

Building Products
Limited

Annual Report
1948

For the year ending December 31.

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McGILL UNIVERSITY

BUILDING PRODUCTS LIMITED

TO THE SHAREHOLDERS:

Your Directors present their Twenty-Fourth Annual Report, with statements of Assets and Liabilities, Profit and Loss and Earned Surplus accounts, and your Auditors report for the year ending December 31, 1948.

Your company's paper mills and all factories were operated at substantially full capacity during the year.

The volume of net dollar sales attained was not only greater than in the previous year, but again reached a new all time high for the sixth consecutive year.

The final net profit was \$1,589,246.25 compared with \$1,557,373.80 in 1947. The average net profit per dollar of net sales, however, was less in 1948 than in 1947 on account of higher operating costs.

Your Directors decided to transfer from the net profit for the year 1948 a reserve of \$150,000 for contingencies and for meeting the higher costs of replacing fixed assets, for which the current government rates allowed for depreciation may be inadequate.

There was added to fixed assets during the year, land, buildings and machinery to the value of \$508,208.08, fixed assets disposed of by sale or otherwise amounted to \$52,677.08. Approximately 131,000 square feet of land adjoining our property at Ville LaSalle (Montreal) was acquired during the year. A new warehouse of approximately 20,000 square feet, located at 1515 Bloor Street West, Toronto, has been constructed, and

at an early date the Toronto sales office will be transferred to this new building. The property at Halifax which had been under lease to our company for warehouse purposes, prior to the war, has been purchased and once more will provide improved service for our customers in that area. Construction was started late in 1948 of a one storey building, at Ville LaSalle, which will provide an additional 38,000 square feet for manufacturing and storage purposes. At Winnipeg, additions to the present factory of 15,000 square feet are under construction, and this space will also be used for manufacturing and storage. Additions to the paper machine at Winnipeg, when completed in the spring of 1949, will increase the daily output there and make the company's operations in Western Canada entirely independent of our eastern paper mills for its supply of paper.

Working capital at December 31, 1948 was \$3,857,246.25, an increase of \$765,376.95 over the previous year. The ratio of current assets to current liabilities, at that date, was 3.5 to 1 compared with 2.7 to 1 a year ago.

Construction contracts awarded during 1948 reached the highest volume of all time and, according to the records of the Dominion Bureau of Statistics, Canada's housing program entered 1949 with the largest carry over of unfinished residential contracts in history, almost as many as were completed in any entire prewar year. This backlog of unfinished construction contracts should provide a satisfactory volume of business for at least the first six months of the new year. For the entire year the volume of business which may be expected will largely depend upon the volume of new construction contracts which may be started during the year.

During the past few years not only your own company but all other manufacturers of similar building products, have increased the capacities of their factories to meet the substantially increased demand. In most cases the current supply of these products now seems sufficient to meet the current demand and, for this reason, orders are not now being placed as far in advance of actual requirements as formerly.

The quarterly dividend on the no par value shares of the company was increased, beginning with the quarter ending September 30, 1948, from \$0.35 to \$0.40 per share.

As a convenience for our shareholders who are resident in many parts of the United States, the Bank of Montreal Trust Company, of New York City, has been appointed the company's Transfer Agent and Registrar in New York.

It is with regret that we announce the resignation of Mr. J. R. Harris, who had been a Director and a Vice President.

Mr. W. G. Marks, Assistant Treasurer, has been appointed Assistant Secretary.

The Directors wish to acknowledge with deep appreciation the cooperation which was given by the officers and all employees during the past year.

On behalf of the Board of Directors,

W. R. McNEIL,
President.

Montreal, February 3, 1949.

BOARD OF DIRECTORS

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

OFFICERS

<i>Chairman of the Board, President and Managing Director</i>	WILLIAM R. MCNEIL
<i>Vice-President</i>	LESLIE S. ODELL
<i>Vice-President</i>	STUART M. BARCLAY
<i>Vice-President</i>	CHARLES E. TURNER
<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.

February 3, 1949.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the balance sheet of Building Products Limited as at December 31, 1948, 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, 1948, 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 2, 1949.

BUILDING PRO

BALANCE SHEET —

ASSETS		
	1948	1947
CURRENT ASSETS:		
Cash in bank and on hand	\$ 1,518,624.94	\$ 1,150,039.29
Dominion of Canada 1½% bonds—at cost..... (Market value December 31, 1948 — \$1,002,050.00)	1,000,300.00	1,000,000.00
Trade accounts receivable, less bad debt reserve of \$150,000.00	722,845.16	982,802.58
Other accounts receivable	40,559.04	24,199.57
Inventories of raw materials, supplies and finished merchandise, valued at the lower of cost or market..	1,972,567.35	1,654,373.93
Unexpired insurance, prepaid taxes, etc.	135,108.48	104,649.04
Total current assets	<u>\$ 5,390,004.97</u>	<u>\$ 4,916,064.41</u>
REFUNDABLE PORTION		
OF EXCESS PROFITS TAX	\$ 494,747.11	\$ 539,700.85
FIXED ASSETS:		
Land, buildings and equipment, purchase price at date of acquisition in 1926, plus subsequent additions (net) at cost	\$ 4,319,619.25	\$ 3,864,088.25
Less: Reserve for depreciation	2,407,854.03	2,126,315.18
	<u>\$ 1,911,765.22</u>	<u>\$ 1,737,773.07</u>
	<u>\$ 7,796,517.30</u>	<u>\$ 7,193,538.33</u>

APPROVED ON BEHALF OF THE BOARD:

