

e

# 1975 ANNUAL REPORT

HOWARD ROSS LIBRARY  
OF MANAGEMENT  
SEP 1 1975  
MCGILL UNIVERSITY



# Financial Highlights

Year ended March 31, 1975

	1975	1974	Percentage Change
	(thousands of dollars)		
Total Operating Revenue	\$ 64,116	\$ 52,741	+21.6
Earnings			
Before Income Taxes	1,083	2,481	—56.3
Income Taxes	679	1,238	—45.2
Net Earnings Before Extraordinary Items	343	979	—65.0
—per Common Share			
Basic	14.2¢	46.0¢	—69.1
Fully Diluted	14.2¢	44.6¢	—68.2
Net Earnings	645	979	—34.1
—per Common Share			
Basic	28.4¢	46.0¢	—38.3
Fully Diluted	28.4¢	44.6¢	—36.3
Cash Flow per Common Share — Basic	371.2¢	380.2¢	—2.4
— Fully Diluted	358.4¢	369.0¢	—2.9
Average Number of Common Shares Outstanding During The Year			
Basic	2,128,438	2,128,438	
Fully Diluted	2,204,938	2,192,771	

## Directors and Officers

**\*J. R. McCAIG**

President

**\*W. J. HARDSTAFF**

Senior Vice President

**\*M. W. McCAIG**

President, Trimac Transportation System

**\*M. DUBINSKY, Q.C.**

Vice President, Corporate Affairs and Secretary

**\*F. N. HUGHES**

President, OPI Ltd.

**\*R. D. SOUTHERN**

President, Atco Industries Ltd.

**\*R. W. McCAIG**

President, R. M. Industries Co. Ltd.

**D. K. JACKSON**

Vice President, Eastern

**K. W. WINGER**

Vice President, Finance and Treasurer

**L. H. KING**

Assistant Secretary

**\*Directors**



## Report to the Shareholders

Trimac Limited achieved operating revenues of \$64,116,000 for the year ended March 31, 1975, an increase over last year's comparable amount of \$52,741,000. Net earnings from operations of \$343,000 declined from the previous year's \$979,000. Earnings per share are 14.2¢ before extraordinary gains, compared with 46.0¢ last year. Earnings per share after extraordinary gains are 28.4¢, compared with last year's 46.0¢.

The increased operating revenues arise from increased activity and inflationary increases in all of the Company's Divisions. Highway Transportation revenues increased 14% over the prior period, but represented little more than a partial recovery of increased operating costs. The increase in operating revenues of 32% over last year in the Transportation Equipment Leasing Division represents a real increase in demand early in the fiscal year for the Division's lease and rental services. The Pipeline Construction Division had a much improved year, as is reflected in a 23% increase in revenues.

The decline in the Company's earnings is in the main attributed to substantial losses incurred by the Transportation Equipment Leasing Division and to a reduction of the Highway Transportation Division's earnings to a level of nearly one-half that of the prior year. Our other operating divisions all showed substantial improvements in earnings over last year and thereby offset all but one-third of the pre-tax operating earnings decline in the two major divisions. The impact of income taxes represented a materially adverse change from the previous year, due to an increase in the rate of tax effective May 1, 1974.

The Highway Transportation Division encountered a most difficult year. Rising costs were partially offset by rate increases and gross weight increases. However, abnormally high repair costs, and accident repair and claims costs, were the main contributors to a sharp decline in profits. The Division experienced difficulty in obtaining sufficient numbers of adequately trained drivers and mechanics. An intensive training programme and an improved stability in our labour markets have much improved the current situation. The Company follows a policy of self-insurance of vehicle damage and this caused additional costs to be absorbed in the year ended March 31, 1975.

The Company has labour agreements in place which cover the major part of its operation during the coming year. One contract covering drivers in the Province of British Columbia expires December 31, 1975.

During the last half of the fiscal year, the Transportation Equipment Leasing Division faced a severe decrease in the demand for rental equipment, combined with a rapidly softening equipment disposal market, which gave rise to substantial losses by the Division in the fourth quarter of the fiscal year. The fleet was reduced by nearly 20% from the net book value of equipment on hand at December 31, 1974. By mid-May 1975, virtually all equipment considered to be excess to demand had been sold. The reduced operation is expected to produce positive results beginning in the first quarter of the year.

The results for our Pipeline Construction Division showed considerable improvement over the previous year. The market for these services returned to a more normal condition in the past year. This condition is expected to continue.

