

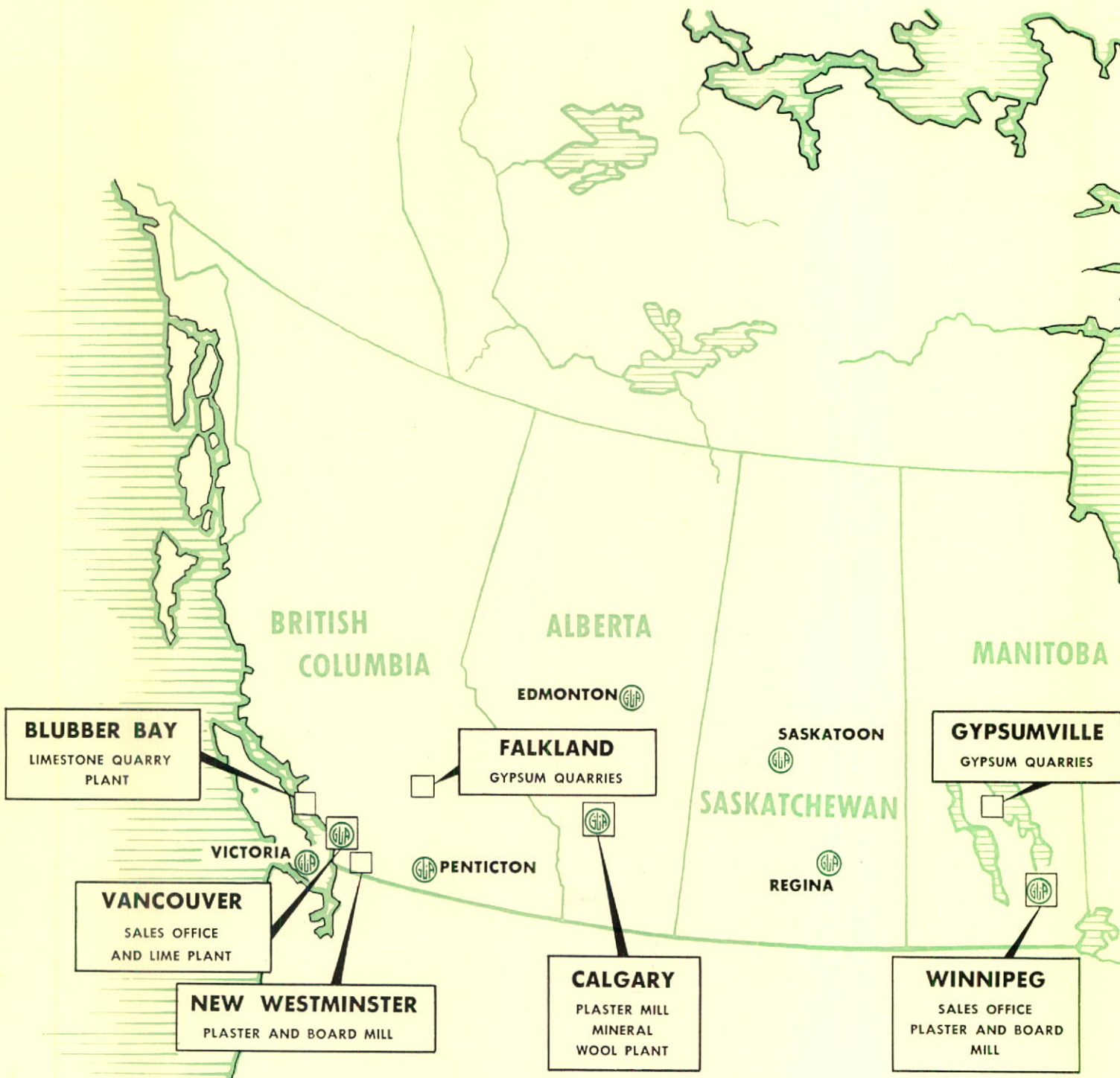
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ANNUAL
REPORT
1956

