

Anglin-Norcross Corporation
Limited

AND SUBSIDIARY COMPANIES

*Consolidated Financial
Statements*

FOR THE YEAR ENDED
31ST DECEMBER 1954

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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 1954

To the Shareholders:

Your Directors present herewith a statement of the affairs and financial position of your Company as at 31st December 1954 together with a report of the Auditors, Messrs. McDonald, Currie & Co.

During the year under review Messrs. Holland & Hannen and Cubitts Ltd., one of the foremost engineering and building companies in England, acquired a controlling interest in the Company through the purchase of the majority of the shares of its common stock. As a result of this constructive step, benefit of Cubitts' years of experience in both engineering and building construction, as well as trained personnel for special projects, will be readily available to the Company when required. The Company will consequently be in an excellent position to expand its operations as opportunities arise and may secure new business which develops in England with companies which are establishing new plants in Canada.

OPERATIONS — The market was extremely competitive during the year despite which your Company secured a reasonable volume of new business, though the carry over into 1955 is not as substantial as in previous years. The large project for the Montreal General Hospital is nearing an end and at present three projects are underway in the Maritimes, six in Quebec and two in Ontario.

EARNINGS — Profits after all charges amounted to \$157,153 or \$2.40 per share on each of the 65,600 shares outstanding at the end of the year. Corresponding figures for the previous fiscal year were \$190,157 or \$2.82 per share.

BALANCE SHEET — The net working capital as at 31st December 1954 stood at \$1,137,617, a decrease of \$228,425. This decrease is due to the redemption of the balance of the outstanding 1% non-cumulative redeemable preferred shares in the amount of \$406,720. This now leaves your Company with only the common stock outstanding.

DEPRECIATION RESERVE — Provision has been made for depreciation in the amount of \$63,910 for the current year.

DIVIDENDS — A dividend for the eleven months' period from 1st January 1954 to 30th November 1954, at the rate of one per cent (1%) per share was declared on the outstanding 1% non-cumulative redeemable preferred shares of the Company of the par value of \$1 and paid on the 1st December 1954.

DIRECTORS AND APPOINTMENTS — As a result of Cubitts' interest in your Company, several changes to the Board of Directors took place. Replacing Directors who resigned, The Right Honourable Lord Ashcombe, Mr. E. R. Hole and Mr. V. P. Vickerman, all of London, England, were appointed Directors of the Company and Lord Ashcombe was also elected Chairman of the Board.

The Directors adopted a By-law to increase the number of the Board from ten to twelve and this By-law will be submitted for sanction by the shareholders at the forthcoming Annual General Meeting.

It was announced that subject to such sanction, Sir John Keeling and Mr. Robert W. Johnstone would be nominated to fill the places on the Board resulting from its enlargement.

Mr. Robert W. Johnstone and Mr. Harold C. Walker, Q.C., have been elected to the Board of Directors of Anglin-Norcross Ontario Limited and Mr. Johnstone has also been appointed President of that Company.

STAFF — Your Directors gratefully acknowledge the loyalty, co-operation and support of all the employees throughout the year.

Submitted on behalf of the Directors,

J. ERIC HARRINGTON,
President.

MONTREAL, 2nd March 1955.

Anglin-Norcross Corporation Limited

CONSOLIDATED

as at 31st December 1954

ASSETS

CURRENT ASSETS:

Cash		\$ 473,158.24	
Deposits on outstanding tenders		1,015.00	
Federal Government bonds and shares of a Canadian company— at cost, less reserve of \$19,122.97 (Note 1) (quoted market value \$157,590)		138,415.53	
Accounts receivable — Contracts, including retentions of \$1,062,990.09	\$3,020,215.99		
Sundry	11,408.16	3,031,624.15	
Inventories of material and perishable tools — at the lower of cost or market		71,636.06	
Prepaid expenses		7,766.01	\$3,723,614.99

FIXED ASSETS: (Note 2)

Land — as appraised by Westmount Realities Company 5th February 1946 and 6th June 1952	92,500.00		
at cost	15,200.00	107,700.00	
Buildings — as appraised by Westmount Realities Company 6th June 1952 ..	169,440.00		
at cost	168,354.44		
	337,794.44		
Plant and equipment — at cost	640,931.18		
	978,725.62		
Less: Accumulated depreciation	620,886.91	357,838.71	465,538.71

NOTES:

- As at 31st December 1954 \$150,000 par value of the company's investment in Federal Government bonds were on deposit under contracts.
- The values of the fixed assets have been increased by an amount of \$104,185.22 as a result of an appraisal within three years of the date of this balance sheet.

