

ANNUAL REPORT  
OF THE  
BOARD OF DIRECTORS



FOR THE FISCAL YEAR ENDING  
NOVEMBER 30, 1933

PURVIS HALL  
LIBRARIES

DEC 8 1945

McGILL UNIVERSITY

# CANADA CEMENT COMPANY LIMITED

## Annual Report of the Board of Directors

---

TO THE SHAREHOLDERS:

Your Directors beg to present herewith statement of the affairs and the financial position of your Company for the fiscal year ending November 30th, 1933.

Your Company, together with all those engaged in, or supplying material to, the construction and building industries in Canada, passed through a very trying year from the point of view of sales volume. The decline in the consumption of cement so evident in the previous year continued during the greater part of 1933.

The volume of building, including engineering projects, according to published statistics, fell to a lower level in Canada in 1933 than in any year since 1915, but due also to the lack of purchasing power of the farmer and small user, the demand for cement was less than in any year since 1906. However, the extreme low point of the decline in cement consumption would appear to have been reached in February, 1933. After that month the decline, while still very severe, was of less intensity each month thereafter until October when, for the first time in practically three years, there was a cessation of the downward trend. This held true of November which compared favorably with the previous year. Business generally in Canada has shown slow but steady improvement over a period of several months, and the prospects for construction work during the coming year are more favorable than at this time last year. There is reason for hope, therefore, that your Company has passed through the worst of the depression period, and may look forward with some confidence to an increased volume of business.

Reference to the Balance Sheet will show that your Company has, during the period under review, well maintained its liquid position. Unfortunately, the earnings for the year over and above bond interest were not sufficient to provide for the normal amount of depreciation which should be written off annually; therefore, only a small proportion of the necessary depreciation has been written off, namely, \$250,000.00. Dividends on the Preferred Stock accrued during the year. The item of \$600,000.00 Purchase Money Obligations appearing on the previous statement has been paid off in full. Cash on hand has improved by some \$300,000.00 and, on the other hand, inventories are reduced.

Miscellaneous income and interest on investments held up remarkably well. There was also some saving to the Company in the latter half of the year over the previous year due to the drop in the premium on New York Funds required for payment of bond interest. Idle plant expense due to the very restricted operating program was, on the other hand, a heavy burden. Your mills operated at only a small percentage of their capacity. No capital expenditures of any consequence were undertaken during the year but your plant properties were well maintained and are in their usual good condition.

In view of the extreme conditions under which your Company operated, we trust the results of the year's business will be considered satisfactory.

Respectfully submitted on behalf of the Board of Directors,

J. D. JOHNSON,  
President.

# CANADA CEMENT COMPANY LIMITED

Balance Sheet, November 30, 1933

## ASSETS

### CURRENT ASSETS:

Inventories.....		\$ 1,626,843.71	
Accounts Receivable (less Bad Debt Reserve):			
Customers' Accounts.....	\$233,170.91		
Other Accounts.....	54,216.51	287,387.42	
Deposits on Tenders.....		6,102.90	
Deposits under Workmen's Compensation Commission.....		75,440.63	
Government Bonds and Other Securities.....		395,632.50	
Cash.....		1,607,541.19	\$ 3,998,948.35

### INVESTMENT IN COMPANY'S BONDS, AT PAR.....

706,500.00

### INVESTMENTS:

In Associated Companies and Other Investments.....		3,568,243.04
--	--	--------------

### DEFERRED CHARGES TO OPERATIONS.....

100,873.37

### COST OF PROPERTIES:

Land, Buildings, Plant, Equipment, etc., less Depreciation.....		39,287,695.86
		<u>\$47,662,260.62</u>

## LIABILITIES

### CURRENT LIABILITIES:

Accounts Payable.....	\$ 540,195.38	
Bond Interest accrued and Unpresented Coupons.....	109,765.42	\$ 649,960.80

### RESERVES:

Fire Insurance.....	\$ 750,000.00	
Extraordinary Repairs and Renewals.....	150,000.00	
Cloth Sacks Outstanding.....	150,000.00	
Industrial Accidents.....	63,000.00	
Contingent Reserves.....	250,000.00	1,363,000.00

### FIRST MORTGAGE SINKING FUND GOLD BONDS 5½% SERIES "A" DUE 1947:

Authorized.....	\$30,000,000.00	
Issued.....	\$20,000,000.00	
Less: Redeemed through Sinking Fund.....	1,737,000.00	18,263,000.00

### PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE REDEEMABLE ON SIXTY DAYS' NOTICE:

Authorized.....	\$25,000,000.00	
Outstanding.....		20,086,900.00

NOTE: No dividend has been paid since May 31, 1932.

### PREFERENCE SHARES REDEMPTION RESERVE.....

55,900.00

### COMMON SHARES AND SURPLUS.....

\$ 6,403,904.75

### PROFIT AND LOSS ACCOUNT:

Profits from Operations and Income from Investments for the year ending November 30, 1933, after making provision of \$250,000.00 for Depreciation of Capital Assets.....	\$ 1,236,739.65	
<i>Deduct:</i>		
Bond Interest.....	\$1,028,135.62	
Premium on New York Funds.....	48,979.17	
	\$1,077,114.79	
Reserve for Extraordinary Repairs and Renewals.....	25,000.00	
Contingent Reserve.....	57,711.15	1,159,825.94
	\$ 76,913.71	
Balance of Profits at November 30, 1932.....	762,681.36	839,595.07
A total of.....		7,243,499.82
represented by 600,000 shares of No Par Value Common Stock out of an authorized issue of 750,000 shares		

\$47,662,260.62

### AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of the Canada Cement Company Limited for the year ending November 30, 1933, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the Balance Sheet at November 30, 1933, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, before making full provision against the year's operations for depreciation of Plant and Equipment, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

### APPROVED ON BEHALF OF THE BOARD:

J. D. JOHNSON, Director.  
H. L. DOBLE, Director.

PRICE, WATERHOUSE & CO.,  
Auditors.

Montreal, December 20, 1933.