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED





G. L. A. PLANTS 
 SALES REPRESENTATIVES 

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

DIRECTORS

C. GORDON COCKSHUTT, *Brantford, Ontario.*

Chairman of the Board and President — COCKSHUTT FARM EQUIPMENT LIMITED
Director — IMPERIAL BANK OF CANADA
 THE BELL TELEPHONE COMPANY OF CANADA
 THE DOMINION LIFE ASSURANCE COMPANY

R. A. BRYCE, *Toronto, Ontario.*

Chairman of the Board and President — D. A. STUART CANADIAN OIL COMPANY, LIMITED
President — BICROFT URANIUM MINES LIMITED
Director — NATIONAL TRUST COMPANY LIMITED
 TORONTO-DOMINION BANK

R. W. COOPER, *Hamilton, Ontario.*

President — COOPER CONSTRUCTION COMPANY
Vice-President — N. SLATER CO. LTD.
Director — MUTUAL LIFE ASSURANCE CO. OF CANADA

S. G. DIXON, Q.C., *Montreal, Quebec.*

Chairman of the Board — COURTAULDS (CANADA) LIMITED
Director — THE ROYAL TRUST COMPANY
Member — DIXON, SENEGAL, TURNBULL, MITCHELL & STAIRS

G. H. DOBBIE, *Galt, Ontario.*

President — STAUFFER-DOBBIE LIMITED
 NEWLANDS & CO. LIMITED
Director — WATERLOO TRUST AND SAVINGS COMPANY
 THE DOMINION LIFE ASSURANCE COMPANY

P. N. GROSS, *Toronto, Ontario.*

President — GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

J. H. ROBINSON, *Toronto, Ontario.*

Vice-President — GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED
Director — AGE PUBLICATIONS LIMITED

P. P. TYLER, *Toronto, Ontario.*

Past President — GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

J. E. McCONNELL, *London, Ontario.*

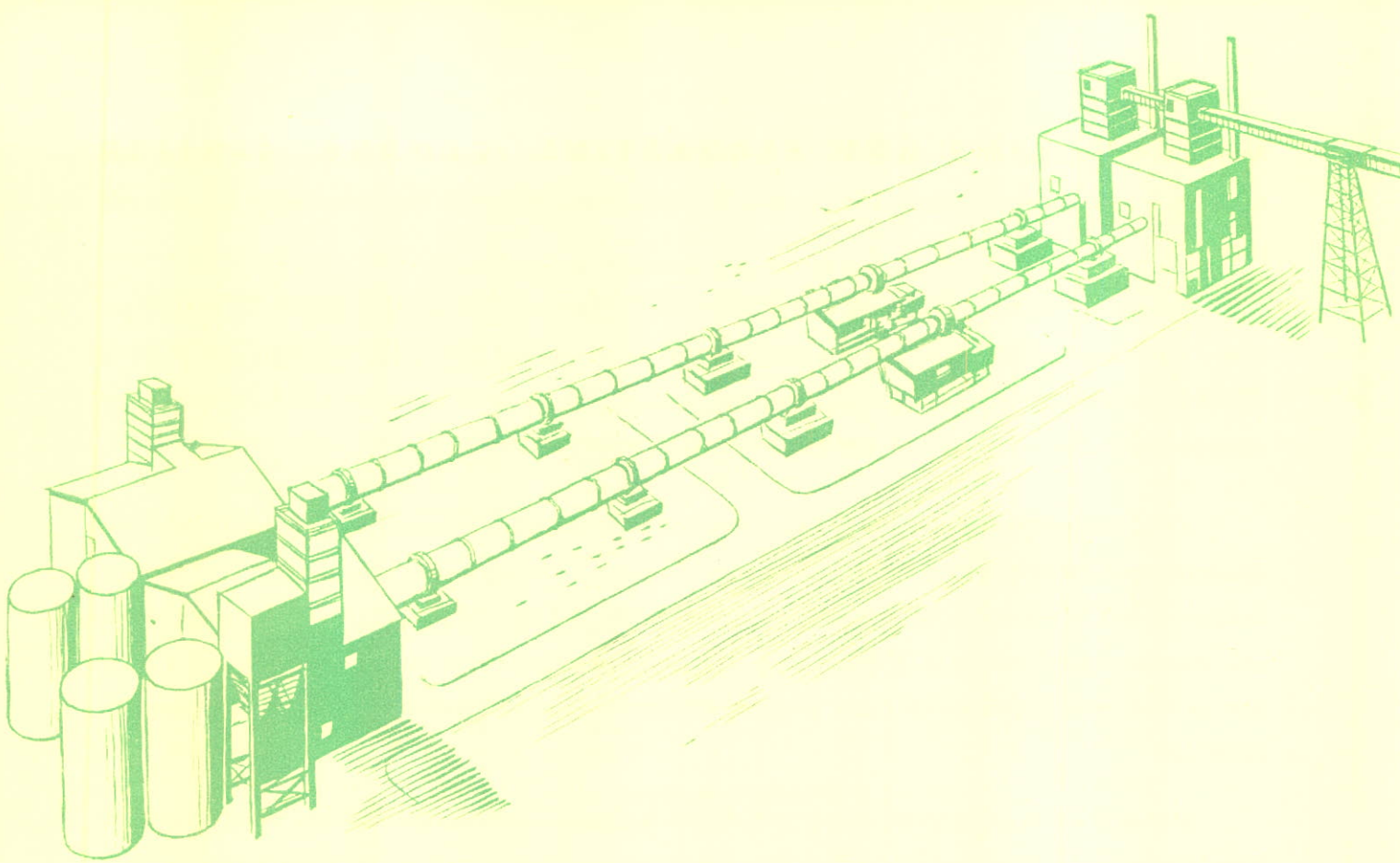
Chairman of the Board — McCONNELL, EASTMAN & CO. LIMITED

