

Building Products
Limited

Annual Report
1949

For the year ending December 31.

PURVIS HALL
LIBRARIES

FEB 15 1950

McGILL UNIVERSITY

BUILDING PRODUCTS LIMITED

TO THE SHAREHOLDERS:

Your Directors present their Twenty-Fifth Annual Report with the financial statements of the company, and your Auditors' report for the year ending December 31, 1949.

SALES AND PROFITS

Sales in 1949 exceeded sales volume in 1948, and reached a new all time high for the seventh consecutive year. For easy reference the following comparative summary of pertinent information for the years 1949 and 1948 is submitted.

	1949	1948
*Net Income before taxes.....	\$2,644,278	\$2,735,246
Provision for Income taxes.....	\$1,032,000	\$ 996,000
Appropriation to General Contingency and Replacement Reserve	—	\$ 150,000
Net Profits	\$1,612,278	\$1,589,246
Working Capital	\$4,611,729	\$3,857,246
Ratio Current Assets to Current Liabilities	3.9 to 1	3.5 to 1
Earnings per share	\$ 3.34	\$ 3.29
Dividends per share	\$ 1.60	\$ 1.50

*Depreciation set up in 1949 \$440,798, and in 1948 \$311,019.

After providing for some non-recurring costs in developing a certain new type of product which has already proven itself, and charges to put our pension plan on a proper basis, your Directors feel that the year's results will be considered satisfactory.

PLANTS AND OPERATIONS

Capital expenditure for fixed assets, comprising buildings and equipment, amounted to \$568,619 in 1949, and fixed assets disposed of by sale or otherwise amounted to \$27,469. Additions to buildings at Ville LaSalle (Montreal) and Winnipeg, referred to in the 1948 Annual Report, were completed in April, 1949.

To increase capacity in some products additional wood refining equipment is currently being installed at Winnipeg, and paper mill output increased at that location. Also at Winnipeg a building addition of 11,000 square feet is under way to improve warehouse and shipping facilities.

An additional one storey building providing 12,000 square feet for felt storage at Ville LaSalle (Montreal), was completed at the year end. This warehouse will help to maintain year-round operation of felt mill by storage of felt for periods of peak demand. With most of your company's products in free supply sales demand has reverted to a more normal pattern of low volume during the winter and relatively high volume during the building season.

GENERAL CONDITIONS

Residential construction in Canada attained an all time high in 1949 and lessened to some extent the housing shortage. Urgent demand exists mainly in the low price brackets, and contracts awarded show a shift to this price class in the closing months of the year. Liberal financing under the sponsorship of both Federal and Provincial governments is maintaining this activity. Because your company's products receive ready acceptance in this particular field prospects of maintaining a relatively high level of sales appear good.

Prices have remained at practically the same level since March, 1948, which is an increase of 30% since 1939. Operating costs have been rising due to increases in wage rates, freight rates, Canadian dollar devaluation, etc., but this rise has been partially offset by plant economies.

RESEARCH

Research occupies a position of prime importance with your company, and more than half of the company's sales are in new products developed within the organization. New laboratory building at Ville LaSalle (Montreal) was completed during the year, with research and engineering better staffed and better equipped than ever before. These departments are actively concerned with the development of (1) new and improved products, (2) new and improved methods, and (3) operating economies.

EMPLOYEE RELATIONS

Under collective bargaining agreements increases were granted during 1949 in all plants to the average amount of 7%. These increases are in line with comparative rates in the industry or plant localities, and continuing good relations between the company and its employees were maintained. Base wage rates now show an increase of 128% since 1939.

As a convenience for our shareholders who are resident in British Columbia, The Montreal Trust Company, of Vancouver, has been appointed the company's Transfer Agent and Registrar in that city.

The Directors wish to extend their sincere thanks to the company's employees and shareholders, and to dealers and all other customers for the cooperation which made 1949 another successful year.

On behalf of the Board of Directors,

L. S. ODELL,
President.

Montreal, February 2, 1950.

