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Anglin-Norcross Corporation
Limited

AND SUBSIDIARY COMPANIES

*Consolidated Financial
Statements*

FOR THE YEAR ENDED
31ST DECEMBER 1956

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Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31st DECEMBER 1956

To the Shareholders:

Your Directors present herewith a statement of the affairs and financial position of your Company as at 31st December 1956.

OPERATIONS — Your Company has been very active during the year. We have been more successful in some areas than others in obtaining new business but an aggressive approach has been maintained in all locales. Nearly 25% more work was completed during the year and once again the carryover into 1957 is substantially higher than the previous year.

Major projects obtained during the year were — the addition to the Royal York Hotel; Workmen's Compensation Board (Rehabilitation Centre), Ontario; Board of Trade Building, Toronto; low rental housing for Central Mortgage & Housing Corporation, Toronto; Montreal Life Insurance Company Building; National Revenue Building, Montreal; Noranda Copper & Brass Tube Mill and Jean-de-Brébeuf College, Montreal.

A new company, Anglin-Atlas Limited, was formed as a joint venture to carry out the Canadian British Aluminium project at Baie Comeau. Your Company and Atlas Construction Co. Limited each hold a 50% interest in the new company. The project is being operated by Anglin-Norcross but is not taken into consideration in the Profit and Loss Statement as it will take three years to complete and work only started in June of the year under review.

PROFITS — Profits for the year are better, with earnings before depreciation and income taxes of \$380,457, compared to \$225,844 in 1955. Net profit is \$215,174 compared to \$94,131 in 1955, or \$3.28 a share compared to \$1.43.

BALANCE SHEET — Working capital as at 31st December 1956, including investment in an affiliated company, stood at \$1,421,953, an increase of \$195,226 over 1955.

DEPRECIATION — Maximum allowable depreciation in the amount of \$73,283 has been provided for.

OUTLOOK FOR 1957 — A great deal of work is offering but we can expect a considerable falling off in speculative office buildings. These are the first to be affected by present monetary policies, producing a tight money market. Other projects will be deferred in the industrial sector and we must expect more extreme competition for the work offering as the overall market shrinks. Nevertheless, with the carryover from last year and our fair share of new business, we fully expect that 1957 will compare favourably with 1956.

EMPLOYEE RELATIONS — The Directors gratefully acknowledge the loyalty and co-operation of all employees throughout the year and in so doing realize the effort exerted by all to produce the above results. To continue to be progressive we must all strive to reach beyond routine as the occasion arises.

Respectfully submitted on behalf of the Directors,

J. ERIC HARRINGTON,
President.

MONTREAL, 13th March 1957.

Anglin-Norcross Corporation Ltd.

CONSOLIDATED BALANCE SHEET

(with comparative figures)

ASSETS	1956	1955
CURRENT ASSETS:		
Cash	\$ 858,624.62	\$ 285,778.93
Deposits on contracts	451,400.00	26,000.00
Deposits on plans for tendering	485.00	1,350.00
Federal Government bonds, bonds and shares of Canadian companies — at cost, less reserve of \$19,122.97 (Note 1) (quoted market value \$145,000)	140,415.53	140,415.53
Accounts receivable — Contracts, less allowance for doubtful accounts	3,185,944.02	3,085,665.62
Sundry	53,879.91	7,568.51
Inventories of material and perishable tools — at the lower of cost or market	87,359.15	70,603.05
Prepaid expenses	9,201.40	12,583.10
	4,787,309.63	3,629,964.74
INVESTMENT IN AN AFFILIATED COMPANY:		
Shares — at cost (without quoted market value)	200,000.00	
FIXED ASSETS:		
Land — as appraised by Westmount Realities Company 5th February 1946 and 6th June 1952	92,500.00	92,500.00
at cost	22,800.00	22,800.00
	115,300.00	115,300.00
Buildings — as appraised by Westmount Realities Company 6th June 1952	169,440.00	169,440.00
at cost	194,754.44	194,754.44
	479,494.44	479,494.44
Plant and equipment — at cost	629,275.19	653,455.57
	1,108,769.63	1,132,950.01
Less: Accumulated depreciation	618,261.91	662,390.58
	490,507.72	470,559.43
NOTE:		
1. As at 31st December 1956 \$75,000 par value of the company's investment in Federal Government bonds were on deposit under contracts.		
Approved on behalf of the Board: J. ERIC HARRINGTON ROBERT W. JOHNSTONE } Directors	\$5,477,817.35	\$4,100,524.17

AUDITORS' REPORT

We have examined the consolidated balance sheet of Anglin-Norcross Corporation and its subsidiaries for the year ended on that date and the statements of profit and loss and retained earnings for the year ended on that date and a general review of the accounting procedures and such tests of circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of profit and loss and retained earnings exhibit a true and correct view of the state of the affairs of the companies as at 31st December 1956, according to the best of our information and the explanations given to us.