OFFICERS

C. GORDON COCKSHUTT..... *Chairman of the Board*
 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 TRANSFER AGENT REGISTRAR AUDITORS

BANK OF MONTREAL
 MONTREAL TRUST COMPANY, TORONTO, MONTREAL, VANCOUVER
 NATIONAL TRUST COMPANY, LIMITED,
 TORONTO, MONTREAL, VANCOUVER
 CLARKSON, GORDON & CO.



Rotary Kilns, Beachville, Ontario

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

ANNUAL REPORT *of the*
Board of Directors

TO THE SHAREHOLDERS:

Your Directors submit herewith the annual report of your Company's operations together with the Consolidated Balance Sheet and Profit and Loss Statement for the fiscal year ended 30th November 1956, and the report of your Auditors.

Sales volume in 1956 was the highest on record, reflecting the high level of construction activity that prevailed throughout almost all of the year. Your Company's expansion and modernization programme

enabled plant facilities to adequately meet the increased volume of business. Rising costs of labour and material, decline of export business and increases in sales and administrative costs contributed to a decrease in profits.

Net income for the year after all charges other than income taxes amounted to \$3,690,611 or \$4.19 per share. Provision for Dominion and Provincial income taxes required \$1,632,000, leaving a net profit of \$2,058,611 or \$2.34 per share transferred to Surplus Account. The annual depreciation and depletion charged amounted to \$1,160,443 which increased the accumulated reserve to \$10,795,162.

Total net capital expenditures in 1956 amounted to \$2,456,455. Principal expenditures included the construction of a Rotary Kiln at Beachville, Mortar Mix plant at Hespeler, additional Gypsum Rock Storage facilities at New Westminster, Rock Handling plant at Blubber Bay and the acquisition of Gypsum Properties and Manufacturing Facilities at Windsor, N.S. The completion of a second Rotary Lime Kiln and a Shaft Kiln at Beachville, together with minor projects, will anticipate a capital outlay in 1957 of approximately \$1,600,000.

