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Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE
PERIOD ENDING DECEMBER 31st, 1948

TO THE SHAREHOLDERS:

On behalf of your Directors, I submit the Annual Report of your Company for the year 1948.

An increased volume of business is reflected in this Statement, and particular reference is drawn to the following items:—

EARNINGS—Operations for the year show a net profit of \$181,360 an increase of \$43,118 over 1947. Earnings on the common stock for the year amounted to \$2.76 per share as compared with \$2.11 in the year 1947. The volume of work carried out in 1948 increased proportionately over that done during 1947.

FINANCIAL POSITION of the Company continues strong. The Balance Sheet shows that Current Assets of \$2,778,755 exceed Current Liabilities of \$1,934,620 by the sum of \$844,135.

MATERIAL AND PERISHABLE TOOL ACCOUNT is increased due to the advance purchase and stocking of materials which are in short supply.

BONDS AND INVESTMENT ACCOUNT is increased to provide the requirements for security deposits on contracts being carried out under the guarantee of the Dominion and Provincial Governments.

PLANT AND EQUIPMENT ACCOUNT is decreased slightly due mainly to the disposal of the Fixed Assets of Anco Granites Limited. Additional modern plant and equipment, automobiles and sundry assets in the amount of \$47,818.73, were acquired during the current year.

DEPRECIATION RESERVE—Provision has been made for depreciation in the amount of \$34,701.85 for the year, and an amount of \$52,858.88 written off to cover disposal of assets by sale leaving a net reduction in Depreciation Reserve of \$18,157.03.

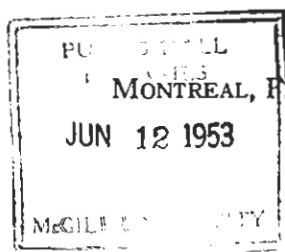
OPERATIONS—Business carried forward into 1949 is substantial. Your Company's relations with labour during the past year have been most satisfactory.

The presently-submitted Statement shows a decrease of \$75,716.43 in the amount of the Company's outstanding Non-interest-bearing Redeemable Debentures.

STAFF—The appreciation of the Directors is recorded for the loyal and efficient service rendered by the staff throughout the year.

Respectfully submitted on behalf of the Directors,

PHILIP NORCROSS GROSS
PRESIDENT



Consolidated Balance Sheet

December 31st, 1948

Assets

CURRENT ASSETS:		
Cash on Hand and in Banks.....	\$ 116,649.21	
Bonds and Investments—At Cost.....	226,170.37	
(Market Value \$231,072.00)		
Accounts Receivable.....	2,393,281.23	
Material and Perishable Tool Inventories at the lower of Cost or Market.....	42,654.61	
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TOTAL CURRENT ASSETS.....		\$2,778,755.42
Refundable Portion of Excess Profits Tax.....		26,275.40
FIXED ASSETS:		
Plant and Equipment, At Cost.....	484,970.69	
Office Building, At Cost.....	113,559.25	
Mile End Yard—Buildings, At Cost.....	15,116.05	
Mile End Yard—Land as appraised by Westmount Realities Limited February 5, 1946.....	35,000.00	
Properties—Montreal—At Cost.....	1,585.68	
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	650,231.67	
Less: Reserve for Depreciation.....	392,862.78	257,368.89
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		<u>\$3,062,399.71</u>

Liabilities

CURRENT LIABILITIES:		
Accounts and Bills Payable.....	\$1,860,573.03	
Income Taxes less amounts paid on Account.....	74,047.34	
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TOTAL CURRENT LIABILITIES.....		\$1,934,620.37
Non-interest-bearing Redeemable Debentures—		
Maturing May 1, 1958.....		227,149.30
Reserve for Investments.....		14,470.18
CAPITAL STOCK:		
Common, No Par Value		
Authorized.....100,000 Shares...		
Issued.....65,600 Shares...		32,800.00
SURPLUS—EARNED.....	827,084.46	
SURPLUS—DEFERRED		
Refundable Portion of Excess Profits Tax.....	26,275.40	853,359.86
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		<u>\$3,062,399.71</u>

We have audited the books and accounts of ANGLIN-NORCROSS CORPORATION LIMITED, and its Subsidiaries, Anglin-Norcross Quebec Limited, Anglin-Norcross Ontario Limited, Anco Granites Limited, Anglin-Norcross Maritime Limited and Rosslin Improvement Company Limited, for the year to December 31, 1948 and have obtained all the information and explanations we have required.

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, FEBRUARY 2, 1949.