BOARD OF DIRECTORS

PHILIP R. ALLEN	LEONARD F. LONG
WINTHROP BRAINERD	GEORGE H. MONTGOMERY, K.C.
JAMES A. ECCLES	WILLIAM R. MCNEIL
JOHN D. JOHNSON	LESLIE S. ODELL
HILTON R. TUDHOPE, O.B.E.	

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 in charge of Sales</i> . . .	STUART M. BARCLAY
<i>Vice-President in charge of 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

<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 2, 1950.

TO THE SHAREHOLDERS OF
BUILDING PRODUCTS LIMITED:

We have examined the balance sheet of Building Products Limited as at December 31 1949 and the statements of profit and loss and earned surplus for the year ending on that date and have obtained all the information and explanations which we required; our examination included such tests of the accounting records and other supporting evidence and such other procedures as we considered appropriate.

In our opinion, the attached balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31 1949 and the related statements of profit and loss and earned surplus present fairly the results of its operations for the year ending 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.,
Auditors.

MONTREAL, FEBRUARY 1 1950.

BUILDING PRO

BALANCE SHEET -

ASSETS		
	1949	1948
CURRENT ASSETS:		
Cash in bank and on hand	\$2,369,010	\$1,518,625
Dominion of Canada bonds — at cost.....	999,250	1,000,300
(Market value December 31, 1949 — \$999,200)		
Trade accounts receivable, less bad debt reserve of \$150,000	747,177	722,845
Other accounts receivable	33,957	40,559
Inventories of raw materials, supplies and finished merchandise, valued at the lower of cost or market	2,016,271	1,972,567
Unexpired insurance, prepaid taxes, etc.	57,914	135,109
Total current assets	<u>\$6,223,579</u>	<u>\$5,390,005</u>
 REFUNDABLE PORTION		
OF EXCESS PROFITS TAX	<u>\$ 341,548</u>	<u>\$ 494,747</u>
 FIXED ASSETS:		
Land, buildings and equipment, purchase price at date of acquisition in 1926, plus subsequent additions (net) at cost	\$4,860,769	\$4,319,619
Less: Reserve for depreciation	2,825,626	2,407,854
	<u>\$2,035,143</u>	<u>\$1,911,765</u>
	<u><u>\$8,600,270</u></u>	<u><u>\$7,796,517</u></u>

APPROVED ON BEHALF OF THE BOARD:

(Signed) L. S. Odell, Director
 “ G. H. Montgomery, Director

DUCTS LIMITED

DECEMBER 31 1949

LIABILITIES

	1949	1948
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$1,003,236	\$ 867,656
Serial debentures maturing June 1, 1950.....	125,000	125,000
Income and other taxes	483,614	540,103
Total current liabilities	<u>\$1,611,850</u>	<u>\$1,532,759</u>
 2% PER CENT SERIAL DEBENTURES:		
Maturing in amounts of \$125,000 annually June 1, 1950 to 1955:.....		
Authorized and issued.....	\$1,000,000	\$1,000,000
Less: Redeemed and cancelled.....	250,000	125,000
	<u>\$ 750,000</u>	<u>\$ 875,000</u>
Less: Debentures maturing June 1, 1950 included in current liabilities	125,000	125,000
	<u>\$ 625,000</u>	<u>\$ 750,000</u>
 GENERAL CONTINGENCY AND REPLACEMENT RESERVE		
	<u>\$ 653,869</u>	<u>\$ 643,071</u>
 CAPITAL AND SURPLUS:		
Represented by 483,384 shares without nominal or par value being all of the authorized issue	\$1,483,110	\$1,483,110
Earned surplus — Balance, per statement attached....	4,226,441	3,387,577
Total capital and surplus	<u>\$5,709,551</u>	<u>\$4,870,687</u>
	<u>\$8,600,270</u>	<u>\$7,796,517</u>

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS DATED FEBRUARY 1, 1950.

PRICE, WATERHOUSE & CO.