During the year the gypsum quarry at Falkland in British Columbia was depleted and gypsum rock from Mexico is now being used at our New Westminster plant. Gypsum rock for the Calgary plant is being brought from our own deposits at Gypsumville. Changes in the source of rock also occurred in the Montreal East plant. Technical difficulties were encountered in changing the type of rock but these have now been overcome.

Net Working Capital at November 30, 1956 was \$6,220,047, a reduction of \$572,047 below the previous year. Four quarterly dividends were paid during the year and your Directors have declared two quarterly dividends of 30¢ per share payable March 1st and June 3rd, 1957.

During the year the Capital Stock was subdivided on the basis of two for one. The immediate outlook in the building and construction industry is not as bright as a year ago. We anticipate that the volume of business in 1957 will reflect the limited available capital situation particularly in the housing field. Our Industrial business should be somewhat better. It is hoped that the increased lime capacity being constructed for the steel, chemical and uranium industries will be in operation in the summer of 1957.

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

Submitted on behalf of the Board of Directors.

PHILIP NORCROSS GROSS,

President.

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

(Incorporated under the laws of the Province of Ontario)
AND ITS WHOLLY-OWNED SUBSIDIARY

Consolidated

NOVEMBER 30

ASSETS

(with comparative figures)

CURRENT:

	1956	1955
Cash - - - - -	\$ 1,305,140	\$ 986,314
Government of Canada bonds and treasury bills at cost (approximate market value \$1,515,400) - - - - -	1,603,106	2,796,516
Accounts receivable less allowance for doubtful accounts - - - - -	2,404,700	2,630,147
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 - - - - -	2,881,424	2,613,259
Prepaid expenses and sundry deposits - - - - -	43,274	40,303
Life insurance—cash surrender value - - - - -	-	39,347
Total current assets - - - - -	\$ 8,237,644	\$ 9,105,886

DEFERRED:

Development expenditures - - - - -	\$ 53,555	\$ 84,423
Cash in hands of trustee for the bondholders - - - - -	7,118	6,618
	\$ 60,673	\$ 91,041

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

Land, buildings, machinery and equipment - - - - -	\$16,152,465	\$13,710,126
Mines, mine development and quarries - - - - -	2,084,741	2,070,625
	\$18,237,206	\$15,780,751
Less accumulated depreciation and depletion - - - - -	10,795,162	9,843,630
	\$ 7,442,044	\$ 5,937,121
	\$15,740,361	\$15,134,048

- Notes: 1. During the year the company obtained supplementary letters patent which subdivided the common shares of no par value on the basis of 2 for 1.
2. During 1956 options were granted to employees for the purchase of 12,100 shares at \$25 a share exercisable in equal annual instalments during a five year period ending on June 6, 1961.
3. It is estimated that \$1,600,000 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, 1956 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.

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

(Incorporated under the laws of Canada)

STANDARD LIME COMPANY, LIMITED

Balance Sheet

30, 1956

(at November 30, 1955)

LIABILITIES

CURRENT:

	1956	1955
Accounts payable and accrued charges - - - - -	\$ 1,117,736	\$ 1,216,386
Income and other taxes payable - - - - -	799,861	1,097,406
Sinking fund instalment due within one year - - - - -	100,000	
Total current liabilities - - - - -	<u>\$ 2,017,597</u>	<u>\$ 2,313,792</u>

RESERVE FOR CONTINGENCIES - - - - -	<u>\$ 500,000</u>	<u>\$ 500,000</u>
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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
Less sinking fund instalment due on November 1, 1957 - - - - -	100,000	
	<u>\$ 900,000</u>	<u>\$ 1,000,000</u>

CAPITAL STOCK AND SURPLUS:

Capital stock—

Authorized (Note 1)—

1,000,000 common shares of no par value

Issued—

880,086 common shares of no par value - - - - - \$ 2,200,215 \$ 2,200,215

Earned surplus - - - - - 10,122,549 9,120,041

\$12,322,764 \$11,320,256

\$15,740,361 \$15,134,048

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, 1956 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 7, 1957.

