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Building Products  
Limited

*Annual Report*  
*1951*

*For the year ending December 31.*

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McGILL UNIVERSITY



# BUILDING PRODUCTS LIMITED

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TO THE SHAREHOLDERS:

Your Directors present their Twenty-Seventh Annual Report with the financial statements of the company, and your Auditors' report for the year ending December 31, 1951.

Highlights of this report are as follows:

	1951	1950
Net Income before taxes.....	\$3,062,516	\$3,062,708
Provision for Income Taxes.....	\$1,560,000	\$1,265,000
Net Income .....	\$1,502,516	\$1,797,708
Dividends .....	\$ 870,091	\$ 797,584
Income per share.....	\$ 3.11	\$ 3.72
Dividends per share.....	\$ 1.80	\$ 1.65
Addition to Fixed Assets.....	\$1,191,319	\$ 476,553
Working Capital .....	\$5,704,848	\$5,654,505

Value of work performed by the construction industry in Canada in 1951 exceeded any previous year, but principal gains were confined to industrial and engineering sections of the industry. Residential construction which constitutes a substantial part of the market for your company's products started the year in record volume, but fell off after midyear due to credit restrictions imposed early in the year.

Dollar volume of sales was somewhat greater than in 1950 and attained a new high for the ninth consecutive year, but average net profit per dollar of net sales was less on account of higher operating costs. Net income before taxes at \$3,062,516 for 1951 was practically the same as for 1950, but net income after taxes was \$1,502,516 and \$1,797,708 respectively, which clearly illustrates the effect of increase in Federal Income Tax imposed in 1951.

As in previous years operating costs continued to advance throughout 1951, with substantial wage and salary increases the principal factor. Offsetting price increases in certain products were put in effect, and price levels now average about 50% above 1939.

Capital expenditure for fixed assets, comprising buildings and equipment, amounted to \$1,191,319 in 1951, the principal items being Alberta roofing mill and additions to productive capacity at Pont Rouge. Other projects included additions to productive equipment at the Montreal felt mill, and the trap rock crushing plant at Havelock. Fixed assets disposed of by sale or otherwise amounted to \$56,840. Commitments for capital expenditure at the year end amounted to \$133,573, of which the main items are certain improvements to shipping facilities at Hamilton and an addition to warehouse building at Saint John, N.B.

After outlay for capital expenditure mentioned above, and the retirement of \$125,000 serial debentures, working capital at \$5,704,848 shows an increase of \$50,343.

Roofing mill in Northern Alberta, as announced in 1950 annual report, has been completed and is in operation. Plant is located in the Municipality of Strathcona, adjoining the City of Edmonton on the southeast. Your company is now in a position to service this fast growing section of Western Canada effectively.

Cash and government bonds were \$765,892 less at December 31, 1951 than at December 31, 1950. This is mainly due to the relatively large capital expenditure mentioned above and to an increase in inventory values of \$892,430. This inventory increase is partially due to early delivery prior to the year end of certain materials ordered ahead and to that extent will not be a recurring condition.

Upward pressure on wage rates continued throughout 1951, and increases granted by your company varied according to locality,

but overall were greater than in any previous year, and basic wage rates are now about 192% above the 1939 level.

At the year end construction volume was at new record levels maintained by defence work, and by large industrial and engineering projects financed to an important extent by funds from outside Canada. At the same time, credit restrictions in the housing field have been eased somewhat and down payments reduced in certain designated defence areas, but home building planned or under way is less than a year ago because the relief is not general and less mortgage money is available with interest rates higher. There is still a substantial demand for low cost homes, but the number which will be built in 1952 will depend on the encouragement builders receive from the various sources of mortgage funds.

It is with deep regret that we record the deaths of Mr. George H. Montgomery, K.C., and Mr. Winthrop Brainerd. Mr. Montgomery had served your company as a member of the Board for over twenty-two years, and Mr. Brainerd had served in the same capacity for nearly nineteen years. Mr. Joseph Harris, of Winnipeg, Manitoba, has been appointed a member of the Board.

The Directors wish to express their appreciation of the continued co-operation on the part of employees and customers, which helped to make 1951 another successful year.