During the year, the Company was awarded a contract by the Alyeska Pipeline Service Company. The contract is being performed by Trimac's wholly-owned subsidiary, Cal-Fab Industries Ltd. The several million dollar contract is for the production of support brackets for use on the elevated portion of the Trans-Alaska Pipeline. Although this contract did not make a significant contribution in the year just ended, production having commenced only in mid-February, it is expected to have a positive impact on results for the year ending March 31, 1976.

Willock Truck Equipment Co. Ltd. and Willock Industries Ltd. were sold in December 1974. S.J. Thompson Truck Equipment Ltd., which has an operation based in Calgary, continues to be owned by the Company. The Edmonton Branch operations have been discontinued and all inventory and equipment has been disposed of or moved to the Calgary operation. The manufacturing operations which were sold had produced unfavourable results during the current year and in prior years.

Our Transportation Systems Management, Consulting and Data Processing Divisions continued to produce positive results during the year. These service divisions have developed special transportation management and analytical skills which represent a valuable Company asset.

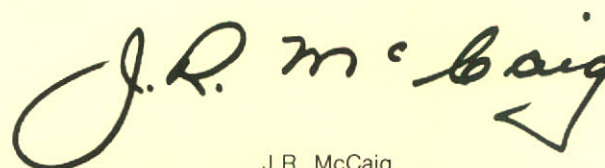
Arctic Navigation and Transportation, our 50% owned Arctic Marine Transportation and Construction Division, successfully and efficiently completed the construction during the year of two shallow water drilling islands in the Mackenzie River Delta. The construction activity was supported by our ability to move freight by water on the Mackenzie River System and into the Beaufort Sea. The continued development of a reputation for skill and innovation in Northern water transportation and construction will stand the Division in good stead to take advantage of opportunities which will develop as the pace of activity in the Mackenzie Delta increases.

We are advised that the National Harbours Board now intends to proceed with the reclamation of Phase II of The Roberts Bank Superport, in which the Company has a priority position for a 50 acre site on which to develop a deep-water bulk commodity storage and loading facility.

Our Waste Management joint venture, Tricil Waste Management, continues to make good progress, both in results and opportunities. The Division is quickly becoming recognized as a leader in the industry, having a broad operating base which combines transportation and materials handling skills with chemical technology and processing ability. We look forward to continued profitable growth in the waste management area.

We are, of course, most disappointed in the results for the year. We believe we have programmes underway, along with determined efforts, which will produce much more positive results in the year ahead. This, combined with new opportunities, such as our Cal-Fab Industries' Alyeska project and opportunities for shipping and construction in the Canadian Arctic, cause us to view the year ahead with optimism.

We again express our most sincere thanks to all employees, customers and suppliers for their continued support and assistance throughout the past year.



J.R. McCaig  
President



**TRIMAC LIMITED**  
**And Subsidiary Companies**

**Consolidated Balance Sheet**

March 31, 1975

**ASSETS**

(Thousands of Dollars)

	1975	1974
<b>CURRENT ASSETS:</b>		
Cash and short term deposits	\$ 1,383	\$ 809
Accounts receivable (Note 5) -		
Trade	6,473	7,446
Other	1,657	1,020
Income taxes recoverable	208	104
Inventories of supplies and material at lower of cost or net realizable value	1,567	2,676
Prepaid expenses -		
Tires (Note 1)	1,238	1,042
Licences and other	1,125	1,119
<b>TOTAL CURRENT ASSETS</b>	<u>13,651</u>	<u>14,216</u>
<b>INVESTMENTS, SECURITIES AND ADVANCES:</b>		
Investment in and advances to 50% owned companies (Note 2)	3,306	2,880
Balances receivable under Employees share purchase plans (Note 8)	1,265	1,471
Other	244	244
	<u>4,815</u>	<u>4,595</u>
<b>FIXED ASSETS, at cost (Note 4):</b>		
Revenue vehicles and equipment	42,706	40,646
Land, buildings, plant and other equipment	9,175	9,473
Total cost	<u>51,881</u>	<u>50,119</u>
Less: Accumulated depreciation	19,879	17,309
	<u>32,002</u>	<u>32,810</u>
DEFERRED CHARGES	308	278
GOODWILL AND AUTHORITIES, at cost (Note 1)	<u>2,997</u>	<u>3,279</u>
	<u>\$53,773</u>	<u>\$55,178</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