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, 1956

(with comparative figures for the year ended November 30, 1955)

	1956	1955
Operating profit for the year before deducting the following charges - - - -	\$ 4,827,453	\$ 5,365,518
Deduct:		
Interest on funded debt - - - - -	\$ 35,000	\$ 35,000
Depreciation and depletion (see note 2) - - - - -	1,160,443	1,060,207
	<u>\$ 1,195,443</u>	<u>\$ 1,095,207</u>
Add income and profit from investments - - - - -	58,601	51,768
Profit before income taxes - - - - -	\$ 3,690,611	\$ 4,322,079
Income taxes - - - - -	1,632,000	2,059,000
Net profit for year - - - - -	<u>\$ 2,058,611</u>	<u>\$ 2,263,079</u>

Notes: 1. The expenses for 1956 include the following charges:

Remuneration of executive officers and legal fees - - - - -	\$91,498
Directors' fees - - - - -	9,000

2. The company intends to claim for federal tax purposes \$271,000 additional depreciation which has not been recorded in the accounts and which will reduce the estimated federal tax payable in respect of the 1956 fiscal year by approximately \$128,000.

Statement of Consolidated Earned Surplus

FOR YEAR ENDED NOVEMBER 30, 1956

(with comparative figures for the year ended November 30, 1955)

	1956	1955
Balance at credit at beginning of year - - - - -	\$ 9,120,041	\$ 7,913,065
Add net profit for year - - - - -	2,058,611	2,263,079
	<u>\$11,178,652</u>	<u>\$10,176,144</u>
Deduct dividends paid at \$1.20 per share (see note) - - - - -	1,056,103	1,056,103
Balance at credit at end of year - - - - -	<u>\$10,122,549</u>	<u>\$ 9,120,041</u>

Note: During the year the company obtained supplementary letters patent which subdivided the common shares of no par value on the basis of 2 for 1. The above dividend rate is expressed in terms of the new shares.

Ten Year Comparative Financial Data

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
CURRENT ASSETS - - -	\$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	\$ 8,237,644
CURRENT LIABILITIES -	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	2,017,597
WORKING CAPITAL - -	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	6,220,047
ADDITIONS TO FIXED ASSETS - - -	600,039	652,535	1,429,004	665,416	604,307	1,123,740	846,015	1,268,480	1,683,219	2,456,455
FIXED ASSETS - - - -	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	18,237,206
ACCUMULATED DEPRECIATION - - -	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	10,795,162
FUNDED DEBT - - - -	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	900,000
RESERVE FOR CONTINGENCIES - -	175,000	300,000	300,000	300,000	300,000	500,000	500,000	500,000	500,000	500,000
INCOME TAXES - - -	835,000	929,300	928,000	1,228,000	1,625,000	1,172,000	1,555,000	1,430,000	2,059,000	1,632,000
NET PROFIT - - - - -	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	2,058,611
PER SHARE - - - - -	1.93	2.63	3.15	4.00	3.67	2.57	3.67	3.78	5.14	† 2.34
DIVIDENDS PAID - - -	352,034	440,043	550,053	616,060	704,068	880,086	880,086	880,086	1,056,103	1,056,103
PER SHARE - - - - -	.80	1.00	1.25	1.40	1.60	2.00	2.00	2.00	2.40	† 1.20
EARNED SURPLUS - - -	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	10,122,549

† Dividends and Net Profit per share expressed in terms of new shares which were subdivided on the basis of 2 for 1 during 1956.

