

29th

# Annual Report

1955

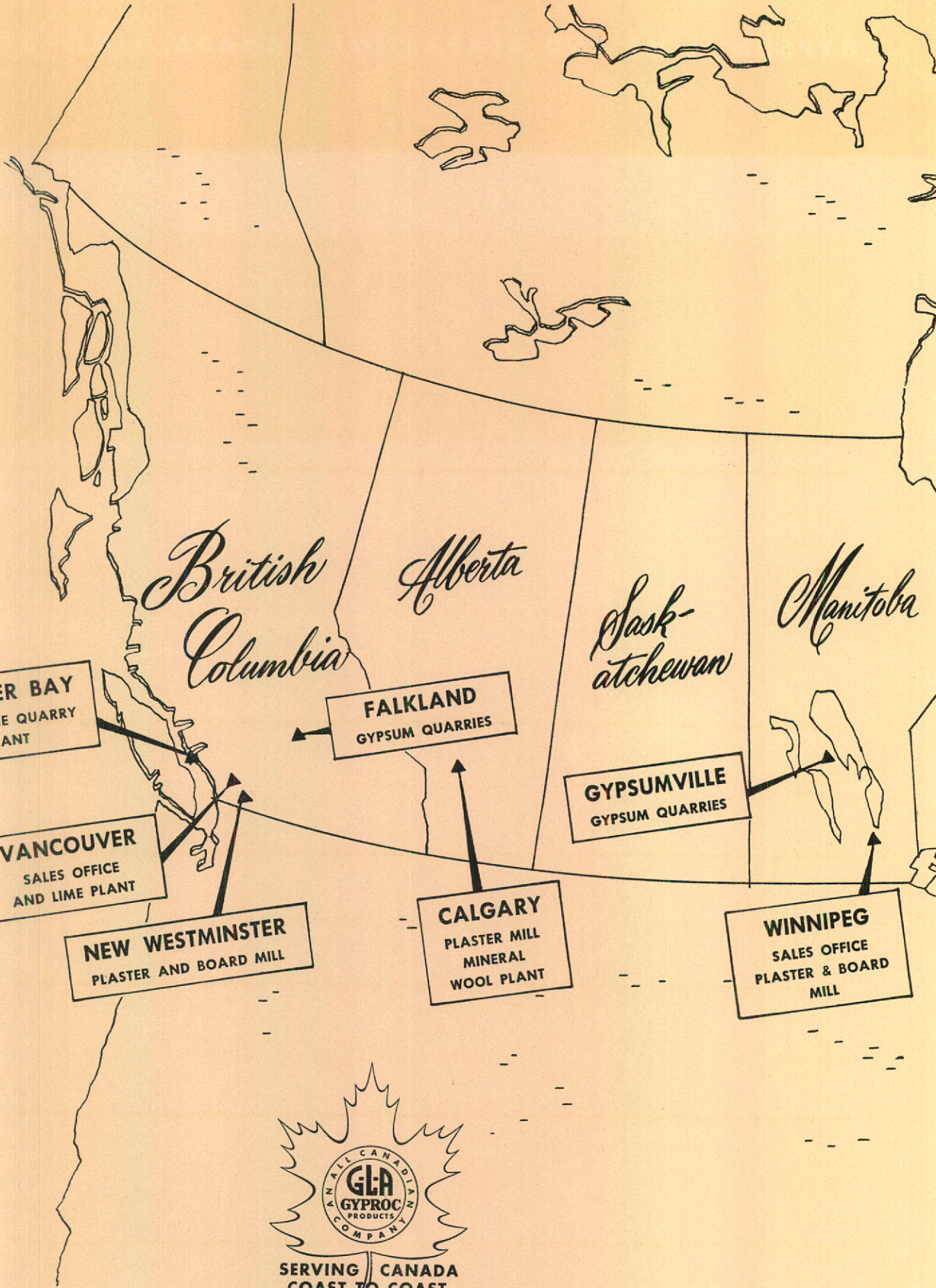


**GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED**

AUG 28 1956

McGILL UNIVERSITY





*British Columbia*

*Alberta*

*Saskatchewan*

*Manitoba*

**BLUBBER BAY**  
LIMESTONE QUARRY  
PLANT

**FALKLAND**  
GYPSUM QUARRIES

**VANCOUVER**  
SALES OFFICE  
AND LIME PLANT

**NEW WESTMINSTER**  
PLASTER AND BOARD MILL

**CALGARY**  
PLASTER MILL  
MINERAL  
WOOL PLANT

**GYPSUMVILLE**  
GYPSUM QUARRIES

**WINNIPEG**  
SALES OFFICE  
PLASTER & BOARD  
MILL





# GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

## *Directors*

C. GORDON COCKSHUTT, *Chairman*

PHILIP N. GROSS

S. G. DIXON, Q.C.

R. A. BRYCE

P. P. TYLER

J. H. ROBINSON

J. E. McCONNELL

R. W. COOPER

G. H. DOBBIE

## *Officers*

PHILIP N. GROSS - - - - - *President*

S. G. DIXON, Q.C. - - - - - *Vice-President*

J. H. ROBINSON - - - - - *Vice-President and General Manager*

K. P. HAYES - - - - - *Secretary-Treasurer*

## *Bankers*

BANK OF MONTREAL

## *Transfer Agent*

MONTREAL TRUST COMPANY, TORONTO

## *Registrar*

NATIONAL TRUST COMPANY, LIMITED, TORONTO

## *Auditors*

CLARKSON, GORDON & CO.

# G Y P S U M , L I M E A N D A L A B A

## *Annual Report of the Board of Directors*

### *To the Shareholders:*

Your Directors submit herewith the Annual Report of your Company together with the Consolidated Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30, 1955, and the report of your auditors.

The rising trend of construction activity maintained a strong demand for your Company's products throughout the whole of 1955. Plants and quarries operated at near-capacity levels and sales were the highest in the history of the Company. The additional volume of business and the benefits derived from the plant expansion and modernization programme enabled earnings to be improved despite higher manufacturing costs.

