

Corporation
File

Building Products

Limited

Annual Report

1947

For the year ending December 31.

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McGILL UNIVERSITY

BUILDING PRODUCTS LIMITED

TO THE SHAREHOLDERS:

Your Directors present their Twenty-Third 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, 1947.

Production in all your plants and the volume of sales in both tonnage and dollars reached a new peak in 1947 for the fifth consecutive year. The results reflect the satisfactory improvement accruing from the substantial capital expenditures which were made during the last few years.

The final net profit for the year was \$1,557,373.80, compared with \$1,295,433.93 in 1946. Although the profit was greater in total amount, due to the larger volume of sales and lower excess profits tax, the final net profit for each dollar of net sales was less in 1947 than it was in either 1946 or the prewar year of 1939.

An additional reserve of \$50,000.00 was provided out of surplus account during the year for possible future depreciation of inventories, and the same amount for bad debts.

Additions to fixed assets during the year amounted to \$420,835.23. Working capital was up \$655,910.29 to a total of \$3,091,869.30, and the ratio of current assets to current liabilities was 2.7 to 1 at December 31, 1947 compared with 2.5 to 1 at December 31, 1946.

The dividend on capital shares was increased beginning with the third quarter from an annual rate of \$1.00 per share to an annual rate of \$1.40 per share.

Your company's average selling prices have increased over 1939 by only 20%, whereas the combined average prices of all building materials, according to the latest figures of the Dominion Bureau of Statistics, are up 106%. Some raw materials, of which we use large quantities, have advanced as much as 150% over 1939.

At a regular meeting of the Board, held on July 10, 1947, Mr. Philip R. Allen retired as Chairman and Mr. W. R. McNeil succeeded him. Mr. C. P. Cowan, a Vice-President for fourteen years, became President and Managing Director. At the same time, the following appointments were also made: — Mr. J. R. Harris, Vice-President and General Manager; Mr. L. S. Odell, Vice-President and Director; Mr. S. M. Barclay and Mr. C. E. Turner, Vice-Presidents.

Incoming orders continue at a satisfactory rate and the prospects seem promising for another good year of construction and, therefore, the sale of your company's products. The present high costs are unquestionably curtailing the volume of new construction which might otherwise be done at the present time, but these deferred plans should substantially add to the normal volume of construction to be done over the next few years.

It is with profound sorrow that we record the death of our President and Managing Director, Mr. C. P. Cowan, which occurred on January 10, 1948. He had been associated with this and predecessor companies for thirty-eight years, and a Director for thirty years. At a meeting of the Board of Directors, held on January 22, 1948, Mr. W. R. McNeil, by action of the Board, reassumed the positions of President and Managing Director and will continue as Chairman of the Board. Mr. J. R. Harris was appointed a Director.

For their contribution in making 1947 another satisfactory year of progress, the Directors extend their appreciation to all officers and employees.

On behalf of the Board of Directors,

W. R. McNEIL
President.

Montreal, February 6, 1948.

BOARD OF DIRECTORS

| | |
|---------------------------|----------------------------|
| PHILIP R. ALLEN | JOHN D. JOHNSON |
| WINTHROP BRAINERD | GEORGE H. MONTGOMERY, K.C. |
| JOHN R. HARRIS | WILLIAM R. MCNEIL |
| DANIEL P. HATCH | LESLIE S. ODELL |
| HILTON R. TUDHOPE, O.B.E. | |

OFFICERS

Chairman of the Board, President and

| | |
|---|-------------------|
| <i>Managing Director</i> | WILLIAM R. MCNEIL |
| <i>Vice-President and General Manager . . .</i> | JOHN R. HARRIS |
| <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 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. |

February 10, 1948.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the balance sheet of Building Products Limited as at December 31, 1947, 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, 1947, 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 3, 1948.