(Thousands of Dollars)

	1975	1974
<b>CURRENT LIABILITIES:</b>		
Bank advances secured (Note 5)	\$ 3,231	\$ 3,965
Accounts payable and accrued	5,248	6,441
Income taxes payable	134	61
Current maturities of long term debt (Notes 6 and 7)	2,002	664
<b>TOTAL CURRENT LIABILITIES</b>	<u>10,615</u>	<u>11,131</u>
<b>LONG TERM DEBT:</b>		
Equipment obligations (Note 6)	24,337	24,977
Other (Note 7)	1,856	2,597
	<u>26,193</u>	<u>27,574</u>
DEFERRED INCOME TAXES	3,261	2,962
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital (Note 8)	6,257	6,457
Retained earnings (Note 9)	7,447	7,054
	<u>13,704</u>	<u>13,511</u>
	<u>\$53,773</u>	<u>\$55,178</u>

APPROVED ON BEHALF OF THE BOARD:

  
 J.R. McCaig  
 Director

  
 W.J. Hardstaff  
 Director

**TRIMAC LIMITED**  
**And Subsidiary Companies**

**Consolidated Statement of Earnings**

For the Year Ended March 31, 1975

(Thousands of Dollars)

**1975**                      **1974**

(Note 3)

OPERATING REVENUES:		
Transportation	\$39,189	\$34,320
Sales of equipment	1,929	1,774
Equipment lease and rental	11,229	8,532
Waste management, pipeline construction and other	11,769	8,115
	<u>64,116</u>	<u>52,741</u>
COSTS AND EXPENSES:		
Direct costs	40,794	33,745
Depreciation and amortization	8,569	6,760
Selling, general and administrative	10,123	7,658
	<u>59,486</u>	<u>48,163</u>
	4,630	4,578
OTHER DEDUCTIONS (INCOME):		
Interest - long term debt	3,804	2,139
Other interest expense	290	108
Other interest (income)	(135)	(60)
(Gain) on disposals of revenue producing equipment	(412)	(90)
	<u>3,547</u>	<u>2,097</u>
	1,083	2,481
INCOME TAXES:		
Current	308	514
Deferred	371	724
	<u>679</u>	<u>1,238</u>
Earnings from continuing operations before extraordinary items and losses from subsidiaries disposed of	404	1,243
(Losses) from subsidiaries disposed of (net of income taxes of \$6,000 for 1975 and deferred income taxes recoverable of \$191,000 for 1974) (Note 3)	(61)	(264)
Net earnings before extraordinary items	343	979
Extraordinary gains on the sale of real estate (net of income taxes of \$51,000)	302	-
<b>NET EARNINGS</b>	<u><u>\$ 645</u></u>	<u><u>\$ 979</u></u>
Net earnings per share before extraordinary items - Basic	14.2¢	46.0¢
- Fully Diluted	14.2¢	44.6¢
Net earnings per share - Basic	28.4¢	46.0¢
- Fully Diluted	28.4¢	44.6¢

## Consolidated Statement of Changes in Financial Position

For the Year Ended March 31, 1975

(Thousands of Dollars)

SOURCE OF FUNDS	1975	1974
From operations (a)	\$ 7,490	\$ 8,002
Increase in long term debt	10,326	14,451
Proceeds on disposal of fixed assets	8,486	2,603
Proceeds on sale of shares of subsidiaries and collection of relevant inter-company accounts	1,314	-
Less: Working capital removed on sale of shares of subsidiaries (b)	(563)	-
	<u>27,053</u>	<u>25,056</u>
<b>APPLICATION OF FUNDS:</b>		
Purchase of fixed assets	15,061	19,735
Repayment of long term debt	11,707	4,872
Dividends	252	213
Other changes (net)	82	(64)
	<u>27,102</u>	<u>24,756</u>
Net increase (decrease) in working capital	(49)	300
Working capital, beginning of the year	3,085	2,785
Working capital, end of the year	<u>\$ 3,036</u>	<u>\$ 3,085</u>

(a) Funds from operations is computed by summing net earnings (excluding extraordinary items, \$302,000 in 1975) for the year, depreciation written and the change in deferred income taxes, excluding those relevant items of 50% owned companies (\$1,381,000 in 1975 and \$222,000 in 1974) less gains on disposals of revenue producing equipment.