On behalf of the Board of Directors,

L. S. ODELL,

*President.*

Montreal, February 7, 1952.



## BOARD OF DIRECTORS

PHILIP R. ALLEN	LEONARD F. LONG
JAMES A. ECCLES	WILLIAM R. McNEIL
JOSEPH HARRIS	LESLIE S. ODELL
JOHN D. JOHNSON	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</i> <i>and Western General Manager</i> . . . . .	HAROLD E. PRINGLE
<i>Secretary-Treasurer</i> . . . . .	ROY C. CROOKER
<i>Assistant Secretary-Treasurer</i> . . . . .	WILLIAM G. MARKS

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<i>Transfer Agent</i> . . . . .	MONTREAL TRUST CO., Toronto, Ont. — Montreal, Que.
<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 1, 1952

PRICE WATERHOUSE & CO.

215 St. James Street West  
MONTREAL 1

January 31, 1952

TO THE SHAREHOLDERS OF  
BUILDING PRODUCTS LIMITED:

We have examined the balance sheet of Building Products Limited as at December 31 1951 and the statements of income and earned surplus 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 earned surplus 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 1951 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

## BALANC

### ASSETS

	December 31	
	1951	1950
<b>CURRENT ASSETS:</b>		
Cash .....	\$1,443,820	\$2,206,712
Government of Canada bonds — at cost.....	1,741,575	1,744,575
(Market value December 31 1951 — \$1,731,450)		
Trade accounts receivable, less bad debt reserve of \$150,000 .....	830,340	713,285
Other accounts receivable .....	44,501	32,822
Inventories of raw materials, supplies and finished merchandise, valued at the lower of cost or market	3,261,230	2,368,800
Unexpired insurance, prepaid taxes, etc. ....	90,472	53,520
Total current assets .....	\$7,411,938	\$7,119,714
<b>REFUNDABLE PORTION</b>		
OF EXCESS PROFITS TAX.....	—	\$ 188,675
<b>FIXED ASSETS:</b>		
Land, buildings and equipment — at cost .....	\$6,385,666	\$5,251,187
Less: Reserve for depreciation.....	3,668,542	3,208,550
	\$2,717,124	\$2,042,637
	\$10,129,062	\$9,351,026

SIGNED ON BEHALF OF THE BOARD:

L. S. Odell, Director

J. D. Johnson, Director



# DUCTS LIMITED

## STATEMENT OF FINANCIAL POSITION

### LIABILITIES

	December 31	
	1951	1950
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities .....	\$ 820,384	\$ 787,637
Serial debentures maturing June 1, 1952.....	125,000	125,000
Income and other taxes .....	761,706	552,572
Total current liabilities .....	<u>\$1,707,090</u>	<u>\$1,465,209</u>
<b>2½ PER CENT SERIAL DEBENTURES:</b>		
Total authorized and issued — \$1,000,000		
Maturing in amounts of \$125,000 annually on June 1		
1953 to 1955 .....	<u>\$ 375,000</u>	<u>\$ 500,000</u>
<b>GENERAL CONTINGENCY AND REPLACEMENT RESERVE .....</b>		
	<u>\$ 704,872</u>	<u>\$ 676,142</u>
<b>CAPITAL AND SURPLUS:</b>		
Capital stock:		
Authorized and issued —		
483,384 shares without nominal or par value.....	\$1,483,110	\$1,483,110
Earned surplus .....	5,858,990	5,226,565
Total capital and surplus .....	<u>\$7,342,100</u>	<u>\$6,709,675</u>
Contingent liability in respect of customers' notes discounted .....	<u>\$130,000</u>	
	<u>\$10,129,062</u>	<u>\$9,351,026</u>

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS DATED  
JANUARY 31 1952.

PRICE WATERHOUSE & CO.,  
Chartered Accountants.