BUILDING PRO

BALANCE SHEET —

| ASSETS | | |
|---|----------------------------|----------------------------|
| | 1947 | 1946 |
| CURRENT ASSETS: | | |
| Cash in bank and on hand | \$ 1,150,039.29 | \$ 1,031,747.10 |
| Dominion Government bonds — at cost | 1,000,000.00 | 1,000,000.00 |
| (Market value December 31, 1947 — \$1,007,150.00) | | |
| Trade accounts receivable, less bad debt reserve of \$150,000.00 in 1947 and \$100,000.00 in 1946 | 982,802.58 | 818,077.45 |
| Other accounts receivable | 24,199.57 | 23,040.97 |
| Inventories of stocks on hand valued at the lower of cost or market, as certified by officials of the Company | 1,654,373.93 | 1,085,968.61 |
| Unexpired insurance, prepaid taxes, etc. | 104,649.04 | 84,843.93 |
| | <u>4,916,064.41</u> | <u>4,043,678.06</u> |
| | \$ 4,916,064.41 | \$ 4,043,678.06 |
| REFUNDABLE PORTION | | |
| OF EXCESS PROFITS TAX | \$ 539,700.85 | \$ 539,476.40 |
| | <u>539,700.85</u> | <u>539,476.40</u> |
| | \$ 539,700.85 | \$ 539,476.40 |
| FIXED ASSETS: | | |
| Land, buildings and equipment, purchase price at date of acquisition in 1926, plus subsequent additions (net) at cost | \$ 3,864,088.25 | \$ 3,443,253.02 |
| Less: Reserve for depreciation | 2,126,315.18 | 1,854,815.46 |
| | <u>1,737,773.07</u> | <u>1,588,437.56</u> |
| | \$ 1,737,773.07 | \$ 1,588,437.56 |
| | <u><u>7,193,538.33</u></u> | <u><u>6,171,592.02</u></u> |
| | \$ 7,193,538.33 | \$ 6,171,592.02 |

APPROVED ON BEHALF OF THE BOARD:

(Signed) W. R. McNeil, Director

“ Winthrop Brainerd, Director

UCTS LIMITED

DECEMBER 31 1947

LIABILITIES

| | 1947 | 1946 |
|---|------------------------|------------------------|
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued liabilities | \$ 985,059.60 | \$ 739,214.85 |
| Serial debentures maturing June 1, 1948 | 125,000.00 | — |
| Reserve for Dominion and Provincial taxes on income and other taxes | 714,135.51 | 868,504.20 |
| Total current liabilities | <u>\$ 1,824,195.11</u> | <u>\$ 1,607,719.05</u> |
| 2¼ PER CENT SERIAL DEBENTURES: | | |
| Maturing \$125,000.00 annually June 1, 1948 to June 1, 1955 | \$ 1,000,000.00 | \$ 1,000,000.00 |
| Less: Debentures maturing June 1, 1948 included in current liabilities | 125,000.00 | — |
| | <u>\$ 875,000.00</u> | <u>\$ 1,000,000.00</u> |
| RESERVE FOR CONTINGENCIES | <u>\$ 487,826.56</u> | <u>\$ 434,893.76</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 |
| Deferred Surplus — Refundable portion of excess profits tax | — | 539,476.40 |
| Earned Surplus — Balance per statement attached | 2,523,406.66 | 1,106,392.81 |
| Total capital and surplus | <u>\$ 4,006,516.66</u> | <u>\$ 3,128,979.21</u> |
| | <u>\$ 7,193,538.33</u> | <u>\$ 6,171,592.02</u> |

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS DATED
FEBRUARY 3, 1948.

PRICE, WATERHOUSE & CO.

Auditors.

