

Anglin-Norcross Corporation
Limited

AND SUBSIDIARY COMPANIES

*Consolidated Financial
Statements*

FOR THE YEAR ENDED
31ST DECEMBER 1955

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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 1955

To the Shareholders:

Your Directors present herewith a statement of the affairs and financial position of your Company as at 31st December 1955 together with a report of the Auditors, Messrs. McDonald, Currie & Co.

OPERATIONS — The market continued to be very competitive throughout the year under review, and your management have endeavoured to streamline the operations to meet these conditions. A good volume of work was taken and we are entering 1956 with a carry over nearly two and a half times that carried into 1955. This is largely reflected in our Ontario operations which were completely reorganized and are now on a full scale basis.

At present there are ten projects underway in Quebec, two in the Maritimes, and ten in Ontario, which is a marked increase from our position of a year ago.

Major projects obtained were the Toronto General Hospital, the Bank of Canada, Dryden Pulp & Paper, St. Joseph's Hospital, and the Canadian Overseas Telecommunications Corporation. It is also interesting to note that we are carrying out a job for Warner-Lambert Company, as this lead originated in London where Cubitts are also doing a project for them.

PROSPECTS — There is still a large volume of business offering, many interesting projects are already known and many more are in the formative stages. Your Company is now in a good position to take on further substantial commitments.

EARNINGS — Profits, after all charges, amounted to \$94,131, or \$1.43 per share on each of the 65,600 shares outstanding. This was better than expected owing to the lack of carry over and reflects the impetus gained in the latter half of the year.

BALANCE SHEET — The net working capital as of 31st December 1955 stood at \$1,226,727, an increase of \$89,110 over the previous year.

DEPRECIATION — Provision has been made for maximum allowable depreciation in the amount of \$59,713 for the current year.

DIRECTORS — Mr. Robert W. Johnstone and Sir John Keeling were appointed members of the Board.

PERSONNEL — The strength of the Company stems primarily from those who work for it. These men and women are its chief asset and spark its progress. We again acknowledge the loyalty and co-operation given throughout the past year.

Respectfully submitted on behalf of the Directors,

J. ERIC HARRINGTON,
President.

MONTREAL, 8th March 1956.

Anglin-Norcross Corporation Limited

CONSOLIDATED

as at 31st December 1955

ASSETS

CURRENT ASSETS:

Cash	\$ 285,778.93		
Deposit on contract	26,000.00		
Deposit on plans for tendering	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 \$155,656)	140,415.53		
Accounts receivable —			
Contracts	\$3,085,665.62		
Sundry	7,568.51	3,093,234.13	
Inventories of material and perishable tools — at the lower of cost or market		70,603.05	
Prepaid expenses		12,583.10	\$3,629,964.74

FIXED ASSETS:

Land — as appraised by Westmount Realities Company 5th February 1946 and 6th June 1952	92,500.00		
at cost	22,800.00	115,300.00	
Buildings — as appraised by Westmount Realities Company 6th June 1952 ..	169,440.00		
at cost	194,754.44		
Plant and equipment — at cost	364,194.44		
	653,455.57		
Less: Accumulated depreciation	1,017,650.01		
	662,390.58	355,259.43	470,559.43

NOTE:

1. As at 31st December 1955 \$150,000 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

\$4,100,524.17

AUDITORS' REPORT TO

We have examined the consolidated balance sheet of Anglin-Norcross Corporation 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 1955 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, 10th February 1956.

Limited and Subsidiary Companies

BALANCE SHEET

December 1955

LIABILITIES

CURRENT LIABILITIES:

Bank loans	\$ 126,000.00	
Accounts payable	2,160,618.34	
Income taxes payable	87,898.95	
Other taxes payable	26,320.12	
Directors' fees payable	2,400.00	\$2,403,237.41
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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	
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634,080 preferred shares	\$ 634,080.00	
100,000 common shares without nominal or par value	—	
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Issued and fully paid —		
65,600 common shares	32,800.00	
Earned surplus — capitalized under the provisions of Section 61		
of the Companies Act on the redemption of preferred shares . .	865,920.00	
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	898,720.00	
Capital surplus — arising from the appraisal of fixed assets	64,435.59	
Earned surplus	734,131.17	1,697,286.76
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CONTINGENT LIABILITY:

In respect of uncompleted contracts and statutory performance		
guarantees on completed contracts.		<hr/> <hr/>
		\$4,100,524.17

THE SHAREHOLDERS

we, the Limited and subsidiary companies as at 31st December 1955 and the consolidated balance sheet obtained all the information and explanations we have required. Our examination of the books and other supporting evidence as we considered necessary in the circumstances. Our statements of profit and loss and surplus are properly drawn up so as to exhibit a true and correct view of the 1955 and the combined results of their operations for the year ended on that date, as shown by the books of the companies.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Anglin-Norcross Corporation Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st December 1955

Operating profit for the year before taking into account the items shown below		\$ 310,591.41
Income from investments		4,851.24
Profit on disposal of fixed assets		2,853.12
		<u>318,295.77</u>
<i>Deduct:</i>		
Salaries and fees of executive officers	\$ 82,489.15	
Fees of other directors	5,600.00	
Legal fees	4,362.50	
Depreciation of fixed assets	59,712.68	152,164.33
		<u>166,131.44</u>
Provision for income taxes		72,000.00
NET PROFIT FOR THE YEAR		<u>\$ 94,131.44</u>

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CONSOLIDATED STATEMENT OF EARNED SURPLUS

for the year ended 31st December 1955

BALANCE — 31st December 1954	\$ 636,712.33
Net profit for the year	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.	3,287.40
BALANCE — 31st December 1955	<u>\$ 734,131.17</u>

CONSOLIDATED STATEMENT OF CAPITAL SURPLUS

for the year ended 31st December 1955

BALANCE — 31st December 1954	\$ 67,722.99
Amount transferred to earned surplus to offset a similar amount provided through profit and loss on depreciation of the appraisal increment in the value of buildings	3,287.40
BALANCE — 31st December 1955	<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 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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