Net income for the year after all charges other than taxes amounted to \$4,322,079 or \$9.82 per share. Provision for Dominion and Provincial taxes required \$2,059,000, leaving a Net Profit of \$2,263,079 or \$5.14 per share transferred to the Surplus Account. The annual Depreciation and Depletion charge amounted to \$1,060,207 which increased the Accumulated Reserve to \$9,843,630.

Total net Capital Expenditures amounted to \$1,683,219. The main expenditures included the acquisition of lime properties and manufacturing facilities at Blubber Bay and Granville Island, B.C.;

# T I N E , C A N A D A , L I M I T E D

construction of new warehouses at New Westminster, B.C.; and Winnipeg, Man.; extension to the Montreal East plant and the completion of the Toronto office building. There were also additions and improvements made at other Company properties.

The unprecedented demand for your Company's products has emphasized the need for enlarged manufacturing facilities and increased operating efficiency. Implementing these requirements, Capital Expenditures amounting to \$2,150,000 have been approved and are now in progress. The principal items are for a rotary kiln at Beachville, deep-water dock facilities at New Westminster, rock handling and loading equipment at Blubber Bay and new warehouses at Caledonia, Montreal East and Calgary.

Net Working Capital at 30th November 1955 was \$6,792,094 representing an increase of \$574,583 over the previous year. Four quarterly dividends of 60 cents per share were paid during 1955, and your Directors have also declared two quarterly dividends of 60 cents per share payable 1st March and 1st June 1956.

During the year the Company's research facilities were enlarged and the technical staff strengthened, resulting in greater product improvement and quality control. These measures enabled new products to be marketed with satisfactory results.

