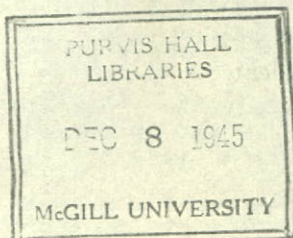


ANNUAL REPORT
OF THE
BOARD OF DIRECTORS



FOR THE FISCAL YEAR ENDING
NOVEMBER 30, 1931



CANADA CEMENT COMPANY LIMITED

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:

Your Directors beg to present herewith a statement of the affairs and financial position of your Company for the fiscal year ending November 30th, 1931.

The current business of the Company, namely dealer business and other business originating during the year, showed considerable recession from the previous year. However, your Company benefitted from the finishing up of a number of construction projects carried over from the more prosperous years of 1928, 1929 and 1930, so that on the whole the Company did a fair volume of business, although its total tonnage was less than in 1930.

Miscellaneous earnings (earnings of Associated Companies, Investments, etc.) showed improvement over the previous year. Economies in operation were effected, due to plant improvements, savings in cost of distribution and other items. On the other hand, the cost of coal, which is such an important item in the cost of production of cement, increased during the year and taxation was also heavier.

Your plants operated during the year at approximately 60 per cent of their capacity. The reconditioning of the Montreal East Plant, referred to in the previous report, was completed early in the year, resulting in better operating efficiency. No. 8 Plant at Port Colborne, Ontario, was also overhauled during the year and changes made in the system of production which should result in more economical operation and also better working conditions. The Company's plants have all been well maintained.

Your steamer "Bulkarier" and electric motor ship "Cementkarrier" both had a successful operating season free from any serious accidents of navigation and demonstrated satisfactory earning capacity.

During the year the Company through its stock distribution plan gave the employees another opportunity to purchase the Company's stock. The response to this offer was very satisfactory. A continually increasing number of the employees are becoming financially interested in the Company so that now 75 per cent of them are stockholders.

We again want to refer to the accident prevention work which has been so successfully carried on at the plants of the Company. Three of your plants came through the year without a single lost time accident and very excellent records were set up by other plants. This is not only a tribute to the accident prevention work carried on at the different plants, but it is also a tribute to the efficiency in such plants, as we find that accident infrequency and plant efficiency are very closely related.

The results of the year's operations as shown by the balance sheet will, we trust, be considered satisfactory.

Respectfully submitted on behalf of the Board of Directors.

J. D. JOHNSON,
President.

CANADA CEMENT COMPANY LIMITED

Balance Sheet, November 30, 1931

ASSETS

CURRENT ASSETS:			
Inventories.....		\$ 2,113,609.15	
Accounts Receivable (less Bad Debt Reserve):			
Customers' Accounts.....	\$929,573.18		
Other Accounts.....	<u>117,323.78</u>	1,046,896.96	
Deposits on Tenders.....		56,058.43	
Deposits under Workmen's Compensation Commission.....		75,440.63	
Government Bonds and Other Securities.....		520,266.50	
Cash.....		<u>1,662,393.33</u>	\$ 5,474,665.00
DEFERRED CHARGES TO OPERATIONS.....			84,649.44
INVESTMENTS:			
In Associated Companies and Other Investments.....			5,607,797.51
COST OF PROPERTIES:			
Land, Buildings, Plant, Equipment, etc., less Depreciation.....			39,633,435.21
			<u>\$50,800,547.16</u>

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable.....		\$ 737,930.55	
Bond Interest accrued and Unpresented Coupons.....		105,009.16	
Preference Dividend No. 16 payable December 31, 1931.....		<u>340,679.33</u>	\$ 1,183,619.04
RESERVES:			
Fire Insurance.....		\$ 629,600.35	
Extraordinary Repairs and Renewals.....		100,000.00	
Cloth Sacks Outstanding.....		150,000.00	
Industrial Accidents.....		70,100.00	
Contingent Reserve (a portion of which is available for Government Income Taxes).....		513,613.50	
Preference Stock Sinking Fund.....		<u>13,281.74</u>	1,476,595.59
FIRST MORTGAGE SINKING FUND GOLD BONDS 5½% SERIES "A" DUE 1947:			
Authorized.....		\$30,000,000.00	
Issued.....		<u>\$20,000,000.00</u>	
Less: Redeemed through Sinking Fund.....		822,000.00	19,178,000.00
PURCHASE MONEY OBLIGATIONS:			
Payable \$300,000.00 per year for three years.....			900,000.00
PREFERENCE STOCK 6½% SINKING FUND CUMULATIVE:			
Authorized (of which \$21,000,000.00 has been issued).....		<u>\$25,000,000.00</u>	
Outstanding.....			20,965,400.00
PREFERENCE STOCK REDEMPTION ACCOUNT:			
346 Shares redeemed and cancelled.....			34,600.00
COMMON STOCK AND SURPLUS.....			\$ 6,403,904.75
PROFIT AND LOSS ACCOUNT:			
Profit from operations for the year ending November 30, 1931, after making provision of \$2,071,101.42 for Depreciation of Capital Assets.....		\$3,111,320.66	
Deduct:			
Bond Interest.....	\$1,076,065.83		
Fire Insurance Reserve.....	161,624.25		
Reserve for Extraordinary Repairs and Renewals.....	25,000.00		
Reserve for Industrial Accidents.....	7,200.00		
Contingent Reserve (for Government Income Taxes, etc.).....	275,000.00		
Preference Stock Sinking Fund.....	<u>13,239.17</u>	\$1,558,129.25	
		<u>\$1,553,191.41</u>	
Deduct:			
Dividend on Preference Stock.....		1,362,751.00	
		<u>\$ 190,440.41</u>	
Balance of Profits at November 30, 1930.....		467,987.37	658,427.78
A total of.....			7,062,332.53
represented by 600,000 shares of No Par Value Common Stock out of an authorized issue of 750,000 Shares			
			<u>\$50,800,547.16</u>

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, 1931, and have obtained all the information and explanations which we have required. The profit from operations of \$3,111,320.66 for the year as shown is arrived at after deduction of Depreciation and Other Provisions authorized by the Directors; and we certify that, in our opinion, the Balance Sheet at November 30, 1931, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, 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, January 13, 1932.