(b) Subsidiaries were disposed of during the year for a cash consideration of \$292,000 net of certain related costs. The condensed combined balance sheets of such subsidiaries at the date of disposal is as follows:

	(Thousands of Dollars) (unaudited)
Net cash and bank (loan)	\$(1,051)
Non cash working capital	1,614
Working capital	563
Other tangible assets	279
Other intangible assets	186
Total Assets	<u>\$ 1,028</u>
Due to parent company	\$ 1,022
Shareholders' equity	6
Total Liabilities and Equity	<u>\$ 1,028</u>

## Consolidated Statement of Retained Earnings

For the Year Ended March 31, 1975

(Thousands of Dollars)

	<b>1975</b>	<b>1974</b>
Balance, beginning of the year	\$ 7,054	\$ 6,288
Net earnings for the year	645	979
Dividends	(252)	(213)
	<u>393</u>	<u>766</u>
Balance, end of the year	<u>\$ 7,447</u>	<u>\$ 7,054</u>

### Auditors' Report

To the Shareholders of Trimac Limited

We have examined the consolidated balance sheet of Trimac Limited and its subsidiaries as at March 31, 1975 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination of the financial statements of Trimac Limited and those subsidiaries and 50% owned companies of which we are auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of other auditors who have examined the consolidated financial statements of other subsidiaries and 50% owned companies.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at March 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.  
Chartered Accountants

Calgary, Alberta  
May 16, 1975



## Notes to Consolidated Financial Statements

### Note 1 - ACCOUNTING POLICIES:

(a) These consolidated financial statements include the accounts of all subsidiary companies from their effective dates of acquisition.

(b) The excess of the cost of the shares of subsidiaries over their underlying book value at dates of acquisition has been attributed to goodwill and authorities. In the opinion of management, there is no reason to expect any significant decrease in the value of this asset. Accordingly, it is the Company's policy not to amortize this asset.

(c) The Company follows the equity method of accounting for its investment in 50% owned companies. Under this method, the cost of the Company's investment, including goodwill at acquisition, is adjusted for its share of undistributed earnings or losses and capital transactions. The Company's share of revenue and expenses are included in the statement of earnings on a "line by line" basis.

(d) The cost of original tires and tubes and the replacement cost of tires and tubes used on vehicles hauling bulk commodities are charged to prepaid expenses and are written off to income on a mileage basis.

### Note 2 - INVESTMENT IN AND ADVANCES TO 50% OWNED COMPANIES:

(a) The condensed combined consolidated balance sheet of Tricil Waste Management Ltd. and Arctic Navigation and Transportation Ltd., in which the Company has a 50% interest, is as follows:

	March 31	
	1975	1974
	(thousands of dollars) (unaudited)	
Working capital	\$ (96)	\$ (61)
Fixed assets - net book value	10,995	7,175
Other tangible assets	11	306
Intangible assets	671	586
<b>Total Assets</b>	<b><u>\$11,581</u></b>	<b><u>\$ 8,006</u></b>
Long term debt	\$ 5,597	\$ 3,093
Deferred income taxes	576	20
Minority interest	7	8
Shareholders' advances	2,358	2,336
Shareholders' equity	3,043	2,549
<b>Total Liabilities and Equity</b>	<b><u>\$11,581</u></b>	<b><u>\$ 8,006</u></b>

(b) The difference between the Company's cost of the investments and the underlying net book values at the date of acquisition remains unchanged at \$977,000.

### Note 3 - LOSSES OF SUBSIDIARIES DISPOSED OF:

Operating revenues of \$3,450,000 for the year ended March 31, 1975 (\$5,286,000 in 1974) together with the related costs have been reclassified to disclose the net losses of subsidiaries disposed of during the year.

### Note 4 - FIXED ASSETS AND DEPRECIATION POLICY:

The cost of fixed assets and net book value by major classification are as follows:

	March 31, 1975		March 31, 1974	
	Cost	Net Book Value	Cost	Net Book Value
	(thousands of dollars)			
Land - held for possible future development	\$ 184	\$ 184	\$ 868	\$ 868
- other	515	515	497	497
Buildings and yard improvements	2,304	1,728	2,382	1,814
Revenue producing vehicles and equipment				
- Bulk hauling highway units	24,286	12,363	21,167	10,897
- Lease and rental units	18,420	13,201	19,479	15,140
- Arctic marine barges	1,834	1,697	1,829	1,829
Other equipment	4,338	2,314	3,897	1,765
	<b><u>\$51,881</u></b>	<b><u>\$32,002</u></b>	<b><u>\$50,119</u></b>	<b><u>\$32,810</u></b>

