

Building Products  
Limited

*Annual Report*  
1953

*For the year ending December 31.*

PURVIS HALL  
SERIES

FEB 16 1954

MEGIL UNIVERSITY



# BUILDING PRODUCTS LIMITED



## TO THE SHAREHOLDERS:

Your Directors present their Twenty-ninth Annual report with the financial statements of the company, and your Auditors' report for the year ending December 31, 1953.

Highlights of this report are as follows:

	1953	1952
Net Income before taxes .....	\$3,206,778	\$3,264,101
Provision for Income Taxes .....	\$1,496,000	\$1,700,000
Net Income .....	\$1,710,778	\$1,564,101
Dividends .....	\$ 870,091	\$ 870,091
Income per share .....	\$ 3.54	\$ 3.24
Dividends per share .....	\$ 1.80	\$ 1.80
Addition to Fixed Assets .....	\$1,173,852	\$ 527,948
Working Capital .....	\$6,484,542	\$6,288,312

Dollar volume of your company's sales in 1953 was slightly ahead of the previous year, marking a continuation of the upward trend that has continued for eleven consecutive years. Value of work performed by the construction industry as a whole exceeded the 1952 figures, but fell short of the all time 1951 peak. Home building went ahead of all previous records, with contract awards for new housing maintained consistently higher on a month by month basis throughout the year.

Operating costs were relatively stable during the year under review, some slight decrease in raw material costs being offset by increases in wage rates which are now approximately 225% above the 1939 level. Selling prices have remained practically the same for the past three years at about 50% above 1939.

Capital expenditures during 1953 for fixed assets, land, building and machinery amounted to \$1,173,852. Assets disposed of by sale or other means amounted to \$72,468. Unexpended balance on capital projects in progress at the year end amounted to \$692,400, of which the principal project is the construction of a paper mill at Edmonton, Alberta, for manufacture of felts and sheathings normally required for the company's end products, and also additional capacity to produce certain grades of paper for which a market exists in the Province of Alberta. Erection of building 400' x 123', with separate power plant, is nearing completion and installation of machinery is under way. Raw stock is being accumulated, with start up scheduled for May 1st. Projects completed during the year include a warehouse addition at Edmonton which was mentioned in the previous annual report, and certain additions to machinery and equipment at Montreal and Pont Rouge, Quebec. To minimize handling charges and to replace several small and obsolete buildings, a warehouse addition of approximately 35,000 square feet floor space is being undertaken at Hamilton, Ontario.

After outlay for capital expenditure mentioned above, and the retirement of \$125,000 serial debentures, working capital at \$6,484,542 shows an increase of \$196,230.

The continuing high rate of housing starts and residential contracts awarded has resulted in a record number of residences under construction at the end of December 1953. Legislation is being considered by the Canadian Parliament which would make more mortgage money available and lower the size of down payments and installments on houses. On the other hand, there is some feeling that in spite of the continuing favorable long term outlook for Canada there may be some slackening of the pace of general business in at least the early part of 1954. The combination of these factors would make it appear that 1954 would be a good year for residential building materials, but might not establish any new records.

The past year brought the retirement of Mr. R. C. Crooker and Mr. H. E. Pringle, both officers of the company. Mr. Crooker had served your company and its predecessor for thirty-four years, and was Secretary-Treasurer of Building Products Limited from its inception in 1925. Mr. Pringle's service covered a period of twenty-seven years, and he had been Vice-President and Western General Manager since 1949. Mr. W. P. Carr has been appointed Secretary-Treasurer and Comptroller.

The Directors wish to express their sincere appreciation to all employees and customers for their contribution to the company's success during the year.

On behalf of the Board of Directors,

L. S. ODELL,  
*President.*

Montreal, February 3, 1954.

## BOARD OF DIRECTORS

PHILIP R. ALLEN	JOHN D. JOHNSON
JAMES A. ECCLES	LEONARD F. LONG
JOSEPH HARRIS, LL.D.	WILLIAM R. McNEIL
GEORGE W. HUGGETT	LESLIE S. ODELL
HILTON R. TUDHOPE, O.B.E.	

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## OFFICERS

<i>Chairman of the Board</i> . . . . .	WILLIAM R. McNEIL
<i>President and Managing Director</i> . . . . .	LESLIE S. ODELL
<i>Executive Vice-President</i> . . . . .	LEONARD F. LONG
<i>Vice-President — Sales</i> . . . . .	STUART M. BARCLAY
<i>Vice-President — Manufacturing</i> . . . . .	CHARLES E. TURNER
<i>Secretary-Treasurer and Comptroller</i> . . . . .	WILLIAM P. CARR
<i>Assistant Secretary and Assistant Treasurer</i> . . . . .	WILLIAM G. MARKS

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<i>Transfer Agent</i> . . . . .	MONTREAL TRUST CO., Montreal, Que. — Toronto, Ont.
<i>Registrar</i> . . . . .	NATIONAL TRUST CO. LIMITED, Toronto, Ont. — Montreal, Que.
<i>Transfer Agent and Registrar</i> . . . . .	BANK OF MONTREAL TRUST CO., New York, N.Y.
<i>Transfer Agent and Registrar</i> . . . . .	MONTREAL TRUST CO., Vancouver, B.C.

