 82,246</u>	<u>\$ 77,155</u>
FIXED (revalued and written down by the management as at November 30, 1934 with subsequent additions at cost):		
Land, buildings, machinery and equipment - - - - -	\$12,126,855	\$10,858,770
Mines, mine development and quarries - - - - -	1,970,677	1,970,281
	<u>\$14,097,532</u>	<u>\$12,829,051</u>
Less accumulated depreciation and depletion - - - - -	8,784,009	7,958,949
	<u>\$ 5,313,523</u>	<u>\$ 4,870,102</u>
	<u>\$13,339,832</u>	<u>\$12,580,287</u>

AUDITORS' REPORT

To the Shareholders of GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED.

We have examined the consolidated balance sheet of Gypsum, Lime and Alabastine, Canada, Limited, and its wholly-owned subsidiary, Standard Lime Company, Limited, as at November 30, 1954 and the statements of consolidated profit and loss and earned surplus for the year ended that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures of Gypsum, Lime and Alabastine, Canada, Limited and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

The accounts of Standard Lime Company, Limited, included in the consolidated statements, were examined and reported upon by other independent accountants.

ASTINE, CANADA, LIMITED

(Companies Act, Canada)

STANDARD LIME COMPANY, LIMITED

Balance Sheet

30, 1954

LIABILITIES

at November 30, 1953)

CURRENT:	1954	1953
Accounts payable and accrued charges - - - - -	\$ 1,063,899	\$ 795,757
Income and other taxes payable - - - - -	662,653	953,255
Total current liabilities - - - - -	\$ 1,726,552	\$ 1,749,012
 RESERVE FOR CONTINGENCIES - - - - -	 \$ 500,000	 \$ 500,000
 FUNDED DEBT:		
First mortgage and collateral trust bonds—		
Authorized \$3,000,000 whereof \$2,000,000 were originally issued		
3½% bonds due November 1, 1966 - - - - -	\$ 1,000,000	\$ 1,000,000
 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	\$ 2,200,215
Earned surplus - - - - -	7,913,065	7,131,060
	\$10,113,280	\$ 9,331,275
	\$13,339,832	\$12,580,287

Approved on behalf of the Board

C. GORDON COCKSHUTT, *Director*

P. P. TYLER, *Director*

In our opinion the accompanying consolidated balance sheet and statements of consolidated profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at November 30, 1954 and of the results of their operations for the year ended on that date, according to the best of our information, the explanations given to us and as shown by the books of the company and the audited accounts of the subsidiary.

HAMILTON, CANADA, January 19, 1955.

CLARKSON, GORDON & Co.,
Chartered Accountants.

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED
 AND ITS WHOLLY-OWNED SUBSIDIARY, STANDARD LIME COMPANY, LIMITED

Statement of Consolidated Profit and Loss

FOR YEAR ENDED NOVEMBER 30, 1954
 (with comparative figures for the year ended November 30, 1953)

	1954	1953
OPERATING PROFIT for the year before deducting the following charges - - - -	\$3,993,132	\$4,036,036
Deduct:		
Interest on funded debt - - - - -	\$ 35,000	\$ 45,083
Contribution to employees' pension fund - - - - -	107,180	66,895
Depreciation and depletion - - - - -	825,061	804,984
	<u>\$ 967,241</u>	<u>\$ 916,962</u>
	\$3,025,891	\$3,119,074
Add income and profit from investments - - - - -	66,200	49,836
PROFIT before income taxes - - - - -	\$3,092,091	\$3,168,910
Income taxes - - - - -	1,430,000	1,555,000
NET PROFIT FOR YEAR - - - - -	<u>\$1,662,091</u>	<u>\$1,613,910</u>

Note: The expenses for 1954 include the following charges:
 Remuneration of executive officers and legal fees \$79,265
 Directors' fees - - - - - 8,000

Statement of Consolidated Earned Surplus

FOR YEAR ENDED NOVEMBER 30, 1954
 (with comparative figures for the year ended November 30, 1953)