Auditors.

BUILDING PRODUCTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEARS ENDING DECEMBER 31 1949 AND 1948

	1949	1948
Net profit from operations before taking into account the items shown below	\$3,358,287	\$3,243,346
<u>Add:</u>		
Interest on investments	23,940	20,304
Profit on sales of fixed assets	2,694	2,242
	<u>\$3,384,921</u>	<u>\$3,265,892</u>
<u>Deduct:</u>		
Provision for depreciation	\$ 440,798	\$ 311,019
Company's contribution to employees' retirement income plan —		
Current year	89,359	54,640
Prior years — additional	41,154	—
Directors' fees	13,100	12,887
Legal fees	1,202	2,611
Remuneration to executive officers	132,973	123,994
Debenture interest	22,057	25,495
	<u>\$ 740,643</u>	<u>\$ 530,646</u>
Net profit for the year before providing for income taxes	\$2,644,278	\$2,735,246
<u>Deduct:</u>		
Provision for income taxes	1,032,000	996,000
	<u>\$1,612,278</u>	<u>\$1,739,246</u>
<u>Deduct:</u>		
Appropriation to general contingency and replacement reserve	—	150,000
Net profit for the year	<u>\$1,612,278</u>	<u>\$1,589,246</u>

STATEMENT OF EARNED SURPLUS

Balance at beginning of year	\$3,387,577	\$2,523,407
<u>Add:</u>		
Net profit for the year, as above	1,612,278	1,589,246
	<u>\$4,999,855</u>	<u>\$4,112,653</u>
<u>Deduct:</u>		
Dividends declared and paid	773,414	725,076
Earned surplus, balance December 31	<u>\$4,226,441</u>	<u>\$3,387,577</u>



For Canadians today, as for many years past, this Trade Mark represents leadership in the development of building materials. To home-owners and builders from coast to coast it is a guarantee of dependability in improved roofing, siding, flooring and insulation.

Laboratory-developed and climate-tested products which bear the B.P. Trade Mark have proven their quality by their performance through years of exposure to all weather conditions.

Building Products Limited is Canada's largest manufacturer of asphalt roofings and insulated sidings. The company's record includes the invention of: Thick Butt Asphalt Shingles; INSUL-BOARD, the original asphalt-laminated building and insulating board; insulated outside wall sidings, including the ever popular INSUL-BRIC, INSUL-TEX and INSUL-STONE.

That record of leadership is being maintained today. Canada can continue to look to B.P. for pioneering achievement in the building materials field.

HEAD OFFICE — Montreal, Que.

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

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

ROOFING FACTORIES — Montreal, Hamilton and Winnipeg

QUARRIES — Madoc, Ont.

GRANULE WORKS — Havelock, Ont.

Manufacturers of . . .

ASPHALT ROOFINGS for all types of roofs — including: beautiful and durable B.P. ASPHALT SHINGLES in a wide range of attractive plain and blended colours, giving years of sure protection against all common roofing hazards . . . B.P. BUILT-UP ROOFING, with expert inspection service for roofs, which may be bonded for 10-15-20 years . . . B.P. ROLL ROOFINGS, tough, economical, easily applied.

INSULATED SIDINGS for outside walls — including: INSUL-BRIC, INSUL-TEX and the new INSUL-STONE — to insulate, weatherproof and give a lasting colourful finish requiring no paint . . . B.P. INSULATED INDUSTRIAL SIDING for quick, easy application to frame buildings, to give lasting all-weather protection and insulation.

INSUL-BOARD — panels, lath, and roof insulator — five plies of scientifically prepared fibre board laminated with special asphalt to provide moisture-proof, vapour-seal insulation and structural strength.

B.P. FLORTILE—in many attractive colours; enduring, easily cleaned; applied “tile by tile” in any desired pattern, over EITHER wood or concrete sub-floors.

B.P. ASPHALT COATINGS AND CEMENTS — to make roof repairs and strengthen weak spots, to water-proof 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