PRICE WATERHOUSE & CO.

215 St. James Street West  
MONTREAL 1

February 3 1954

TO THE SHAREHOLDERS,  
BUILDING PRODUCTS LIMITED:

We have examined the balance sheet of Building Products Limited as at December 31 1953 and the statements of income and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31 1953 and the result of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

PRICE WATERHOUSE & CO.,  
*Chartered Accountants.*

# BUILDING PRO

BALANCE S

## ASSETS

	December 31	
	1953	1952
<b>CURRENT ASSETS:</b>		
Cash and short term deposits .....	\$1,795,682	\$1,372,021
Government of Canada bonds — at cost .....	2,563,225	3,272,385
(Market value December 31 1953 — \$2,566,100)		
Trade accounts receivable, less allowance for bad debts of \$150,000 .....	1,301,917	1,204,059
Other accounts receivable .....	54,353	60,268
Raw materials, supplies and finished merchandise, valued at the lower of cost or market .....	3,047,419	2,678,350
Unexpired insurance, prepaid taxes, etc. ....	74,440	130,823
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Total current assets .....	\$8,837,036	\$8,717,906
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<b>FIXED ASSETS:</b>		
Land, buildings and equipment — at cost .....	\$7,957,419	\$6,856,035
Less: Accumulated allowance for depreciation .....	4,655,090	4,117,732
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	\$3,302,329	\$2,738,303
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	\$12,139,365	\$11,456,209
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SIGNED ON BEHALF OF THE BOARD:

L. S. Odell, Director

J. D. Johnson, Director



# DUCTS LIMITED

HEET

## LIABILITIES

December 31

1953

1952

### CURRENT LIABILITIES:

Accounts payable and accrued liabilities .....	\$1,453,447	\$1,342,254
Serial debentures maturing June 1 1954 .....	125,000	125,000
Income and other taxes .....	774,047	962,340
Total current liabilities .....	<u>\$2,352,494</u>	<u>\$2,429,594</u>

### 2% PER CENT SERIAL DEBENTURES:

Total authorized and issued — <u>\$1,000,000</u>		
Maturing on June 1 1955 .....	\$ 125,000	\$ 250,000

### GENERAL CONTINGENCY AND REPLACEMENT RESERVE .....

\$ 785,074      \$ 740,505

### CAPITAL AND RETAINED EARNINGS:

#### Capital stock:

#### Authorized and issued —

483,384 shares without nominal or par value .....	\$1,483,110	\$1,483,110
Retained earnings .....	7,393,687	6,553,000
Total capital and retained earnings .....	<u>\$8,876,797</u>	<u>\$8,036,110</u>

#### Contingent liability in respect of

customers' notes discounted ..... \$286,000

\$12,139,365      \$11,456,209

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS DATED  
FEBRUARY 3 1954.

PRICE WATERHOUSE & CO.,  
Chartered Accountants.

# BUILDING PRODUCTS LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

	Year ended December 31 1953	1952
Income from operations before taking into account the items shown below .....	\$4,028,723	\$3,988,122
Interest on investments .....	67,891	42,634
Profit on sale of fixed assets .....	—	20,693
	\$4,096,614	\$4,051,449
 <u>Deduct:</u>		
Provision for depreciation .....	\$ 572,951	\$ 473,663
Company's contribution to employees' retirement income plan .....	125,663	129,071
Directors' fees .....	13,020	12,640
Legal fees .....	7,699	3,833
Remuneration of executive officers .....	156,979	156,396
Debenture interest .....	8,307	11,745
Loss on sale of fixed assets .....	5,217	—
	\$ 889,836	\$ 787,348
Income before income taxes .....	\$3,206,778	\$3,264,101
Provision for income taxes .....	1,496,000	1,700,000
Net income for the year .....	\$1,710,778	\$1,564,101
Retained earnings at beginning of the year .....	6,553,000	5,858,990
	\$8,263,778	\$7,423,091
Dividends .....	870,091	870,091
	\$7,393,687	\$6,553,000
Retained earnings at end of the year .....	\$7,393,687	\$6,553,000