The Company and its subsidiaries depreciate the costs of property, plant and equipment to their estimated residual values based on the following estimated useful lives of the assets:

	Estimated Useful Life
Power Units	5 years
Highway Trailers	8 years
Rental Vehicles	3 years
Lease Vehicles	Varied to match term of lease
Arctic Marine Barges	15 years
Buildings	25 years
Other Equipment and Fixtures	5 - 10 years

### Note 5 - BANK ADVANCES, SECURED:

Demand bank loans in the amount of \$3,231,000 at March 31, 1975 and \$3,965,000 at March 31, 1974 are secured by general assignment of book debts.



**TRIMAC LIMITED**  
**And Subsidiary Companies**

**Note 6 - EQUIPMENT OBLIGATIONS:**

	March 31, 1975		March 31, 1974	
	Long term	Current	Long term	Current
	(thousands of dollars)			
Revolving credit agreements				
- interest rates from				
½% to 1½%				
over prime	(a) \$23,448	\$ 668	\$23,891	\$ -
Bank term loan				
- interest rate 1½%				
over prime	(b) <u>889</u>	<u>197</u>	<u>1,086</u>	<u>197</u>
Total equipment obligations	<u>\$24,337</u>	<u>\$ 865</u>	<u>\$24,977</u>	<u>\$ 197</u>

(a) The various revolving credit loan agreements to various subsidiaries provide for credit lines equal to the lesser of a total of \$32,800,000 at March 31, 1975 or an amount determined by agreed formula in each agreement (which amounts totalled \$24,826,000 at March 31, 1975). The loans are secured by charges against relevant vehicular equipment arising from either a floating charge debenture or chattel mortgages. Even though the Company expects all of the revolving credits to continue at least until April 1976, all but one of the loans may be terminated by defined notice. If such termination occurs, each of the agreements provides for the loans to be repaid in monthly instalments on a term basis consistent with the declining borrowing basis which would result in terms ranging from five years to a maximum of eight years.

(b) The bank term loan is repayable in equal semi-annual principal instalments to June 1, 1980.

(c) If no additional amounts were borrowed the amounts estimated to be repaid in the years ending March 31, are: 1976 - \$6,238,000; 1977 - \$5,774,000; 1978 - \$5,000,000; 1979 - \$3,691,000; 1980 - \$2,448,000.

**Note 7 - OTHER LONG TERM DEBT:**

	March 31	
	1975	1974
	(thousands of dollars)	
Bank term loans	(a) \$1,411	\$1,047
Mortgage loans	(b) 998	1,331
Notes and agreements payable	(c) <u>584</u>	<u>686</u>
	2,993	3,064
Less: Current maturities	<u>1,137</u>	<u>467</u>
Total other long term debt less current maturities	<u>\$1,856</u>	<u>\$2,597</u>

(a) Bank term loans are repayable over periods of from three years to seven years, and are, in general, secured. The interest rates vary from 1¼% to 1½% over prime.

(b) Mortgage loans are repayable over periods from 1975 to 1978, and are secured by charges against real estate. The interest rates vary from 6¾% to 11¾%.

(c) Notes and agreements payable mature at various dates to 1978 and are, in general, unsecured. The interest rates vary from 6% to 9%.

(d) The amounts to be repaid during the years ending March 31 are: 1976 - \$1,137,000; 1977 - \$449,000; 1978 - \$338,000; 1979 - \$224,000; 1980 - \$125,000.

**Note 8 - SHARE CAPITAL:**

	Authorized		Issued	
	Number	Amount	Number	Amount
Preferred (a)				
- Undesignated	167,000	\$1,670,000	—	—
- Designated	(i) 83,000	830,000	(ii) 76,500	\$ 765,000
	<u>250,000</u>	<u>2,500,000</u>	<u>76,500</u>	<u>765,000</u>
Common (b)	<u>\$7,500,000</u>	<u>10,000,000</u>	<u>\$2,128,438</u>	<u>5,492,000</u>
		<u>\$12,500,000</u>		<u>\$6,257,000</u>

(a) Preferred shares are issuable in series on terms and conditions authorized by the directors. The aggregate par value of such issued shares is not to exceed \$2,500,000. Of the total of 250,000 preferred shares authorized, 83,000 (i) have been designated as non-voting 4% non-cumulative series "A" redeemable convertible preferred shares (each preferred share is convertible to one common share in equal amounts cumulatively over five years from the date of issue) with a nominal or par value of \$10.00 per share. (ii) During the year 20,000 shares were redeemed at par value and the proceeds used by the employees to retire \$200,000 of "Balances Receivable Under Employees Share Purchase Plans".

