

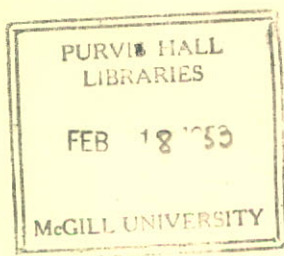
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# Building Products

Limited

*Annual Report*

*1952*



*For the year ending December 31.*



# BUILDING PRODUCTS LIMITED

## TO THE SHAREHOLDERS:

Your Directors present their Twenty-Eighth Annual Report with the financial statements of the company, and your Auditors' report for the year ending December 31, 1952.

Highlights of this report are as follows:

	1952	1951
Net Income before taxes .....	\$3,264,101	\$3,062,516
Provision for Income Taxes .....	\$1,700,000	\$1,560,000
Net Income .....	\$1,564,101	\$1,502,516
Dividends .....	\$ 870,091	\$ 870,091
Income per share .....	\$ 3.24	\$ 3.11
Dividends per share .....	\$ 1.80	\$ 1.80
Addition to Fixed Assets .....	\$ 527,948	\$1,191,319
Working Capital .....	\$6,288,312	\$5,704,848

Dollar volume of sales was slightly ahead of the 1951 figure and attained a new high for the tenth consecutive year. There was some easing in demand for your company's products early in the year and some corresponding reduction in plant operation, but this condition was corrected after mid-year mainly due to relaxation of credit restrictions with resulting pick-up in residential construction.

The long continued rise in operating costs tended to flatten out in 1952, the principal factor in this regard being some decrease in raw material costs. Wage rates, however, have continued to rise and are now about 208% above the 1939 level. Selling prices are substantially the same as a year ago and average about 50% above 1939.

Capital expenditures during the year for fixed assets, land, buildings and machinery amounted to \$527,948. Assets disposed

of by sale or otherwise amounted to \$57,579. Commitments for capital expenditure at the year end amounted to \$205,349. In connection with trap rock and granule operations at Havelock, Ontario, there has been a substantial replacement of worn out and obsolete machinery by the purchase of a new 2½ yard shovel, also crushers, compressors, screens, trucks, loading equipment, etc. At Montreal a new building 60' x 160' has been erected for raw material storage. In all plants there has been in the aggregate a number of additions to productive equipment to increase operating efficiency or improve quality.

The first full year's operation of the Edmonton roofing mill, built in 1951, has been up to expectations. For warehousing purposes an addition 120' x 126' will be constructed there as soon as possible in 1953.

After outlay for capital expenditure mentioned above, and the retirement of \$125,000 serial debentures, working capital at \$6,288,312 shows an increase of \$583,464. The relatively high inventory carried at December 31, 1951, and referred to in annual report for that year, has been reduced to a more normal figure with corresponding improvement in liquid position.

A new type of insulating board designed for use as exterior sheathing in wall construction was introduced during the year. Also vinylite floor tile was added to your company's line of flooring products. This product is a high grade floor covering as regards appearance, wearing qualities, resistance to chemical action, etc.

Since the close of the year under review, building contracts for business purposes remain at a high level and activity in the housing field is now greater than a year ago, although monthly figures for total contracts awarded in the construction industry have recently been below the peaks established in 1951. A lack of serviced land for housing is the principal handicap in that field and is causing some swing to apartments. Practically all building materials are in free supply with prices generally stable.

Overall your management expects a favorable business volume extending well into 1953.

The Directors extend their sincere thanks to the company's employees, shareholders and customers for their co-operation and goodwill in 1952.

On behalf of the Board of Directors,

L. S. ODELL,  
*President.*

Montreal, February 3, 1953.

## 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>Vice-President and Western General Manager</i> . . . . .	HAROLD E. PRINGLE
<i>Treasurer and Comptroller</i> . . . . .	WILLIAM P. CARR
<i>Secretary</i> . . . . .	ROY C. CROOKER
<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.

February 3, 1953

PRICE WATERHOUSE & CO.

215 St. James Street West  
MONTREAL 1

February 2, 1953

TO THE SHAREHOLDERS OF  
BUILDING PRODUCTS LIMITED:

We have examined the balance sheet of Building Products Limited as at December 31 1952 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 1952 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 as shown by the books of the company.

PRICE WATERHOUSE & CO.,  
*Chartered Accountants.*

# BUILDING PROJECT

## BALANCE SHEET

### ASSETS

	December 31	
	1952	1951
<b>CURRENT ASSETS:</b>		
Cash and short term deposits .....	\$1,372,021	\$1,443,820
Government of Canada Bonds — at cost .....	3,272,385	1,741,575
(Market value December 31 1952 — \$3,255,400)		
Trade accounts receivable, less bad debt reserve of \$150,000 .....	1,204,059	830,340
Other accounts receivable .....	60,268	44,501
Raw materials, supplies and finished merchandise, valued at the lower of cost or market .....	2,678,350	3,261,230
Unexpired insurance, prepaid taxes, etc. ....	130,823	90,472
Total current assets .....	\$8,717,906	\$7,411,938
<b>FIXED ASSETS:</b>		
Land, buildings and equipment — at cost .....	\$6,856,035	\$6,385,666
Less: Reserve for depreciation .....	4,117,732	3,668,542
	\$2,738,303	\$2,717,124
	\$11,456,209	\$10,129,062