MONTREAL, 15th February 1957.

imited and Subsidiary Companies

NET AS AT 31st DECEMBER 1956

(as at 31st December 1955)

LIABILITIES

	1956	1955
CURRENT LIABILITIES:		
Bank loans	\$ 451,400.00	\$ 126,000.00
Accounts payable	2,978,304.61	2,160,618.34
Income taxes payable	103,877.88	87,898.95
Other taxes payable	28,573.85	26,320.12
Directors' fees payable	3,200.00	2,400.00
	<u>3,565,356.34</u>	<u>2,403,237.41</u>
CAPITAL STOCK AND RETAINED EARNINGS:		
Capital Stock —		
Authorized —		
1,500,000 1% non-cumulative redeemable preferred shares of the par value of \$1 each	1,500,000.00	
865,920 preferred shares redeemed and cancelled to date	865,920.00	
	<u>634,080.00</u>	
634,080 preferred shares	\$ 634,080.00	
100,000 common shares without nominal or par value	—	
Issued and fully paid —		
65,600 common shares	32,800.00	32,800.00
Retained earnings — capitalized under the provisions of Section 61 of the Companies Act on the redemption of preferred shares	865,920.00	865,920.00
	<u>898,720.00</u>	<u>898,720.00</u>
Capital surplus — arising from the appraisal of fixed assets	61,312.56	64,435.59
Retained earnings	952,428.45	734,131.17
	<u>1,912,461.01</u>	<u>1,697,286.76</u>
CONTINGENT LIABILITIES:		
1. In respect of uncompleted contracts and statutory performance guarantees on completed contracts.		
2. In respect of bank advances to an affiliated company up to \$300,000.		
	<u>\$5,477,817.35</u>	<u>\$4,100,524.17</u>

TO THE SHAREHOLDERS

ion Limited and subsidiary companies as at 31st December 1956 and the consolidated and have obtained all the information and explanations we have required. Our examination of the accounting records and other supporting evidence as we considered necessary in the

and statements of profit and loss and retained earnings are properly drawn up so as to 31st December 1956 and the combined results of their operations for the year ended on 31st December 1956 and as shown by the books of the companies.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Anglin-Norcross Corporation Ltd

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st December 1956

(with comparative figures for the year ended 31st December 1955)

	1956	1955
Operating profit for the year before taking into account the items shown below	\$391,966.39	\$310,591.41
Income from investments	4,957.52	4,851.24
Profit on disposal of fixed assets	67,248.63	2,853.12
	<u>464,172.54</u>	<u>318,295.77</u>
<i>Deduct:</i>		
Salaries and fees of executive officers	74,022.52	82,489.15
Fees of other directors	5,000.00	5,600.00
Legal fees	4,692.50	4,362.50
Depreciation of fixed assets	73,283.27	59,712.68
	<u>156,998.29</u>	<u>152,164.33</u>
	307,174.25	166,131.44
Provision for income taxes	116,000.00	72,000.00
<i>Less:</i> Reduction in respect of previous years	24,000.00	—
	<u>92,000.00</u>	<u>72,000.00</u>
NET PROFIT FOR THE YEAR	<u>\$215,174.25</u>	<u>\$ 94,131.44</u>

imited and Subsidiary Companies

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

for the year ended 31st December 1956

(with comparative figures for the year ended 31st December 1955)

	1956	1955
BALANCE — beginning of year	\$734,131.17	\$636,712.33
Net profit for the year	215,174.25	94,131.44
Amount transferred from the capital surplus arising from appraisals to offset a similar amount provided through profit and loss as depreciation of the appraisal increment in the value of buildings	3,123.03	3,287.40
BALANCE — end of year	<u>\$952,428.45</u>	<u>\$734,131.17</u>

CONSOLIDATED STATEMENT OF CAPITAL SURPLUS

for the year ended 31st December 1956

(with comparative figures for the year ended 31st December 1955)

	1956	1955
BALANCE — beginning of year	\$ 64,435.59	\$ 67,722.99
Amount transferred to retained earnings to offset a similar amount provided through profit and loss as depreciation of the appraisal increment in the value of buildings	3,123.03	3,287.40
BALANCE — end of year	<u>\$ 61,312.56</u>	<u>\$ 64,435.59</u>

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

J. P. ANGLIN, Q.C.	Montreal	E. R. HOLE	London, England
THE RIGHT HONOURABLE LORD ASHCOMBE	London, England	R. W. JOHNSTONE	Toronto
F. H. BACQUE	Toronto	SIR JOHN KEELING	London, England
T. A. GUNN	Montreal	W. G. LAMBERT	Montreal
C. F. HARRINGTON	Toronto	R. R. McLERNON	Montreal
J. E. HARRINGTON	Montreal	V. P. VICKERMAN	London, England

OFFICERS

<i>Chairman of the Board</i>	THE RIGHT HONOURABLE LORD ASHCOMBE
<i>President</i>	J. ERIC HARRINGTON
<i>Vice-President</i>	ROBERT W. JOHNSTONE
<i>Vice-President and Treasurer</i>	THOMAS A. GUNN
<i>Vice-President</i>	WILLIAM G. LAMBERT
<i>Secretary and Assistant-Treasurer</i>	LESTER S. UNDERWOOD

SUBSIDIARY COMPANIES

ANGLIN-NORCROSS QUEBEC LIMITED	892 Sherbrooke St. W., Montreal
ANGLIN-NORCROSS ONTARIO LIMITED	224 Davenport Road, Toronto
ANGLIN-NORCROSS MARITIME LIMITED	319 Roy Building, Halifax

AUDITORS

McDONALD, CURRIE & Co.	Montreal
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