(b) Common shares are without nominal or par value. At March 31, 1975, 76,500 common shares were reserved for the conversion of Series "A" preferred shares to common shares.

# TRIMAC LIMITED

## And Subsidiary Companies

### Note 9 - RETAINED EARNINGS:

(a) Under the provisions of the governing statutes \$1,196,100 (the amount equal to the par value of preference shares of the Company and its subsidiaries redeemed) is restricted from distribution to shareholders.

(b) As a result of the acquisition by the Company of Trimac Transportation Limited, a portion of the consolidated retained earnings is classified as "designated surplus" under the provision of Section 192(1) of the Canadian Income Tax Act. Normally dividends cannot be paid out of the designated surplus of the subsidiaries without the payment of income taxes, but insofar as the Company is concerned this raises no practical difficulties in the foreseeable future because dividends may be paid by the subsidiaries of the Company, free of tax, out of the earnings of subsidiaries subsequent to such acquisition.

(c) Under the terms of a revolving credit bank loan referred to in Note 6, Trimac Transportation Limited must maintain a consolidated net worth of \$5,500,000.

### Note 10 - LEASES ON REAL PROPERTY:

The Company and various of its subsidiaries have entered into lease agreements for premises at annual rentals approximating \$438,396 as at March 31, 1975 and for various terms expiring up to 1980.

### Note 11 - COMMITMENTS:

(a) In June 1970 Trimac entered into an Initial Agreement with the National Harbours Board of Canada for reclamation and lease of a site at Roberts Bank, near Vancouver, B.C. for the construction by the Company of terminal facilities for the storing and shipping of bulk commodities exclusive of grain. The commitment of Trimac to lease the site is predicated upon performance by the Harbours Board of certain conditions, including commencement of reclamation by a specified date in respect of which performance by the Harbours Board has been waived. The Company does not wish to exercise any right of termination that it may have under the Initial Agreement. The term of the proposed lease will be ten years certain, commencing on the earlier of first shipment from the site or nine months after the site is ready for occupancy. Rental under the lease will be determined only when Harbours Board construction has been completed and the Lessee's facilities erected, estimated to require from sixteen up to twenty-five months after commencement of work by the Harbours Board. Such annual rental will be dependent, in part, upon through-put of ships' cargo to and from the site with an estimated minimum of \$280,000. To March 31, 1975, the Company has deferred costs of \$211,000 with respect to this Initial Agreement.

(b) Pursuant to an agreement dated March 2, 1973, the Company has guaranteed the obligation of Arctic Navigation and Transportation Ltd. (50% of the shares of which are owned by the Company) to purchase the remaining one half of the shares of Lindberg Transport Ltd. to a maximum amount of \$125,000.

### Note 12 - REMUNERATION OF DIRECTORS AND SENIOR OFFICERS:

The aggregate direct remuneration paid or payable by Trimac and its subsidiaries to the directors and senior officers (as defined in the Alberta Companies Act) of Trimac during the twelve months ended March 31, 1975 was \$302,816.

### Note 13 - CONTINGENT LIABILITIES:

(a) The Company is contingently liable in the amount of \$386,000 as a result of certain income tax reassessments received by Tricil Waste Management Limited (see Note 2), relating to periods, prior to the Company's purchase thereof. Security in the amount of \$289,000 valued at March 31, 1975 has been lodged by the former owners with the Department of National Revenue relative thereto. Because of the former owners' and co-warrantors' obligations under their agreement with the Company, no provision has been made in the accounts for these reassessments.

(b) The Company guarantees to the extent of \$1,700,000 to a Canadian Chartered Bank with respect to loans made to Arctic Navigation and Transportation Ltd. (see Note 2).

### Note 14 - BRITISH COLUMBIA COMPANIES ACT:

These financial statements comply with the disclosure requirements of the act of incorporation (The Alberta Companies Act) and the securities legislation of certain provinces in Canada, but do not comply with certain requirements unique to the British Columbia Companies Act.