Approved on behalf of the Board:

J. ERIC HARRINGTON }
THOMAS A. GUNN } Directors

\$4,189,153.70

AUDITORS' REPORT TO SHAREHOLDERS

We have examined the consolidated balance sheet of Anglin-Norcross Corporation Limited and its subsidiaries and the consolidated statements of profit and loss and surplus for the year ended on that date and have included a general review of the accounting procedures and such tests of accounting records as we considered necessary. In our opinion, the accompanying consolidated balance sheet and consolidated statements of profit and loss and surplus give a true and correct view of the state of the affairs of the companies as at 31st December 1954 according to the best of our information and the explanations given to us and as shown by the books and records of the companies.

MONTREAL, 16th February 1955.

Limited and Subsidiary Companies

BALANCE SHEET

December 1954

LIABILITIES

CURRENT LIABILITIES:

Accounts payable.....	\$2,416,295.56	
Income taxes payable.....	113,997.49	
Other taxes payable.....	20,983.61	
Advance payments on contracts.....	34,721.72	\$2,585,998.38

CAPITAL STOCK AND SURPLUS:

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 preferred shares.....</u>	<u>\$ 634,080.00</u>	
100,000 common shares without nominal or par value...	—	

Issued and fully paid —

406,720 preferred shares issued as at 31st December 1953	406,720.00	
406,720 preferred shares redeemed and cancelled during the year.....	406,720.00	
<u>65,600 common shares.....</u>	<u>32,800.00</u>	

Earned surplus — capitalized under the provisions of Section 61 of the Companies Act on the redemption of preferred shares..

865,920.00

898,720.00

Capital surplus — arising from the appraisal of fixed assets.....

67,722.99

Earned surplus.....

636,712.33

1,603,155.32

CONTINGENT LIABILITY:

In respect of uncompleted contracts and statutory performance guarantees on completed contracts.

\$4,189,153.70

TO THE SHAREHOLDERS

on Limited and subsidiary companies as at 31st December 1954 and the consolidated e obtained all the information and explanations we have required. Our examination rds and other supporting evidence as we considered necessary in the circumstances. tements of profit and loss and surplus are properly drawn up so as to exhibit a true 1954 and the combined results of their operations for the year ended on that date, n by the books of the companies.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Anglin-Norcross Corporation L

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st December 1954

Operating profit for the year before taking into account the items shown below		\$ 418,511.44
Income from investments		17,915.84
Profit on disposal of fixed assets		2,631.09
		<hr/>
		439,058.37
<i>Deduct:</i>		
Salaries and fees of executive officers	\$ 68,822.52	
Fees of other directors	3,475.00	
Legal fees	2,697.38	
Depreciation of fixed assets	63,909.80	138,904.70
		<hr/>
		300,153.67
Provision for income taxes		143,000.00
NET PROFIT FOR THE YEAR		<hr/>
		<u>\$ 157,153.67</u>

imited and Subsidiary Companies

CONSOLIDATED STATEMENT OF EARNED SURPLUS

for the year ended 31st December 1954

BALANCE — 31st December 1953		\$ 886,546.51
Net profit for the year		157,153.67
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		3,460.42
		<u>1,047,160.60</u>
Amount capitalized under the provisions of Section 61 of the Companies Act on the redemption of 406,720 1% non-cumulative redeemable preferred shares during the year	\$406,720.00	
Cash dividend declared and paid — Preferred shares	3,728.27	410,448.27
		<u>410,448.27</u>
BALANCE — 31st December 1954		<u>\$ 636,712.33</u>

CONSOLIDATED STATEMENT OF CAPITAL SURPLUS

for the year ended 31st December 1954

BALANCE — 31st December 1953		\$ 71,183.41
Amount transferred to earned surplus to offset a similar amount provided through profit and loss as depreciation of the appraisal increment in the value of buildings		3,460.42
		<u>3,460.42</u>
BALANCE — 31st December 1954		<u>\$ 67,722.99</u>

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

J. P. ANGLIN, Q.C.	Montreal	J. E. HARRINGTON	Montreal
THE RIGHT HONOURABLE LORD ASHCOMBE	London, England	E. R. HOLE	London, England
F. H. BACQUE	Toronto	W. G. LAMBERT	Montreal
T. A. GUNN	Montreal	R. R. McLERNON	Montreal
C. F. HARRINGTON	Toronto	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 and Secretary-Treasurer</i>	THOMAS A. GUNN
<i>Vice-President</i>	WILLIAM G. LAMBERT
<i>Assistant Secretary-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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