

Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE PERIOD ENDING DECEMBER 31st, 1940.

Your Directors submit herewith a Consolidated Balance Sheet showing the condition of the Company at the close of our fiscal period ending December 31st, 1940.

In order to more readily conform with calendar year report requirements of the Government, your Directors have voted to end our fiscal year on December 31st in place of February 28th and consequently this report covers a ten-month period only.

Adequate provision has been made for depreciation, contingencies and doubtful debts, also allowance for taxes.

Your Directors are pleased to report a satisfactory improvement in net earnings for the ten-month period over those of the previous year in spite of greatly increased taxes.

Your Company has benefited by the increased building construction necessitated by war requirements and performed a much larger volume of work than for many previous years and the best endeavours of your Organization to ensure economy, speed and good workmanship has, we feel, been appreciated by our clients, both public and private.

It is problematical as to what extent conditions will affect our 1941 business, however, a fair volume of uncompleted contracts is carried forward into this year.

Our investments show a satisfactory return and our liquid position has been well maintained.

The Directors of your Company wish to express appreciation to the staff for their loyal and efficient services during the past year.

Respectfully submitted on behalf of the Directors,

HENRY J. GROSS,
PRESIDENT.

MONTREAL, MARCH 31ST, 1941.

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ANGLIN-NORCROSS CORPORATION LIMITED AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet

Ten-month Period to December 31st, 1940

Assets

CURRENT ASSETS:	
Cash in Banks.....	\$ 67,712.73
Bonds and Investments.....	524,253.03
(Market Value \$533,959.84)	
Accounts Receivable.....	1,436,613.18
Mortgages Receivable.....	3,776.64
TOTAL CURRENT ASSETS.....	\$2,032,355.58
Material and Perishable Tool Inventories, at the Lower of Cost or Market.....	\$ 43,490.86
Less: Depreciation Reserve.....	24,436.92
	19,053.94
FIXED ASSETS:	
Machinery, Tools and Equipment, at Cost.....	\$ 353,718.92
Office Building, Mile End Plant and Iberville Granite Cutting Works, at Cost.....	\$170,386.20
Properties—Montreal and Toronto.....	40,939.00
	211,325.20
	\$ 565,044.12
Less: Depreciation Reserve.....	311,314.85
	253,729.27
	<u><u>\$2,305,138.79</u></u>

Liabilities

CURRENT LIABILITIES:	
Accounts and Bills Payable.....	\$1,140,150.80
Reserve for Income and Estimated Excess Profits Taxes.....	35,040.03
Dividends Payable.....	118.50
TOTAL CURRENT LIABILITIES.....	\$1,175,309.33
RESERVES:	
Contingencies.....	\$ 24,221.84
Investments.....	75,760.31
General Reserve.....	118,662.63
	218,644.78
CAPITAL STOCK:	
Preferred, 5% Redeemable, Non Cumulative	
Authorized and Issued..... 65,600 Shares.....	\$ 656,000.00
Less: Redeemed..... 9,278 Shares.....	92,780.00
	56,322 Shares.....
	\$ 563,220.00
Common, No Par Value	
Authorized..... 10,000 Shares.....	
Issued..... 6,560 Shares.....	32,800.00
	596,020.00
CAPITAL SURPLUS.....	92,780.00
SURPLUS—EARNED.....	222,384.68
	<u><u>\$2,305,138.79</u></u>
SURPLUS—EARNED	
Profit on Completed Contracts after Providing for all Operating Expenses and Depreciation of \$11,379.82 together with Income from Investments of \$22,169.15 for the period to December 31st, 1940.....	
	\$ 109,165.81
DEDUCT:	
Directors Fees.....	\$ 2,600.03
Executive Salaries.....	21,000.00
Legal Fees.....	61.06
Provision for Income and Excess Profits Taxes.....	37,103.59
	60,764.68
Net Profit for Ten Months to December 31st, 1940.....	\$ 48,401.13
Surplus, February 29th, 1940.....	\$ 165,940.55
Add: Surplus, Rosslin Improvement Co. Ltd.....	12,597.39
	\$ 178,537.94
DEDUCT: Income Tax Adjustment..... \$4,014.39	
Transferred to Capital Surplus.....	540.00
	4,554.39
Surplus, December 31st, 1940.....	<u><u>\$ 222,384.68</u></u>

We have audited the Books and Accounts of ANGLIN-NORCROSS CORPORATION LIMITED, and its subsidiaries, Anglin-Norcross Quebec Limited, Anglin-Norcross Ontario Limited, National Granite Works Limited, Anglin-Norcross Maritime Limited and Rosslin Improvement Company Limited, for the ten months to December 31st, 1940.

We have verified the Securities and the Revenue therefrom. The usual Depreciation has been provided on Plant and Equipment, except in the case of the National Granite Works Limited, where the Depreciation was written off on the additions only of Plant and Machinery.

In our opinion, the above Consolidated Balance Sheet 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. All our requirements as Auditors have been complied with.

WILSON, BIRNIE & SEYMOUR,
Chartered Accountants.

MONTREAL, FEBRUARY 6TH, 1941.

Approved— { HENRY J. GROSS } Directors.
 { C. D. HARRINGTON }

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

J. P. ANGLIN Montreal	P. N. GROSS Toronto
G. W. BIRKS Montreal	C. D. HARRINGTON . . . Montreal
A. L. BISHOP Toronto	W. S. LESLIE Montreal
H. J. GROSS Montreal	G. L. MAGANN Toronto

OFFICERS

<i>President</i>	HENRY J. GROSS
<i>Vice-President and Manager</i>	CONRAD D. HARRINGTON
<i>Secretary-Treasurer</i>	GEORGE A. LOWLES
<i>Assistant Secretary-Treasurer</i>	THOMAS A. GUNN

SUBSIDIARY COMPANIES

ANGLIN-NORCROSS QUEBEC LIMITED	892 Sherbrooke St. W., Montreal
ANGLIN-NORCROSS ONTARIO LIMITED	57 Bloor Street West, Toronto
ANGLIN-NORCROSS MARITIME LIMITED	319 Roy Building, Halifax
NATIONAL GRANITE WORKS LIMITED	Iberville, Que.
ROSSLIN IMPROVEMENT COMPANY LIMITED	892 Sherbrooke St. W., Montreal