The immediate outlook for the building and construction industry is viewed with continued confidence. The record number of housing starts and high level of industrial activity assures the present volume of business being generally maintained throughout the forthcoming year.

Your Directors wish to record their appreciation of the loyal co-operation of all members of the organization which substantially contributed to the results achieved during the year.

Submitted on behalf of the Board of Directors.

PHILIP N. GROSS,  
*President.*



# G Y P S U M , L I M E A N D A L A B

(Incorporated under

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

NOVEMBER

(with comparative figures)

### *Assets*

CURRENT:	1955	1954
Cash - - - - -	\$ 986,314	\$ 1,230,162
Government of Canada bonds and treasury bills at cost (approximate market value \$2,766,400) - - - - -	2,796,516	2,047,856
Accounts receivable less allowance for doubtful accounts - - - - -	2,630,147	2,031,228
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	2,613,259	2,568,349
Prepaid expenses and sundry deposits - - - - -	40,303	27,728
Life insurance—cash surrender value - - - - -	39,347	38,740
Total current assets - - - - -	\$ 9,105,886	\$ 7,944,063
 DEFERRED:		
Development expenditures - - - - -	\$ 84,423	\$ 75,628
Cash in hands of trustee for the bondholders - - - - -	6,618	6,618
	\$ 91,041	\$ 82,246
 FIXED (revalued and written down by the management as at November 30, 1934 with subsequent additions at cost):		
Land, buildings, machinery and equipment - - - - -	\$13,710,126	\$12,126,855
Mines, mine development and quarries - - - - -	2,070,625	1,970,677
	\$15,780,751	\$14,097,532
Less accumulated depreciation and depletion - - - - -	9,843,630	8,784,009
	\$ 5,937,121	\$ 5,313,523
	\$15,134,048	\$13,339,832

Note: It is estimated that an additional \$2,150,000 will be required to complete approved capital expenditures.

### 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, 1955 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.

# Balance Sheet

January 30, 1955

(As at November 30, 1954)

## Liabilities

CURRENT:	1955	1954
Accounts payable and accrued charges - - - - -	\$ 1,216,386	\$ 1,063,899
Income and other taxes payable - - - - -	1,097,406	662,653
Total current liabilities - - - - -	<u>\$ 2,313,792</u>	<u>\$ 1,726,552</u>
 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 STOCK AND SURPLUS:		
Capital stock—		
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 - - - - -	9,120,041	7,913,065
	<u>\$11,320,256</u>	<u>\$10,113,280</u>
	 <u>\$15,134,048</u>	 <u>\$13,339,832</u>

Approved on behalf of the Board

C. GORDON COCKSHUTT, *Director*

PHILIP N. GROSS, *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, 1955 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.

TORONTO, CANADA, January 12, 1956.

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, 1955

(with comparative figures for the year ended November 30, 1954)

	1955	1954
OPERATING PROFIT for the year before deducting the following charges - - -	\$ 5,491,903	\$3,993,132
Deduct:		
Interest on funded debt - - - - -	\$ 35,000	\$ 35,000
Contribution to employees' pension fund - - - - -	126,385	107,180
Depreciation and depletion (see note 2) - - - - -	1,060,207	825,061
	<u>\$ 1,221,592</u>	<u>\$ 967,241</u>
	\$ 4,270,311	\$3,025,891
Add income and profit from investments - - - - -	51,768	66,200
PROFIT before income taxes - - - - -	\$ 4,322,079	\$3,092,091
Income taxes - - - - -	2,059,000	1,430,000
NET PROFIT FOR YEAR - - - - -	<u>\$ 2,263,079</u>	<u>\$1,662,091</u>

Notes: 1. The expenses for 1955 include the following charges:

Remuneration of executive officers and legal fees - - - - -	\$77,630
Directors' fees - - - - -	8,750

2. Additional depreciation of \$100,000 has been provided in 1955 because of the high level of production during that year.

