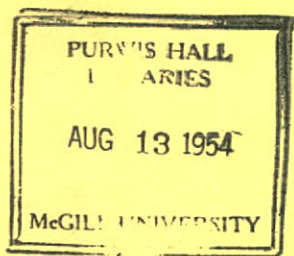


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Standard Paving & Materials Limited
AND SUBSIDIARY COMPANIES

ANNUAL
REPORT



For the Year Ending March 31st,
1950

Standard Paving & Materials Limited

DIRECTORS

J. F. M. STEWART
JOHN JENNINGS, K.C.

BERT W. LANG

G. G. ROBINSON
G. M. EDWARDS

J. A. SCYTHES

E. BIRDSALL
FRANK G. LAWSON

OFFICERS

J. F. M. STEWART, President
E. BIRDSALL, General Manager

G. G. ROBINSON, Executive Vice-President
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

Robertson, Robinson McCannell & Dick

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, 1950, and the Consolidated Statements of Income and Earned Surplus for the Fiscal Year ending March 31st, 1950.

The net consolidated income, after provision for taxes, for the year, amounted to \$563,229 (the comparative figure for the previous year was \$555,476). During the year preferred dividends totalling \$1.87½ were declared (cumulative 62½¢; non-cumulative 62½¢ and participating 62½¢). Dividends totalling \$1.50 per share were declared on the Common shares. During the year preferred shareholders exercised their conversion rights by converting 29,836 preferred shares into 59,672 common shares.

Plant and equipment in an amount of \$553,790 was purchased during the year, making a total of \$1,842,847 purchased in the past four years.

Provision for Depreciation and Depletion during the year amounted to \$485,111 as compared to the previous year of \$318,292, an increase of \$166,819. Of this amount \$144,000 arises out of increased depreciation due to change in method of computation under the new Dominion Income Tax Act.

During the year working capital was increased by \$86,788. A summary of the changes during the year in working capital is as follows:

Working Capital as at March 31, 1949.....		\$1,200,809
Add:		
Income before provision for Income Taxes for year ending March 31st, 1950.....	\$ 949,009	
Provision for Depreciation and Depletion which did not involve outlay of funds.....	485,111	
Proceeds from Sale of Equipment (less profit thereon).....	6,269	
	<u>1,440,389</u>	
		\$2,641,198
DEDUCT:		
Provision for Income Taxes for year ending March 31st, 1950.....	\$ 385,780	
Dividends Declared on Preferred Shares of \$1.87½ per share.....	110,160	
Dividends Declared on Common Shares of \$1.50 per share.....	225,524	
Purchase of Plant and Equipment.....	553,790	
Increase in Deferred Charges.....	42,972	
Sundry.....	5,375	
	<u>1,353,601</u>	
Working Capital as at March 31st, 1950.....		\$1,287,597

Indications point to an active season in the construction industry and your Companies have a reasonable amount of work on hand at present. In the supply business volume continues at a high level.

We take pleasure in expressing our appreciation of the interest and able support of our entire staff during the year.

On behalf of the Board,

Harbour Building, Toronto 1, Ontario,
May 29, 1950.

J. F. M. STEWART,
President.

STANDARD PAVING & AND SUBSIDIARIES

Consolidated Statement of Financial Position
(With Preceding Years)

	March 31, 1949	March 31, 1950
CURRENT ASSETS:		
Cash on Deposit (Net)	\$ 755,479	\$ 984,203
Deposits on Tenders	100,875	336,365
INVESTMENTS:		
Chartered Trust Company—Call Loan		250,000
Dominion of Canada and Other Government Bonds and Accrued Interest thereon (Market Value 1949—\$243,505; 1950—\$283,015.)	245,460	283,266
Stocks and Bonds without Quoted Market Value (Directors' Valuation 1949—\$22,770; 1950—\$22,610.)	18,403	8,005
Accounts Receivable and Holdbacks (Less Reserve for Doubtful Accounts)	733,664	518,060
Deferred Cost on Uncompleted Contracts	78,993	—
Inventories of Materials at Lower of Cost or Market Value as certified by responsible officials of the Companies	327,740	134,429
TOTAL CURRENT ASSETS	2,260,614	2,514,328
LESS CURRENT LIABILITIES:		
Advances for Deposits on Tenders	96,675	335,410
Accounts Payable and Accrued Charges	449,115	437,968
Deferred Revenue on Uncompleted Contracts	7,717	—
Dividends Payable—Preferred Stock	87,674	54,399
—Common Stock	65,801	96,697
Reserve for Taxes on Income	287,823	221,257
Reserve for Reconditioning Equipment	65,000	81,000
TOTAL CURRENT LIABILITIES	1,059,805	1,226,731
NET WORKING CAPITAL	1,200,809	1,287,597
OTHER ASSETS:		
Inventories of Supplies, Deferred Charges to Operations, Working Advances, etc.	120,068	163,041
Mortgages Receivable	16,364	—
Deferred Asset—Refundable Portion of Excess Profits Tax	18,168	—
Real Estate, Buildings, Plant, Equipment, Boat, Motor Cars and Trucks	3,444,787	3,931,009
Less Reserve for Depreciation and Depletion	2,438,069	2,829,160
Fixed Assets Less Reserve for Depreciation and Depletion	1,006,718	1,101,849
Goodwill	1	1
FORWARD	\$ 2,362,128	\$ 2,552,488