Approved—{ PHILIP N. GROSS
ROBERT W. JOHNSTONE } Directors

COMPANIES

Surplus—Earned

Profit on Completed Contracts and work in progress after providing for Depreciation of \$34,701.85 and for all Operating Expenses except as hereunder for the Year to December 31, 1948.....			\$ 327,347.13
<i>Add:</i> Income from Investments.....			10,449.81
			<u>337,796.94</u>
DEDUCT:			
Directors Fees.....	2,950.00		
Executive Remuneration.....	44,200.00		
Legal Fees.....	150.00		
Provision for Income Taxes.....	109,136.83	156,436.83	
Net Profit for Year to December 31, 1948.....			<u>181,360.11</u>
Earned Surplus, December 31, 1947.....	617,043.12		
<i>Add:</i> Transferred from Deferred Surplus in respect of the Refundable Portion of Excess Profits Tax for 1942.....	13,098.53		
Adjustment of Special Tax on Private Company Dividend.....	470.40		
Capital Gain re Disposal of Anco Granites Limited — Land, Build- ings, Furniture and Fixtures, Plant and Equipment.....	15,112.30	28,681.23	645,724.35
			<u>645,724.35</u>
EARNED SURPLUS—DECEMBER 31, 1948.....			<u><u>\$ 827,084.46</u></u>

Clients - 1948

ABBOTT LABORATORIES LIMITED
AMERICAN CAN COMPANY
AMERICAN OPTICAL COMPANY CANADA LIMITED
ARMoured FLOOR COMPANY LIMITED
AYERST, MCKENNA & HARRISON LIMITED
BANK OF MONTREAL
BARCLAYS BANK (CANADA)
BELL TELEPHONE COMPANY OF CANADA
BRANDRAM-HENDERSON LIMITED
BUILDING PRODUCTS LIMITED
CANADA BUILDING MATERIALS LIMITED
CANADA CEMENT COMPANY LIMITED
CANADA CYCLE & MOTOR COMPANY LIMITED
CANADA LINSEED OIL MILLS LIMITED
CANADIAN ARSENALS LIMITED
CANADIAN BANK OF COMMERCE
CANADIAN NASHUA PAPER COMPANY LIMITED
CANADIAN NATIONAL RAILWAY COMPANY
INTERNATIONAL AVIATION BUILDING
CANADIAN PACIFIC RAILWAY COMPANY
CARTER'S INK COMPANY OF CANADA LIMITED
COCA-COLA LIMITED
COMMERCIAL ALCOHOLS LIMITED
CONSOLIDATED MINING & SMELTING COMPANY OF CANADA LIMITED
CRAIN, R. L. LIMITED
DOMINION OF CANADA
DEPARTMENT OF RECONSTRUCTION & SUPPLY
DOMINION GLASS COMPANY LIMITED
DOMINION RUBBER COMPANY LIMITED
DOW CHEMICAL OF CANADA LIMITED
DYMENT LIMITED
EASTMAN PHOTOGRAPHIC MATERIALS LIMITED
EATON, T. COMPANY LIMITED OF MONTREAL
ESTABROOKS, T. H. COMPANY LIMITED
FRY-CADBURY LIMITED
GENERAL CIGAR COMPANY LIMITED
GLOBE PRINTING COMPANY
HOSPITAL FOR SICK CHILDREN—TORONTO
HYDRO ELECTRIC POWER COMMISSION OF ONTARIO
IMPERIAL TOBACCO COMPANY OF CANADA LIMITED
INTERNATIONAL PLYWOODS LIMITED
JEWISH GENERAL HOSPITAL
LAST POST FUND—POINTE CLAIRE
LONDON LIFE INSURANCE COMPANY
MASTER BUILDERS COMPANY LIMITED
MONTREAL BOYS' ASSOCIATION
MONTREAL COTTONS LIMITED
MONTREAL GENERAL HOSPITAL—WESTERN DIVISION
MONTREAL LOCOMOTIVE WORKS LIMITED
NATIONAL BREWERIES LIMITED
NORTHERN MINER LIMITED
ONTARIO RESEARCH FOUNDATION
ORANGE CRUSH LIMITED
ORIENT INDUSTRIES LIMITED
PEPSI-COLA COMPANY OF CANADA LIMITED
PROVINCE OF ONTARIO
DEPARTMENT OF PUBLIC WORKS
PRUDENTIAL ASSURANCE COMPANY OF LONDON ENGLAND
QUEBEC HYDRO-ELECTRIC COMMISSION
ROBINSON, F. GERALD
SANGAMO COMPANY LIMITED
SIMMONS LIMITED
SINGER MANUFACTURING COMPANY, THE
SISTERS OF SAINT JOSEPH
SUDBURY GENERAL HOSPITAL
ST. JAMES BUILDING
TURNER & NEWALL (CANADA) LIMITED
UNIVERSITY OF TORONTO
VICKERS-VULCAN PROCESS ENGINEERING COMPANY LIMITED
WAR ASSETS CORPORATION
WOOD, C. F.

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

J. P. ANGLIN	Montreal	H. J. GROSS	Montreal
F. H. BACQUE	Toronto	P. N. GROSS	Montreal
G. W. BIRKS	Montreal	J. E. HARRINGTON	Montreal
D. K. BLACK	Montreal	R. W. JOHNSTONE	Toronto

OFFICERS

<i>Chairman of the Board</i>	HENRY J. GROSS
<i>President</i>	PHILIP NORCROSS GROSS
<i>Vice-President</i>	ROBERT W. JOHNSTONE
<i>Vice-President</i>	J. ERIC HARRINGTON
<i>Vice-President</i>	WILLIAM G. LAMBERT
<i>Vice-President and 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
ANCO GRANITES LIMITED	892 Sherbrooke St. W., Montreal
ROSSLIN IMPROVEMENT COMPANY LIMITED	892 Sherbrooke St. W., Montreal