	1954	1953
Balance at credit at beginning of year - - - - -	\$7,131,060	\$6,397,236
Add net profit for year - - - - -	1,662,091	1,613,910
	<u>\$8,793,151</u>	<u>\$8,011,146</u>
Deduct dividends paid at \$2.00 per share - - - - -	880,086	880,086
Balance at credit at end of year - - - - -	<u>\$7,913,065</u>	<u>\$7,131,060</u>

Comparative Condensed Financial Data

	1946	1947	1948	1949	1950	1951	1952	1953	1954
CURRENT ASSETS -	\$3,144,276	\$3,660,771	\$4,377,439	\$4,450,913	\$ 5,782,585	\$ 6,899,449	\$ 7,186,626	\$ 7,633,030	\$ 7,944,063
CURRENT LIABILITIES	1,142,770	1,454,812	1,459,991	1,521,222	1,790,339	1,919,970	1,699,514	1,749,013	1,726,552
WORKING CAPITAL -	2,001,506	2,205,959	2,917,448	2,929,691	3,992,246	4,979,479	5,487,112	5,884,017	6,217,511
ADDITIONS TO FIXED ASSETS	276,602	600,039	652,535	1,429,004	665,416	604,307	1,123,740	846,015	1,268,480
FIXED ASSETS - - -	7,080,846	7,680,885	8,333,420	9,762,424	10,427,840	10,859,297	11,983,036	12,829,052	14,097,532
ACCUMULATED DEPRECIATION - -	2,996,850	3,558,633	4,199,803	4,840,477	5,496,638	6,219,535	7,164,122	7,958,949	8,784,009
FUNDED DEBT - -	1,900,000	1,800,000	1,700,000	1,600,000	1,500,000	1,400,000	1,300,000	1,000,000	1,000,000
RESERVE FOR CONTINGENCIES -	175,000	175,000	300,000	300,000	300,000	300,000	500,000	500,000	500,000
INCOME TAXES - -	775,000	835,000	929,300	928,000	1,228,000	1,625,000	1,172,000	1,555,000	1,430,000
NET PROFIT - - -	581,970	848,415	1,155,173	1,390,037	1,762,194	1,613,234	1,132,878	1,613,910	1,662,091
PER SHARE - - -	1.32	1.93	2.63	3.15	4.00	3.67	2.57	3.67	3.78
DIVIDENDS PAID - -	—	352,034	440,043	550,053	616,060	704,068	880,086	880,086	880,086
PER SHARE - - -	—	.80	1.00	1.25	1.40	1.60	2.00	2.00	2.00
EARNED SURPLUS -	2,201,751	2,698,132	3,413,263	4,289,144	5,435,278	6,344,444	6,397,236	7,131,060	7,913,065

GENERAL OFFICES

GYPSUM HOUSE, 50 Maitland Street, TORONTO, ONTARIO

DISTRICT SALES OFFICES

BRITISH COLUMBIA
1272 West Pender St., VANCOUVER

ONTARIO
50 Maitland St., TORONTO

PRAIRIES
Sargent & St. James Sts., WINNIPEG

QUEBEC-MARITIMES
905 University Tower, MONTREAL

**GYPSUM MINES,
MILLS AND
QUARRIES**

NEW WESTMINSTER, B.C.
Plaster Mill and Wallboard Plant

WINNIPEG, MAN.
Plaster Mill and Wallboard Plant

FALKLAND, B.C.
Gypsum Quarry

GYPSUMVILLE, MAN.
Gypsum Quarry

CALEDONIA, ONT.
Gypsum Mine, Plaster Mill,
Wallboard Plant and
Gyproc Wool Insulation Plant

MONTREAL EAST, QUE.
Plaster Mill and Wallboard Plant

BADDECK, N.S.
Gypsum Quarry

CALGARY, ALTA.
Plaster Mill and
Gyproc Wool Insulation Plant

WATER PAINT MILL

PARIS, ONT.

**LIMESTONE
QUARRIES AND
LIME PLANTS**

HESPELER, ONT.

JOLIETTE, QUE.

BEACHVILLE, ONT.

ST. MARC, QUE.

MILTON, ONT.

STE. EMELIE, QUE.
(Sand & Gravel)

TORONTO, ONT.
(Stucco Products Plant)

MONTREAL, QUE.
(Sand Lime Brick Plant)