MATERIALS LIMITED

RY COMPANIES

Financial Position as at March 31, 1950
(Year for Comparison)

	March 31, 1949	March 31, 1950
BROUGHT FORWARD	\$ 2,362,128	\$ 2,552,488
LESS OTHER LIABILITIES:		
Deferred Liability re Renegotiation of War Contracts.....	7,185	—
	<u>2,354,943</u>	<u>2,552,488</u>
DEDUCT: Minority Shareholders' Interest.....	739	917
Shareholders' Equity as follows.....	<u>\$2,354,204</u>	<u>\$2,551,571</u>
CAPITAL STOCK:		
Preferred, No Par Value, 62½¢ Cumulative, 62½¢ Non-Cumulative, 62½¢ Participating, Convertible, Redeemable		
Authorized (less Redeemed March 31, 1949) 100,000 shares		
Authorized (less Redeemed and Converted) March 31, 1950 70,164 shares		
Issued March 31, 1949 77,135 shares	1,079,657	1,079,657
Issued (less converted) March 31, 1950 47,299 shares		
Common, No Par Value:		
Authorized 226,210 shares		
Issued March 31, 1949 131,082 shares		
Issued March 31, 1950 190,754 shares		
Capital Surplus		
Earned Surplus.....	1,274,547	1,471,914
Shareholders' Equity.....	<u>\$2,354,204</u>	<u>\$2,551,571</u>

TO THE SHAREHOLDERS OF
STANDARD PAVING & MATERIALS LIMITED

We have made an examination of the Consolidated Statement of Financial Position of Standard Paving & Materials Limited and its Subsidiary Companies as at March 31, 1950, 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, 1950, according to the best of our information and explanations given to us and as shown by the books of the Companies.

Toronto, May 25, 1950.

ROBERTSON, ROBINSON, McCANNELL & DICK,
Chartered Accountants.

Standard Paving & Materials Limited

and Subsidiary Companies

CONSOLIDATED STATEMENT OF EARNED SURPLUS

For Year Ending March 31, 1950
(With Preceding Year for Comparison)

	March 31, 1949	March 31, 1950
Earned Surplus at beginning of Year.....	\$ 918,527	\$1,274,547
ADD: Minority Shareholders' Interest at beginning of Year.....	1,309	229
	919,836	1,274,776
ADD: Net Income for Year.....	555,476	563,229
	1,475,312	1,838,005
DEDUCT:		
Dividends on Preferred Stock.....	134,986	110,160
Dividends on Common Stock.....	65,550	255,524
	200,536	365,684
Earned Surplus including Minority Shareholders' Interest.....	1,274,776	1,472,321
DEDUCT: Minority Shareholders' Interest at end of Year.....	229	407
Earned Surplus at end of Year.....	\$1,274,547	\$1,471,914

Standard Paving & Materials Limited

and Subsidiary Companies

CONSOLIDATED STATEMENT OF INCOME

For Year Ending March 31, 1950
(With Preceding Year for Comparison)

	March 31, 1949	March 31, 1950
Net Profit from Operations before providing for Depreciation and Depletion.....	\$1,410,208	\$1,374,381
Deduct Provision for Depreciation and Depletion.....	318,292	485,111
	1,091,916	889,270
ADD:		
Income from Investments and Miscellaneous Income.....	17,799	72,709
Profit on Sale of Fixed Assets and Investments.....	26,086	2,707
	43,885	75,416
	1,135,801	964,686
DEDUCT:		
Employees' Pension Plan—Past Service Cost.....	114,167	—
Interest, Discount and Exchange.....	3,726	292
Provision for Doubtful Accounts.....	13,232	15,385
	131,125	15,677
Net Income before Provision for Taxes on Income.....	1,004,676	949,009
Provision for Taxes on Income.....	449,200	385,780
Net Income for Year.....	\$ 555,476	\$ 563,229