**TRIMAC LIMITED**  
And Subsidiary Companies

**Additional Financial Information**

**Schedule of Divisional Assets and Liabilities**

At March 31, 1975

**ASSETS**

(Thousands of Dollars)

	Bulk Commodity Highway Transportation	Equipment Sales	Equipment Leasing	Manufacturing	Pipeline Construction	Arctic Marine Transportation	Realty Holdings	Trimac Limited	Total
Current assets:									
Cash and short term deposits	\$ 173	\$	\$ 119	\$	\$ 579	\$	\$ 33	\$ 479	\$ 1,383
Accounts receivable	4,772	159	1,263	528	200	2	833	373	8,130
Inventories	680	414	230	243					1,567
Prepaid expenses	1,888	9	310	131	3	5	11	6	2,363
Income taxes recoverable	208								208
	<u>7,721</u>	<u>582</u>	<u>1,922</u>	<u>902</u>	<u>782</u>	<u>7</u>	<u>877</u>	<u>858</u>	<u>13,651</u>
Investments, securities and advances:									
Investment in and advances to 50% owned companies								3,306	3,306
Balance receivable under employees share purchase plans	17							1,248	1,265
Other	44			200					244
	<u>61</u>			<u>200</u>				<u>4,554</u>	<u>4,815</u>
Fixed assets at cost:									
Revenue vehicles	24,286		18,420						42,706
Other	1,676	88	541	616	1,425	1,834	2,695	300	9,175
Accumulated depreciation	(13,010)	(45)	(5,417)	(23)	(649)	(137)	(551)	(47)	(19,879)
	<u>12,952</u>	<u>43</u>	<u>13,544</u>	<u>593</u>	<u>776</u>	<u>1,697</u>	<u>2,144</u>	<u>253</u>	<u>32,002</u>
Deferred charges	34			1			22	251	308
Goodwill and authorities	1,673				223			1,101	2,997
Total assets	<u>\$22,441</u>	<u>\$ 625</u>	<u>\$15,466</u>	<u>\$ 1,696</u>	<u>\$ 1,781</u>	<u>\$1,704</u>	<u>\$ 3,043</u>	<u>\$ 7,017</u>	<u>\$53,773</u>

**LIABILITIES**

Current liabilities:									
Bank advances, secured	\$ 1,849	\$ 355	\$ 200	\$ 827	\$	\$	\$	\$	\$ 3,231
Accounts payable	3,183	193	1,051	623	72	2	17	107	5,248
Income taxes payable	(38)		7	18	84		63		134
Current maturities of long term debt	361		668		20	197	616	140	2,002
Total current liabilities	<u>5,355</u>	<u>548</u>	<u>1,926</u>	<u>1,468</u>	<u>176</u>	<u>199</u>	<u>696</u>	<u>247</u>	<u>10,615</u>
Equipment obligations	9,798		13,650				889		24,337
Other long term debt	123				80		1,318	335	1,856
Deferred income taxes	2,679	(61)	217		347	74	13	(8)	3,261
Total liabilities	<u>\$17,955</u>	<u>\$ 487</u>	<u>\$15,793</u>	<u>\$ 1,468</u>	<u>\$ 603</u>	<u>\$ 1,162</u>	<u>\$ 2,027</u>	<u>\$ 574</u>	<u>\$40,069</u>

Note: Interdivisional advances have been eliminated.



**TRIMAC LIMITED**  
and Subsidiary Companies

**Five Year Financial Review**

RESULTS FOR THE YEAR ENDED	(Thousands of Dollars)				
	1975	1974 (1)	March 31 1973	1972	1971
Revenue	\$64,116	\$52,741	\$42,818	\$32,925	\$25,564
Earnings before taxes	1,083	2,481	2,880	2,357	1,316
Provision for income taxes	697	1,238	1,388	1,132	679
Net earnings for the year before extraordinary items	343	979	1,492	1,275	634
Per common share - Basic	\$ 0.14	\$ 0.46	\$ 0.73	\$ 0.74	\$ 0.42
- Fully Diluted	\$ 0.14	\$ 0.45	\$ 0.73	\$ 0.74	\$ 0.42
Net earnings for the year	645	979	1,492	1,275	634
Per common share—Basic	\$ 0.28	\$ 0.46	\$ 0.73	\$ 0.74	\$ 0.42
—Fully Diluted	\$ 0.28	\$ 0.45	\$ 0.73	\$ 0.74	\$ 0.42
Depreciation and amortization	8,569	6,760	4,086	3,039	1,934
Cash flow from operations (2)	7,902	8,092	6,198	4,389	2,543
Per common share—Basic	\$ 3.71	\$ 3.80	\$ 3.04	\$ 2.56	\$ 1.68
—Fully Diluted	\$ 3.58	\$ 3.69	\$ 3.04	\$ 2.56	\$ 1.68
Interest	4,094	2,247	1,032	894	720
Average number of common shares outstanding					
—Basic	2,128,438	2,128,438	2,038,415	1,716,445	1,515,612
—Fully Diluted	2,204,938	2,192,771	2,038,415	1,716,445	1,515,612
YEAR END POSITION					
Working capital (excluding current maturities)	5,038	3,749	3,572	4,558	1,794
Fixed assets at cost	51,881	50,119	39,485	26,089	22,282
Total assets	53,773	55,178	42,196	27,099	19,894
Long term debt (including current maturities)	28,195	28,238	20,706	12,133	9,529
Shareholders' equity	13,704	13,511	11,780	8,937	4,731