## Statement of Consolidated Earned Surplus

FOR YEAR ENDED NOVEMBER 30, 1955

(with comparative figures for the year ended November 30, 1954)

	1955	1954
Balance at credit at beginning of year - - - - -	\$ 7,913,065	\$7,131,060
Add net profit for year - - - - -	2,263,079	1,662,091
	<u>\$10,176,144</u>	<u>\$8,793,151</u>
Deduct dividends paid at \$2.40 per share (\$2.00 per share in 1954) - - - - -	1,056,103	880,086
Balance at credit at end of year - - - - -	<u>\$ 9,120,041</u>	<u>\$7,913,065</u>



## Ten Year Comparative Financial Data

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
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	\$ 9,105,886
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	2,313,792
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	6,792,094
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	1,683,219
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	15,780,751
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	9,843,630
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	1,000,000
RESERVE FOR CONTINGENCIES - - -	175,000	175,000	300,000	300,000	300,000	300,000	500,000	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	2,059,000
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	2,263,079
PER SHARE - - - -	1.32	1.93	2.63	3.15	4.00	3.67	2.57	3.67	3.78	5.14
DIVIDENDS PAID - - -	—	352,034	440,043	550,053	616,060	704,068	880,086	880,086	880,086	1,056,103
PER SHARE - - - -	—	.80	1.00	1.25	1.40	1.60	2.00	2.00	2.00	2.40
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	9,120,041

*General Offices*

GYPSUM HOUSE, 50 Maitland Street, TORONTO, ONTARIO

*District Sales Offices*

BRITISH COLUMBIA  
1105 West Pender St., VANCOUVER

ONTARIO  
50 Maitland St., TORONTO

PRAIRIES  
Sargent & St. James Sts., WINNIPEG

QUEBEC-MARITIMES  
940 Cote de Liesse Road, 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*

BLUBBER BAY, B.C.

GRANVILLE ISLAND, B.C.

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)





# CONSOLIDATED-COMPARATIVE PROFIT AND LOSS STATEMENT

*For the nine Months ended 31st August 1956 and 1955*

	<u>1956</u>	<u>1955</u>
NET EARNINGS BEFORE INCOME TAXES	\$2,831,435	\$2,932,600
PROVISION FOR INCOME TAXES	1,359,089	1,407,648
NET EARNINGS (nine months)	1,472,346	1,524,952
* PER SHARE (nine months)	1.67 CENTS	1.73 CENTS

*\*To enable a comparison to be made, the 1955 per share figures have been calculated on the basis of new shares.*

*This interim statement is subject to year-end audit and adjustments.*



**GYPSUM, LIME  
and ALABASTINE,  
Canada, Limited**

**Head Office, Toronto.**

# Report to the Shareholders

INTERIM REPORT FOR NINE MONTHS—1st DECEMBER 1955 TO 31st AUGUST 1956

During the Third Quarter sales fell below expectations and earnings for the quarter were lower than the same period in 1955. Increased sales for dealers' inventories earlier in the year in anticipation of an increase in home building which failed to materialize has caused this disappointment in sales volume. Increased costs of material and labour which have occurred during the year have not been entirely recovered by price adjustments.

A five-year contract to supply substantial quantities of lime to the uranium industry has been received. A second rotary kiln and an additional shaft kiln have been ordered for the Beachville Ontario plant. The first rotary kiln is to be in production during October of this year. When these facilities are all in operation the capacity of the Beachville Plant will have been increased by 130%.

During September, the new Mortar Mix plant at Hespeler, Ontario and the new rock handling plant at Blubber Bay, B.C., were placed in operation.

The assets of the Windsor Plaster Company at Windsor, Nova Scotia have been purchased. This plant will be modernized to better meet the demand for our products in the Maritimes and to manufacture high quality white gypsum products for the Eastern Canada markets.

25th, Sept. 1956

PHILIP NORCROSS GROSS  
President

*C. J. G.*

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