# BUILDING PRODUCTS LIMITED

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## INCOME STATEMENT

	Year ending December 31	
	1951	1950
Income from operations before taking into account the items shown below .....	\$3,799,787	\$3,763,942
Interest on investments .....	44,871	31,986
Profit on sale of fixed assets .....	8,141	6,415
	\$3,852,799	\$3,802,343
<u>Deduct:</u>		
Provision for depreciation .....	\$ 496,029	\$ 457,285
Company's contribution to employees' retirement income plan .....	119,399	108,414
Directors' fees .....	12,100	13,040
Legal fees .....	1,553	2,916
Remuneration to executive officers .....	146,020	139,360
Debenture interest .....	15,182	18,620
	\$ 790,283	\$ 739,635
Income before income taxes .....	\$3,062,516	\$3,062,708
Provision for income taxes .....	1,560,000	1,265,000
Net income for the year .....	\$1,502,516	\$1,797,708

# BUILDING PRODUCTS LIMITED

## STATEMENT OF EARNED SURPLUS

	Year ending December 31	
	1951	1950
Balance at beginning of the year .....	\$5,226,565	\$4,226,441
Net income for the year .....	1,502,516	1,797,708
	\$6,729,081	\$6,024,149
Dividends declared .....	870,091	797,584
Balance at end of the year .....	\$5,858,990	\$5,226,565

## STATEMENT OF CHANGES IN WORKING CAPITAL

	Year ending December 31	
	1951	1950
Working capital was provided from:		
Operations—		
Net income for the year .....	\$1,502,516	\$1,797,708
Add: Provision for depreciation charged thereto....	496,029	457,285
	\$1,998,545	\$2,254,993
Refundable portion of excess profits tax received.....	188,558	152,873
Other sources .....	28,846	22,273
	\$2,215,949	\$2,430,139
Working capital was expended on:		
Dividends (\$1.80 per share in 1951 - \$1.65 in 1950).....	\$ 870,091	\$ 797,584
Redemption of serial debentures .....	125,000	125,000
Additions to fixed assets (net) .....	1,170,515	464,779
	\$2,165,606	\$1,387,363
Increase in working capital .....	\$ 50,343	\$1,042,776
Working capital:		
Current assets.....	\$7,411,938	\$7,119,714
Current liabilities.....	1,707,090	1,465,209
	\$5,704,848	\$5,654,505



Already the largest manufacturer of asphalt roofings and insulated sidings in Canada, Building Products Limited continues to expand its operations. During 1951, the Company began operating a new modern roofing and siding plant at Edmonton. Along with paper mill and roofing and siding plant operations at Winnipeg, this new Edmonton plant will enable the Company to keep pace with the tremendous, dynamic growth in Western Canada and to better serve Western builders and home owners.

This continued expansion is in keeping with the Company's record of leadership in the field of building materials. This record, clearly established on a sound foundation of constant research and development, has made the "BP" Oval Trade-Mark a guarantee of dependability in improved Roofing, Siding, Flooring and Insulation.

The record of the past and continuing progress provide an assurance for the future that the "BP" Oval will long continue to be a symbol of quality and leadership.

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HEAD OFFICE — Montreal, Que.

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

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 . . . B.P. engineers invented Thick Butt Asphalt Shingles now standard throughout North America. This and other types of asphalt shingles for sloping roofs, available in a wide range of attractive plain and blended colours . . . B.P. Built-Up Roofings materials, for flat type roofs, with expert roof inspection service . . . B.P. Roll Roofings, tough, economical, easily applied.

INSULATED SIDINGS for outside walls — invented by B.P. engineers — to insulate, weatherproof and give a lasting colourful finish and requiring no paint . . . including Insul-Bric and Insul-Stone, with the "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.

FLORTILE — first Canadian asphalt floor tile — available in many attractive colours to suit all tastes, including the new Parquetry Style . . . durable, easily cleaned, can be applied over either wood or concrete sub-floors. Available also in convenient and popular "Mix-Pak" cartons.

ASPHALT COATINGS AND CEMENTS — to make roof repairs and strengthen weak spots, to waterproof foundations and to caulk — effectively, easily, economically.

ALBI-"R" FIRE-RETARDANT COATING — a proven fire-retardant coating listed by Underwriters' Laboratories, Inc.

## *Distributors of . . .*

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



DEALERS EVERYWHERE IN CANADA