# BUILDING PRODUCTS LIMITED

## STATEMENT OF CHANGES IN WORKING CAPITAL

	Year ended December 31	
	1953	1952
Working capital was provided from:		
Operations—		
Net income for the year .....	\$1,710,778	\$1,564,101
Add: Provision for depreciation charged thereto .....	572,951	473,663
	\$2,283,729	\$2,037,764
Other sources .....	44,569	35,633
	\$2,328,298	\$2,073,397
Working capital was expended on:		
Dividends (\$1.80 per share) .....	\$ 870,091	\$ 870,091
Redemption of serial debentures .....	125,000	125,000
Additions to fixed assets (net) .....	1,136,977	494,842
	\$2,132,068	\$1,489,933
Increase in working capital .....	\$ 196,230	\$ 583,464
Working capital:		
Current assets .....	\$8,837,036	\$8,717,906
Current liabilities .....	2,352,494	2,429,594
	\$6,484,542	\$6,288,312
The above increase in working capital is reflected in the following net changes in the current assets and current liabilities:		
	Increase or (decrease) during the year ended December 31	
	1953	1952
Cash and short-term deposits .....	\$ 423,661	\$ (71,799)
Government of Canada bonds .....	(709,160)	1,530,810
Trade accounts receivable .....	97,858	373,719
Other accounts receivable .....	(5,915)	15,767
Inventories .....	369,069	(582,880)
Unexpired insurance etc. ....	(56,383)	40,351
	\$ 119,130	\$1,305,968
Accounts payable and accrued liabilities .....	\$ 111,193	\$ 521,870
Income and other taxes .....	(188,293)	200,634
	\$ (77,100)	\$ 722,504
Increase in working capital during the year .....	\$ 196,230	\$ 583,464



With the introduction of Imperial Colours during the early part of 1953, an entirely new concept of shingle colouring was offered to the Canadian public. A development of our Research Laboratories, Imperial Colours — combining rich base tones with light over-shades — have received consumer acceptance and have helped strengthen our reputation as leaders in the field of high quality building materials.

As well, during 1953, the colour range of B.P. 1/8" Vinyl Flortile — the first Canadian-manufactured vinyl-asbestos tile flooring — was improved and increased from eight to fifteen colours. And to better avail ourselves of the large home application market, 1/16" B.P. Vinyl Flortile was introduced in the full fifteen-colour range.

A continued policy of diligent research which in the past has resulted in innovations and improvements, provides assurance that the B.P. Oval will continue to be regarded as a symbol of quality and leadership for years to come.

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HEAD OFFICE — Montreal, Que.

SALES OFFICES — Halifax, Saint John, N.B., Montreal,  
Toronto, Hamilton, Winnipeg, Edmonton and Vancouver.

PAPER MILLS — Montreal, Pont Rouge, Que., Winnipeg  
and Edmonton (under construction).

ROOFING FACTORIES — Montreal, Hamilton, Winnipeg  
and Edmonton.

QUARRIES AND GRANULE WORKS — Madoc and Havelock, Ont.

## *Manufacturers of . . .*

ASPHALT ROOFINGS for all types of roofs . . . including Square Butt and Lock design B.P. Asphalt Shingles in various weights and in a wide range of beautiful plain and blended colours — B.P. Built-Up Roofings for every flat-type roofing need — B.P. Roll Roofings, durable, inexpensive, easily applied.

INSUL-ATED SIDINGS for outside walls — invented by B.P. engineers — combining insulation and weatherproofing with a lasting colourful finish requiring no paint . . . including Insul-Bric and Insul-Stone with the exclusive "Nu-Line" feature — also Insul-*Tex* and Insul-*Shake*.

INSUL-BOARD — the only insulating board with a built-in vapour barrier . . . available in panels, lath or roof insulator . . . layers of scientifically prepared fibreboard laminated with special asphalt to provide insulation and structural strength.

INSUL-SHEATHINGS — for exterior sheathing use . . . grid lamination feature affords structural strength with required breathing characteristic.

FLORTILE — first Canadian asphalt floor tile . . . first Canadian Vinyl-Asbestos floor tile . . . both available in many attractive colours . . . durable, easily cleaned, can be applied over either wood or concrete sub-floors — on, above or below grade.

ASPHALT COATINGS AND CEMENTS — to waterproof foundations and roofs . . . to make easy repairs and to caulk — effectively, easily, economically.

## *Distributors of . . .*

FIBERGLAS BUILDING INSULATION — recognized as the finest in its field today.

B.P. HARDBOARD — a complete line of Canadian Hardboards — Standard, Tempered, Utility grades.



CANADA'S LARGEST MANUFACTURER OF  
ASPHALT SHINGLES AND INSULATED SIDINGS





