

Anglin-Norcross Corporation Limited

and Wholly Owned Subsidiary Companies

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD
ENDING DECEMBER 31st, 1944.

TO THE SHAREHOLDERS:

On behalf of your Directors, there is submitted herewith the Consolidated Balance Sheet of your Company showing the Assets and Liabilities at the close of the fiscal period, December 31st, 1944.

Your Auditors, Messrs. Wilson, Birnie and Seymour, Chartered Accountants, have audited the books and accounts and their certificate and report is attached.

Adequate provision has been made for depreciation and contingencies, also estimated allowances for Income and Excess Profits Taxes.

After five years of war and with the construction programme of the Government substantially completed, the volume of construction work carried out by your Company in 1944 was considerably reduced from the previous year and this condition together with continued taxation affected the net earnings.

Under the present unsettled conditions of the world the outlook is difficult to forecast and it may be that our problem during the current year will be to find adequate supplies of materials and secure sufficient skilled labour to carry out the contracts obtained.

During the year 1944 the entire balance of 18,759 shares of Preferred Stock outstanding was called for redemption but the liquid position has been well maintained and investment returns have been satisfactory.

By authority of Supplementary Letters Patent granted by the Department of the Secretary of State of Canada under date of May 24th, 1944, the outstanding "Capital Surplus" was transferred to "Earned Surplus."

Your organization has been well maintained and equipped to carry on work of any magnitude.

The appreciation of the Directors is recorded for the loyal and efficient service rendered by all employees throughout the year.

Respectfully submitted on behalf of the Directors,

HENRY J. GROSS,
PRESIDENT.

MONTREAL, APRIL 21ST, 1945.

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Consolidated Balance Sheet

December 31st, 1944

Assets

| | |
|-----------------------------------------------------------------------------------------|------------------------------|
| CURRENT ASSETS: | |
| Cash on Hand and in Banks..... | \$ 98,002.80 |
| Cash on Deposit..... | 45,000.00 |
| (Ontario Government Contracts) | |
| Bonds and Investments, At Cost..... | 507,758.41 |
| (Market Value \$508,807.50) | |
| Accounts Receivable..... | 230,491.37 |
| TOTAL CURRENT ASSETS..... | \$ 881,252.58 |
| Refundable Portion of Excess Profits Tax..... | 38,857.64 |
| Material and Perishable Tool Inventories at the lower of Cost or Market..... | 14,216.10 |
| FIXED ASSETS: | |
| Plant and Equipment, At Cost..... | \$402,001.36 |
| Office Building, Mile End Plant and Iberville Granite Cutting Works, At Cost..... | \$170,386.20 |
| Properties—Montreal..... | 21,585.68 |
| | <u>191,971.88</u> |
| | \$593,973.24 |
| Less: Depreciation Reserve..... | 370,896.53 |
| | <u>223,076.71</u> |
| | <u><u>\$1,157,403.03</u></u> |

Liabilities

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| CURRENT LIABILITIES: | |
| Accounts and Bills Payable..... | \$112,159.58 |
| Provision for Income and Excess Profits Taxes (After prepayment of \$16,800.00)..... | 96,859.93 |
| TOTAL CURRENT LIABILITIES..... | \$ 209,019.51 |
| Investment Reserve..... | 65,343.09 |
| CAPITAL STOCK: | |
| Common, No Par Value | |
| Authorized..... 10,000 shares..... | |
| Issued..... 6,560 Shares..... | 32,800.00 |
| SURPLUS—EARNED..... | \$811,382.79 |
| SURPLUS—DEFERRED | |
| Refundable Portion of Excess Profits Tax..... | 38,857.64 |
| | 850,240.43 |
| | <u><u>\$1,157,403.03</u></u> |
| SURPLUS—EARNED | |
| Profit on Completed Contracts after providing for all Operating Expenses and Depreciation of \$20,598.24 together with Income from Investments of \$21,008.67, for the year to December 31st, 1944..... | \$ 150,432.99 |
| DEDUCT: | |
| Directors Fees..... | \$ 3,050.00 |
| Executive Salaries..... | 24,000.00 |
| Legal Fees..... | 1,343.02 |
| Provision for Income and Excess Profits Taxes (of which the Refundable Portion is \$8,000.00)..... | 74,591.44 |
| | 102,984.46 |
| Net Profit for Year to December 31st, 1944..... | \$ 47,448.53 |
| Earned Surplus, December 31st, 1943..... | \$323,474.26 |
| Deduct: Transferred to Capital Surplus..... | 187,590.00 |
| | \$135,884.26 |
| Add: Transferred from Capital Surplus in respect of Pre- ferred Shares redeemed as authorized by Supplementary letters Patent, dated 24th May, 1944..... | 656,000.00 |
| | \$791,884.26 |
| Deduct: Provision for Adjustment of 1941, 1942 and 1943 Income and Excess Profits Taxes..... | 27,950.00 |
| | 763,934.26 |
| Earned Surplus, December 31st, 1944..... | \$ 811,382.79 |

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 Roslin Improvement Company Limited, for the year to December 31st, 1944.

We have verified the Securities and the Revenue therefrom. The usual Depreciation has been provided on Buildings, Plant and Equipment.

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, JANUARY 24TH, 1945.

Approved— { HENRY J. GROSS } Directors
 { W. S. LESLIE }

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

| | | | |
|------------------------|----------|------------------------|----------|
| J. P. ANGLIN | Montreal | P. N. GROSS | Montreal |
| F. H. BACQUE | Toronto | T. A. GUNN | Montreal |
| G. W. BIRKS | Montreal | 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> | PHILIP NORCROSS GROSS |
| <i>Vice-President</i> | DOUGLAS G. ANGLIN |
| <i>Vice-President</i> | ROBERT W. JOHNSTONE |
| <i>Vice-President</i> | WILLIAM G. LAMBERT |
| <i>Secretary-Treasurer</i> | THOMAS A. GUNN |
| <i>Assistant Secretary-Treasurer</i> | LESTER S. UNDERWOOD |

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 |