SIGNED ON BEHALF OF THE BOARD:

L. S. Odell, Director

J. D. Johnson, Director



# DUCTS LIMITED

## E SHEET

### LIABILITIES

	December 31	
	1952	1951
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities .....	\$1,342,254	\$ 820,384
Serial debentures maturing June 1 1953 .....	125,000	125,000
Income and other taxes .....	962,340	761,706
Total current liabilities .....	<u>\$2,429,594</u>	<u>\$1,707,090</u>
 <b>2¼ PER CENT SERIAL DEBENTURES:</b>		
Total authorized and issued — <u>\$1,000,000</u>		
Maturing in amounts of \$125,000 annually on June 1		
1954 and 1955 .....	<u>\$ 250,000</u>	<u>\$ 375,000</u>
 <b>GENERAL CONTINGENCY AND REPLACEMENT RESERVE .....</b>		
	<u>\$ 740,505</u>	<u>\$ 704,872</u>
 <b>CAPITAL AND RETAINED EARNINGS:</b>		
Capital stock:		
Authorized and issued —		
483,384 shares without nominal or par value .....	\$1,483,110	\$1,483,110
Retained earnings .....	6,553,000	5,858,990
Total capital and retained earnings .....	<u>\$8,036,110</u>	<u>\$7,342,100</u>
Contingent liability in respect of customers' notes discounted .....	<u>\$230,000</u>	
	<u>\$11,456,209</u>	<u>\$10,129,062</u>

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS DATED  
FEBRUARY 2 1953.

PRICE WATERHOUSE & CO.,  
Chartered Accountants.

# BUILDING PRODUCTS LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

	Year ended December 31	
	1952	1951
Income from operations before taking into account the items shown below .....	\$3,988,122	\$3,799,787
Interest on investments .....	42,634	44,871
Profit on sale of fixed assets .....	20,693	8,141
	\$4,051,449	\$3,852,799
<u>Deduct:</u>		
Provision for depreciation .....	\$ 473,663	\$ 496,029
Company's contribution to employees' retirement income plan .....	129,071	119,399
Directors' fees .....	12,640	12,100
Legal fees .....	3,833	1,553
Remuneration of executive officers .....	156,396	146,020
Debenture interest .....	11,745	15,182
	\$ 787,348	\$ 790,283
Income before income taxes .....	\$3,264,101	\$3,062,516
Provision for income taxes .....	1,700,000	1,560,000
Net income for the year .....	\$1,564,101	\$1,502,516
Retained earnings at beginning of the year .....	5,858,990	5,226,565
Dividends .....	\$7,423,091 870,091	\$6,729,081 870,091
Retained earnings at end of the year .....	\$6,553,000	\$5,858,990

# BUILDING PRODUCTS LIMITED

## STATEMENT OF CHANGES IN WORKING CAPITAL

	Year ended December 31	
	1952	1951
Working capital was provided from:		
Operations—		
Net income for the year .....	\$1,564,101	\$1,502,516
Add: Provision for depreciation charged thereto .....	473,663	496,029
	\$2,037,764	\$1,998,545
Refundable portion of excess profits tax received .....	—	188,558
Other sources .....	35,633	28,846
	\$2,073,397	\$2,215,949
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) .....	494,842	1,170,515
	\$1,489,933	\$2,165,606
Increase in working capital .....	\$ 583,464	\$ 50,343
Working capital:		
Current assets .....	\$8,717,906	\$7,411,938
Current liabilities .....	2,429,594	1,707,090
	\$6,288,312	\$5,704,848
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	
	1952	1951
Cash and short-term deposits .....	\$ (71,799)	\$ (762,892)
Government of Canada bonds .....	1,530,810	(3,000)
Trade accounts receivable .....	373,719	117,055
Other accounts receivable .....	15,767	11,679
Inventories .....	(582,880)	892,430
Unexpired insurance etc. ....	40,351	36,952
	\$1,305,968	\$ 292,224
Accounts payable and accrued liabilities .....	\$ 521,870	\$ 32,747
Income and other taxes .....	200,634	209,134
	\$ 722,504	\$ 241,881
Increase in working capital during the year .....	\$ 583,464	\$ 50,343



Continuing a program of product development which has gained for Building Products Limited the reputation of leadership in the field of high quality building materials, two new products were introduced during 1952 — B.P. Insul-Sheathings and B.P. Vinyl Flortile.

The diligent research which developed many pioneering achievements for Building Products Limited and established the Company as Canada's largest manufacturers of asphalt roofings and insulated sidings, made possible the development of B.P. Insul-Sheathings — for exterior sheathing use — and B.P. Vinyl Flortile — the first Canadian manufactured vinyl-asbestos tile flooring.

These products along with Thick Butt Shingles, Insul-Ated Sidings, Insul-Board and other famous B.P. products will provide an assurance for the future that the B.P. Oval will long be regarded as a symbol of quality and leadership.

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HEAD OFFICE — Montreal, Que.

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

PAPER MILLS — Montreal, Pont Rouge, Que., and Winnipeg.

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.

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.



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