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Standard Paving & Materials
Limited

AND SUBSIDIARY COMPANIES

Annual Report

FOR THE YEAR ENDING
MARCH 31st, 1951

COMMERCE
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MCGILL UNIVERSITY

Standard Paving & Materials Limited

and Subsidiary Companies

DIRECTORS

J. F. M. STEWART	G. G. ROBINSON	E. BIRDSALL
JOHN JENNINGS, K.C.	HUGH D. SCULLY	FRANK. G. LAWSON
BERT W. LANG		J. A. SCYTHES

OFFICERS

J. F. M. STEWART, Chairman of the Board	G. G. ROBINSON, President
J. J. JENNINGS, K.C., Vice-President	E. BIRDSALL, General Manager
J. H. REID, Comptroller-Treasurer and Secretary	

Solicitors
Jennings & Clute — Toronto

Transfer and Registrar Agents
Chartered Trust Company — Toronto

Bankers
Canadian Bank of Commerce

Auditors
Dick, Bond, Hetherington & O'Loane



Annual Meeting of Shareholders will be held at Harbour Bldg., Toronto,
June 28, 1951, at 11 a.m. (Daylight Saving Time)

STANDARD PAVING & MATERIALS LIMITED

and Subsidiary Companies

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS:

Your Directors submit herewith the Consolidated Statement of Financial Position of your Company and its Subsidiaries as at March 31st, 1951 and the Consolidated Statements of Income and Earned Surplus for the year ending March 31st, 1951 with the preceding year for comparison.

The consolidated net income for the year amounted to \$468,897 after a provision of \$444,906 for income taxes. Net income for the preceding year ending March 31, 1950 amounted to \$563,229 after a provision for taxes of \$385,780.

The volume of the supply business and of the construction business were each slightly higher than the previous year but net income derived from the latter was somewhat reduced.

Dividends declared during the year were \$1.87½ per share on preferred and \$1.00 per share on the common. Out of the net income of \$468,897, dividends amounting to \$280,030 were provided for, and \$188,698 added to earned surplus.

Plant and equipment in an amount of \$281,783 was acquired during the year. At the present time a plant for the processing of sand and gravel aggregates is in course of erection at Paris, Ontario, representing a possible total expenditure of \$750,000. It is anticipated this plant will be in operation for the 1952 season.

In the current year 7,282 preferred shares were converted into 14,564 common shares leaving 40,017 preferred and 205,318 common shares outstanding.

During the year the working capital was increased by \$344,877. A summary of the changes during the year in working capital is as follows:

Working Capital as at March 31st, 1950		\$1,287,597
ADD:		
Income before Provision for Income Taxes for the year ending March 31st, 1951	913,803	
Provision for Depreciation and Depletion which did not involve outlay of funds	430,986	
Proceeds from Sale of Equipment (less profit thereon)	8,621	1,353,410
DEDUCT:		
Provision for Income Taxes for the year ending March 31st, 1951	444,906	
Dividends declared on Preferred Shares	76,441	
Dividends declared on Common Shares	203,589	
Purchase of Plant and Equipment	281,783	
Sundry	1,814	1,008,533
Working Capital as at March 31st, 1951		\$1,632,474

The supply business continues on a high level and is satisfactory. There appears to be a reasonable volume of road construction work under contemplation.

Mr. J. F. M. Stewart, a Director of your Company since its inception, and the President and Chairman of the Board of Directors since 1934, requested that he be relieved of the Presidency. Mr. Stewart has agreed, however, to remain as Chairman of the Board thereby retaining for the Company his valued advice and capabilities.

Mr. G. G. Robinson, Executive Vice-President since 1946, becomes President, and Mr. John Jennings, K.C., the Vice-President; both of whom have been Directors of the Company since its inception.

We again take pleasure in expressing our appreciation for the loyal and able support of our entire staff.

On behalf of the Board,

Harbour Building, Toronto 1, Ontario,
June 6th, 1951.

G. G. ROBINSON,
President.

STANDARD PAVING & AND SUBSIDIARIES

Consolidated Statement of Financial Position

(With Preceding Years)