BUILDING PRODUCTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEARS ENDING DECEMBER 31 1947 AND 1946

| | 1947 | 1946 |
|---|-----------------|-----------------|
| Net profit from operations before taking into account the items shown below | \$ 3,470,487.53 | \$ 3,211,882.89 |
| <u>Add:</u> | | |
| Interest on investments | 20,169.89 | 20,988.72 |
| Profit arising from sales of investments, plant, etc. | 1,133.00 | 4,219.58 |
| | \$ 3,491,790.42 | \$ 3,237,091.19 |
| <u>Deduct:</u> | | |
| Provision for depreciation | \$ 284,202.80 | \$ 241,079.75 |
| Company's contribution to employees' retirement income plan | 48,362.24 | 22,646.72 |
| Directors' fees | 4,938.33 | 3,840.00 |
| Legal fees | 1,076.58 | 1,698.79 |
| Remuneration to executive officers | 111,836.67 | 86,892.00 |
| Debenture interest | 27,500.00 | 27,500.00 |
| | \$ 477,916.62 | \$ 383,657.26 |
| Net profit for the year before providing for taxes on income | \$ 3,013,873.80 | \$ 2,853,433.93 |
| <u>Deduct:</u> | | |
| Provision for Dominion and Provincial taxes on income | 1,456,500.00 | 1,558,000.00 |
| Net profit for the year | \$ 1,557,373.80 | \$ 1,295,433.93 |

STATEMENT OF EARNED SURPLUS

| | | |
|---|-----------------|-----------------|
| Balance at beginning of year | \$ 1,106,392.81 | \$ 1,107,972.09 |
| <u>Add:</u> | | |
| Net profit for the year, as above | 1,557,373.80 | 1,295,433.93 |
| | \$ 2,663,766.61 | \$ 2,403,406.02 |
| <u>Deduct:</u> | | |
| Dividends declared and paid | \$ 580,060.80 | \$ 483,384.00 |
| Employees' retirement income plan — past service contribution | — | 713,629.21 |
| Appropriation to reserve for contingencies — inventories | 50,000.00 | 50,000.00 |
| Appropriation to reserve for bad debts | 50,000.00 | 50,000.00 |
| | \$ 680,060.80 | \$ 1,297,013.21 |
| <u>Add:</u> | \$ 1,983,705.81 | \$ 1,106,392.81 |
| Amount transferred from deferred surplus, representing refundable portion of excess profits tax | 539,700.85 | — |
| Earned surplus, balance December 31 | \$ 2,523,406.66 | \$ 1,106,392.81 |



This Trade Mark is to Canadians the identification and guarantee of dependable, climate-tested building materials. It is the symbol of Canada's largest manufacturers of asphalt roofing products, pioneers in roofing, siding, flooring and insulation specially developed to meet the extreme demands of the Canadian weather.

Among B.P. pioneering achievements have been: the invention of the Thick Butt Asphalt Shingle which is now the standard throughout North America; the development of INSUL-BOARD, the original asphalt-laminated building board; the invention of insulated outside wall sidings, including the popular INSUL-BRIC.

Continuing B.P. leadership in research and the development of improved manufacturing techniques have made the strength and weather-resistance of such products today greater than ever. Latest contribution of B.P. research to the comfort and beauty of Canadian homes is the amazing new INSUL-BOARD DRY WALL which is proudly acclaimed as "the finish of the future."

HEAD OFFICE — Montreal, Que. (P.O. Box 6063)

SALES OFFICES — 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.

INSUL-BRICK SIDING — for outside walls — it insulates, weatherproofs and gives to wood-sided walls a lasting, colourful finish requiring no paint; also B.P. MINE AND INDUSTRIAL SIDING, applied to frame buildings for all-weather protection, insulation and speedy construction.

INSUL-BOARD — in the form of panels, lath, and roof insulator with five plies of scientifically-prepared board integrated with special asphalt to combine moisture-proof, vapour-seal insulation and structural strength.

B.P. ASPHALT FLOOR TILE — in many attractive colours, enduring, easily cleaned; applied by Approved Flooring Contractors “tile by tile” over EITHER wood or concrete sub-floors.

B.P. ASPHALT PAINTS 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.



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