(1) Restated to disclose the net losses from subsidiaries disposed of during the year.

(2) Cash flow from operations is computed by summing net earnings (excluding extraordinary items) for the year, depreciation written and the change in deferred income taxes, excluding those relevant items of 50% owned companies.

## **Senior Division Management:**

### HIGHWAY TRANSPORTATION

M.W. McCaig — President  
D.R. MacDonald — Vice President, Sales  
A.J. Coyston — Vice President, Operations

### EQUIPMENT LEASING AND RENTAL

W.J. Hardstaff — President  
J.E. Sauve — Vice President and General Manager  
E.L. Gray — Vice President, Western

### MANUFACTURING

K.M. Stephenson — President  
J.R. Arbuthnott — General Manager

### PIPELINE CONSTRUCTION

K.M. Stephenson — President  
J.D. Minter — General Manager

### CONSULTING SERVICES

D.P. Dean — Vice President and General Manager

### DATA PROCESSING

N.A. McKinnon — General Manager

### SYSTEMS MANAGEMENT

K.R. Walker — General Manager

## **Joint Venture Companies**

### WASTE MANAGEMENT

D.K. Jackson — President  
G.W. Redwood — Executive Vice President

### MARINE TRANSPORTATION

K.M. Stephenson — President

## **Head Office:**

535 - 7th Avenue S.W., Calgary, Alberta T2P 0Y4

## **Registrar and Transfer Agent:**

THE ROYAL TRUST COMPANY

600-7th Avenue S.W.,  
Calgary, Alberta T2P 0Y6

Royal Trust Tower,  
Bentall Centre,  
555 Burrard Street,  
Vancouver, B.C. V7X 1K2

101 McCallum Hill Building,  
Regina, Saskatchewan S4P 2G6

287 Broadway,  
Winnipeg, Manitoba R3C 0R9

Royal Trust Tower,  
Toronto-Dominion Centre,  
Toronto, Ontario

630 Dorchester Boulevard West,  
Montreal, Quebec

## **Securities Exchange Listing**

Toronto Stock Exchange  
Montreal Stock Exchange  
Vancouver Stock Exchange





## **THE TRIMAC GROUP OF COMPANIES**

### **TRIMAC LIMITED**

#### **TRIMAC TRANSPORTATION SYSTEM**

Maccam Transport Ltd.  
H. M. Trimble & Sons Ltd.  
Oil & Industry Suppliers Ltd.  
Westland Carriers Ltd.  
Columbia Bulk Carriers Ltd.  
Municipal Tank Lines Limited  
Mercury Tanklines Limited  
Adby Transport Limited  
J. Kearns Transport Ltd.  
Territorial Transport (1968) Ltd.  
Tank Lines Limited

#### **RENTWAY CANADA LTD.**

#### **TRANSPORT ACCEPTANCE CORPORATION LTD.**

#### **UNITED CONTRACTORS LIMITED**

#### **CAL-FAB INDUSTRIES LTD.**

#### **S. J. THOMPSON TRUCK EQUIPMENT LTD.**

#### **M.B.I. DATA SERVICES LTD.**

#### **TRIMAC CONSULTING SERVICES LTD.**

#### **TRIMAC MARINE TERMINALS LIMITED**

#### **JOINT VENTURE COMPANIES**

**TRICIL WASTE MANAGEMENT LIMITED**

**ARCTIC NAVIGATION AND TRANSPORTATION LTD.**