(Signed) Winthrop Brainerd, Director
 " L. S. Odell, Director

PRODUCTS LIMITED

DECEMBER 31 1948

LIABILITIES

	1948	1947
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 867,655.56	\$ 985,059.60
Serial debentures maturing June 1, 1949.....	125,000.00	125,000.00
Income and other taxes.....	540,103.16	714,135.51
Total current liabilities	<u>\$ 1,532,758.72</u>	<u>\$ 1,824,195.11</u>
2¾ PER CENT SERIAL DEBENTURES:		
Maturing in amounts of \$125,000.00 annually June 1, 1949 to 1955:.....		
Authorized and issued.....	\$1,000,000.00	\$ 1,000,000.00
Less: Redeemed and cancelled.....	125,000.00	—
	<u>\$ 875,000.00</u>	<u>\$ 1,000,000.00</u>
Less: Debentures maturing June 1, 1949 included in current liabilities.....	125,000.00	125,000.00
	<u>\$ 750,000.00</u>	<u>\$ 875,000.00</u>
GENERAL CONTINGENCY AND REPLACEMENT RESERVE	<u>\$ 643,071.67</u>	<u>\$ 487,826.56</u>
CAPITAL AND SURPLUS:		
Represented by 483,384 shares without nominal or par value being all of the authorized issue		
	\$ 1,483,110.00	\$ 1,483,110.00
Earned Surplus — Balance, per statement attached.....	3,387,576.91	2,523,406.66
Total capital and surplus	<u>\$ 4,870,686.91</u>	<u>\$ 4,006,516.66</u>
	<u><u>\$ 7,796,517.30</u></u>	<u><u>\$ 7,193,538.33</u></u>

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS DATED
FEBRUARY 2, 1949.

PRICE, WATERHOUSE & CO.

Auditors.

BUILDING PRODUCTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEARS ENDING DECEMBER 31 1948 AND 1947

	1948	1947
Net profit from operations before taking into account the items shown below	\$ 3,243,346.58	\$ 3,470,487.53
Add:		
Interest on investments	20,303.68	20,169.89
Profit on sales of fixed assets.....	2,242.18	1,133.00
	<u>\$ 3,265,892.44</u>	<u>\$ 3,491,790.42</u>
Deduct:		
Provision for depreciation	\$ 311,019.21	\$ 284,202.80
Company's contribution to employees' retirement income plan	54,639.90	48,362.24
Directors' fees	12,886.67	4,938.33
Legal fees	2,611.17	1,076.58
Remuneration to executive officers	123,994.44	111,836.67
Debenture interest	25,494.80	27,500.00
	<u>\$ 530,646.19</u>	<u>\$ 477,916.62</u>
Net profit for the year before providing for income taxes.....	\$ 2,735,246.25	\$ 3,013,873.80
Deduct:		
Provision for income taxes.....	996,000.00	1,456,500.00
	<u>\$ 1,739,246.25</u>	<u>\$ 1,557,373.80</u>
Deduct:		
Appropriation to general contingency and replacement reserve	150,000.00	—
	<u>\$ 1,589,246.25</u>	<u>\$ 1,557,373.80</u>

STATEMENT OF EARNED SURPLUS

Balance at beginning of year	\$ 2,523,406.66	\$ 1,106,392.81
Add:		
Balance of profits, as above.....	1,589,246.25	1,557,373.80
	<u>\$ 4,112,652.91</u>	<u>\$ 2,663,766.61</u>
Deduct:		
Dividends declared and paid	\$ 725,076.00	\$ 580,060.80
Appropriation to reserve for contingencies — inventories	—	50,000.00
Appropriation to reserve for bad debts	—	50,000.00
	<u>\$ 725,076.00</u>	<u>\$ 680,060.80</u>
	<u>\$ 3,387,576.91</u>	<u>\$ 1,983,705.81</u>
Add:		
Amount transferred from deferred surplus, representing refundable portion of excess profits tax	—	539,700.85
Earned surplus, balance December 31	<u>\$ 3,387,576.91</u>	<u>\$ 2,523,406.66</u>



The pioneering tradition which has helped B.P. to become Canada's largest manufacturer of asphalt roofings and insulated sidings was never more in evidence than it is today.

The dependable, climate-tested building materials which bear the B.P. Trade Mark are the products of continuing research and steady development of new manufacturing techniques to further improve the appearance, strength and weather resistance of roofing, siding, flooring and insulation.

To B.P. leadership goes credit for inventing the Thick Butt Asphalt Shingle, now standard throughout North America; the development of INSUL-BOARD, the original asphalt-laminated building board; and the invention of insulated outside wall sidings, including the ever popular INSUL-BRIC and the new exclusive INSUL-TEX.

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: famous B.P. ASPHALT SHINGLES, enduring and colourful, 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 and INSUL-TEX, to insulate, weatherproof and give a lasting colourful finish requiring no paint — B.P. MINE AND INDUSTRIAL SIDING, for speedy construction of frame buildings providing 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. ASPHALT FLOOR TILE — in many attractive colours, enduring, easily cleaned; applied "tile by tile" 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.

Distributors of . . .

FIBERGLAS BUILDING INSULATION — recognized as the finest "fill" insulation in the world today; in eight years reached first place in the highly-competitive insulation field in the United States.

ALBI-"R" FIRE RETARDANT COATING — the only fire retardant coating listed by the famed Underwriters Laboratories, Inc.



T.M. Reg'd.

DEALERS EVERYWHERE IN CANADA