	March 31, 1950	March 31, 1951
CURRENT ASSETS:		
Cash on Deposit (Net)	\$ 984,203	\$1,012,995
Deposits on Tenders	336,365	216,385
INVESTMENTS:		
Chartered Trust Company — Call Loan	250,000	50,000
Dominion of Canada and Other Government Bonds and Accrued Interest thereon (Market Value 1950 — \$283,015; 1951 — \$304,959)	283,266	310,978
Stocks and Bonds without Quoted Market Value (Directors' Valua- tion 1950 — \$22,610; 1951 — \$14,610)	8,005	5
Accounts Receivable and Holdbacks (Less Reserve for Doubtful Accounts)	518,060	833,623
Deferred Cost on Uncompleted Contracts	—	115,887
Inventories of Materials at Lower of Cost or Market Value as certified by responsible officials of the Companies	134,429	291,756
TOTAL CURRENT ASSETS	2,514,328	2,831,629
LESS CURRENT LIABILITIES:		
Advances for Deposits on Tenders	335,410	216,385
Accounts Payable and Accrued Charges	437,968	389,445
Deferred Revenue on Uncompleted Contracts	—	22,223
Dividends Payable — Preferred Stock	54,399	46,338
— Common Stock	96,697	104,452
Reserve for Taxes on Income	221,257	314,312
Reserve for Reconditioning Equipment	81,000	106,000
TOTAL CURRENT LIABILITIES	1,226,731	1,199,155
NET WORKING CAPITAL	1,287,597	1,632,474
OTHER ASSETS:		
Inventories of Supplies, Deferred Charges to Operations, Working Advances, etc.	163,041	164,855
Real Estate, Buildings, Plant, Equipment, Boat, Motor Cars and Trucks	3,931,009	4,192,482
Less Reserve for Depreciation and Depletion	2,829,160	3,248,457
Fixed assets less Reserve for Depreciation and Depletion	1,101,849	944,025
Goodwill	1	1
FORWARD	\$2,552,488	\$2,741,355

STANDARD PAVING & MATERIALS LIMITED

SUBSIDIARY COMPANIES

Financial Position as at March 31, 1951
(Year for Comparison)

	March 31, 1950	March 31, 1951
BROUGHT FORWARD	\$2,552,488	\$2,741,355
Deduct Minority Shareholders' Interest	917	1,086
Shareholders' Equity as follows	<u>\$2,551,571</u>	<u>\$2,740,269</u>
 CAPITAL STOCK:		
Preferred, No Par Value, 62½¢ Cumulative, 62½¢ non-Cumulative, 62½¢ Participating, Convertible, Redeemable		
Authorized (less Redeemed and Converted)		
March 31, 1950	70,164 shares	
Authorized (less Redeemed and Converted)		
March 31, 1951	62,882 shares	
Issued March 31, 1950	47,299 shares	
Issued (less converted)		
March 31, 1951	40,017 shares	
Common, No Par Value:		
Authorized	226,210 shares	
Issued March 31, 1950	190,754 shares	
Issued March 31, 1951	205,318 shares	
Capital Surplus		
Earned Surplus	1,471,914	1,660,612
Shareholders' Equity	<u>\$2,551,571</u>	<u>\$2,740,269</u>

TO THE SHAREHOLDERS OF
STANDARD PAVING AND MATERIALS LIMITED

We have made an examination of the Consolidated Statement of Financial Position of Standard Paving and Materials Limited and its Subsidiary Companies as at March 31, 1951, and of the accompanying Statements for the year ending on that date. In connection therewith, we examined or tested the records of the Companies and other supporting evidence and tested the recording of the detailed transactions. We report that all our requirements as auditors have been complied with and that, in our opinion, the above Consolidated Statement of Financial Position is drawn up in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year so as to exhibit a true and correct view of the financial affairs of the Companies as at March 31, 1951, according to the best of our information and explanations given to us and as shown by the books of the Companies.

Toronto, May 31, 1951.

DICK, BOND, HETHERINGTON & O'LOANE,
Chartered Accountants.

STANDARD PAVING & MATERIALS LIMITED

and Subsidiary Companies

CONSOLIDATED STATEMENT OF EARNED SURPLUS

For Year ending March 31, 1951
(With Preceding Year for Comparison)

	March 31, 1950	March 31, 1951
Earned Surplus at Beginning of Year	\$1,274,547	\$1,471,914
ADD: Minority Shareholders' Interest at Beginning of Year	228	406
	<u>1,274,775</u>	<u>1,472,320</u>
ADD: Net Income for Year	563,229	468,897
	<u>1,838,004</u>	<u>1,941,217</u>
DEDUCT:		
Dividends on Preferred Stock	110,160	76,441
Dividends on Common Stock	255,524	203,589
	<u>365,684</u>	<u>280,030</u>
Earned Surplus including Minority Shareholders' Interest	1,472,320	1,661,187
DEDUCT: Minority Shareholders' Interest at End of Year	406	575
Earned Surplus at End of Year	<u>\$1,471,914</u>	<u>\$1,660,612</u>

STANDARD PAVING & MATERIALS LIMITED

and Subsidiary Companies

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CONSOLIDATED STATEMENT OF INCOME

For Year ending March 31, 1951
(With Preceding Year for Comparison)

	March 31, 1950	March 31, 1951
Net Profit from Operations before Providing for Depreciation and Depletion	\$1,374,381	\$1,306,359
DEDUCT: Provision for Depreciation and Depletion	485,111	430,986
	889,270	875,373
ADD:		
Income from Investments and Miscellaneous Income	72,709	41,218
Profit on Sale of Fixed Assets and Investments	2,707	3,152
	75,416	44,370
	964,686	919,743
DEDUCT:		
Interest, Discount and Exchange	292	1,022
Provision for Doubtful Accounts	15,385	4,918
	15,677	5,940
Net Income before Provision for Taxes on Income	949,009	913,803
Provision for Taxes on Income	385,780	444,906
Net income for Year	\$ 563,229	\$ 468,897