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

HEAD OFFICE	<p>GYPSUM HOUSE, 50 Maitland Street, TORONTO, ONTARIO. W. E. ARMSTRONG <i>General Sales Manager</i> H. A. STANDING <i>Assistant Sales Manager</i> D. C. NICKLE <i>Industrial Sales Manager</i> J. A. GRAHAM <i>Sales Engineer</i> J. B. O'REILLY <i>Personnel Relations</i> W. G. GREENLEY <i>Plant Accountant</i></p>	<p>W. G. SMITH <i>Production Manager</i> I. M. HAGAN <i>Production Manager—Gypsum Plants</i> D. W. L. FAIRBAIRN <i>Chief Engineer</i> D. R. ELWOOD <i>Purchasing Agent</i> L. A. PRESSE <i>Traffic Manager</i> D. KIMPSON <i>Credit Manager</i> Z. FLANNERY <i>Head Office Accountant</i></p>
DISTRICT SALES OFFICES	<p>BRITISH COLUMBIA 1105 West Pender St., VANCOUVER W. M. TULLY <i>Manager</i> F. W. HARVIE <i>Assistant to the Executive</i> A. M. STEWART <i>Industrial Sales Manager</i></p> <p>PRAIRIES Sargent & St. James Sts., WINNIPEG D. MACAULAY <i>District Sales Manager</i></p>	<p>ONTARIO 50 Maitland St., TORONTO J. G. JOHNSTON <i>District Sales Manager</i></p> <p>QUEBEC 940 Côte de Liesse Road, MONTREAL G. BURT <i>District Sales Manager</i> P. E. GARNEAU <i>Industrial Sales Manager</i></p> <p>MARITIMES WINDSOR, N.S. K. G. EISNER <i>Maritimes Sales Manager</i></p>
GYPSUM MINES, MILLS and QUARRIES	<p>NEW WESTMINSTER, B.C. <i>Plaster Mill and Wallboard Plant</i> H. F. MCGILL <i>Plant Manager</i></p> <p>CALEDONIA, ONT. <i>Gypsum Mine, Plaster Mill, Wallboard Plant and Gyproc Wool Insulation Plant</i> J. E. GILLESPIE <i>Plant Manager</i></p> <p>CALGARY, ALTA. <i>Plaster Mill and Gyproc Wool Insulation Plant</i> A. PITT <i>Superintendent</i></p> <p>FALKLAND, B.C. <i>Gypsum Quarry</i></p>	<p>WINNIPEG, MAN. <i>Plaster Mill and Wallboard Plant</i> D. A. HADDY <i>Plant Manager</i></p> <p>GYPSUMVILLE, MAN. <i>Gypsum Quarry</i> J. BENNETT <i>Superintendent</i></p> <p>MONTREAL EAST, QUE. <i>Plaster Mill and Wallboard Plant</i> C. L. DRYDEN <i>Plant Manager</i></p> <p>BADDECK, N.S. <i>Gypsum Quarry</i></p> <p>WINDSOR, N.S. <i>Gypsum Quarry and Plaster Mill</i></p>
RESEARCH and DEVELOPMENT	<p>CALEDONIA, ONT. M. C. HALLER <i>Director of Quality Control & Development</i></p>	<p>PARIS, ONT. J. ERDLEY <i>Laboratory Chief Chemist</i></p>
WATER PAINT MILL	<p>PARIS, ONT. L. C. LYMBURNER <i>Superintendent</i></p>	
LIMESTONE QUARRIES and LIME PLANTS	<p>BLUBBER BAY, B.C. J. H. ROBINSON JR. <i>Plant Manager</i></p> <p>HESPELER, ONT. W. T. UNSWORTH <i>Plant Manager</i></p> <p>BEACHVILLE, ONT. R. S. ADAMS <i>Plant Manager</i></p> <p>MILTON, ONT. G. BLACK <i>Superintendent</i></p> <p>TORONTO, ONT. <i>(Stucco Products Plant)</i> E. J. EARON <i>Superintendent</i></p>	<p>GRANVILLE ISLAND, B.C. F. ILOTT <i>Superintendent</i></p> <p>JOLIETTE, QUE. R. DUBEAU <i>Plant Manager</i></p> <p>ST. MARC, QUE. B. LEVESQUE <i>Superintendent</i></p> <p>STE. EMELIE, QUE. <i>(Sand and Gravel)</i> P. E. ALLARD <i>Superintendent</i></p> <p>MONTREAL, QUE. <i>(Sand Lime Brick Plant)</i> G. H. CARTIER <i>Superintendent</i></p>

