



Building Products Limited

Annual Report
1938

For the year ending December 31st.

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McGILL UNIVERSITY

BUILDING PRODUCTS LIMITED

THE Directors present to the Shareholders their Annual Report with the Company's Balance Sheet and Statement of Profit and Loss as at December 31, 1938.

Net profit for the year was \$373,993.66 after providing Reserves for Depreciation and all known contingencies, and after charging against the year's operations, non-recurring expenses of \$41,836.24 to cover the loss of property by floods at Portneuf and for changing the Company's capital shares. This compares with a net profit of \$362,985.28 in 1937.

Floods in September caused a practically total loss of the paper mill property at Portneuf but fortunately all machinery and equipment had been removed during the winter of 1936-1937 to Pont Rouge, where all of the paper making operations of your Company are now carried on. The amount which has been charged against 1938 operations represents the balance which remained in the Portneuf Property Account and would have been larger had not these assets been arbitrarily reduced to a nominal value in 1936.

In December the Company's capital shares were reclassified so as to provide only one class of shares and each of the then existing shares was subdivided into four shares without nominal or par value and with full voting rights.

During the year the Dominion Government passed the National Housing Act, providing greater assistance to those who desire to build homes, than did the former Dominion Housing Act and in June, building materials including our own, when used for construction purposes were exempted from sales tax. While in value, total construction contracts awarded in 1938 were 16% less than in 1937, the number of contracts awarded for residences was 2% greater, indicating that the Government's efforts to stimulate this type of construction are already producing results.

The construction of more new houses should increase the use of your Company's products just as the Home Improvement Plan has done and is still doing.

We beg to suggest that when you require roofing, siding, insulation, wallboard or flooring, that you select those bearing your Company's trade mark and name.

W. R. McNEIL,

President.

Montreal, January 20, 1939.

BUILDING PRODUCTS LIMITED

(INCORPORATED UNDER THE LAWS OF THE DOMINION OF CANADA)

BALANCE SHEET

DECEMBER 31ST 1938

ASSETS	LIABILITIES
CURRENT AND WORKING ASSETS:	CURRENT LIABILITIES:
Inventories of Stocks on hand as certified by the Management, valued at the lower of cost or market price \$ 510,217.21	Accounts Payable and Accrued Liabilities \$ 114,951.75
Trade Accounts Receivable (less Bad Debt Reserve) 257,299.88	Provision for Dominion, Provincial and other Taxes 88,285.11
Other Accounts Receivable 12,196.27	\$ 203,236.86
Dominion Government Bonds at cost (less Reserve) (Market value, December 31st 1938— \$958,756.25) 934,703.75	RESERVE FOR CONTINGENCIES: 225,491.81
Cash in Bank and on Hand 416,145.26	CAPITAL AND SURPLUS:
Insurance unexpired and Taxes prepaid etc. 9,431.35	Represented by 483,384 shares without nominal or par value—being all of the authorized issue 1,483,110.00
\$ 2,139,993.72	Under Supplementary Letters Patent dated December 14th, 1938, the authorized capital of the Company was stated as 483,384 shares without nominal or par value. These were exchangeable for 116,346 Class "A" Shares and 4,500 Class "B" Shares
PROPERTY ACCOUNT:	on the basis of 4 new shares for one of each of the old shares. At December 31st, 1938, 9,442 Class "A" Shares had been so exchanged.
Land, Buildings and Equipment, purchase price at date of acquisition in 1926, plus subsequent additions (net) at cost 1,637,511.60	EARNED SURPLUS:
Less: Reserve for Depreciation 941,708.86	Balance as per statement attached 923,957.79
695,802.74	2,407,067.79
<u>\$ 2,835,796.46</u>	<u>\$ 2,835,796.46</u>

Approved on behalf of the Board:
 (Signed) W. R. McNeil, Director.
 " Winthrop Brainerd, Director.

NOTE:—
 Contingent Liability in respect of Customers Notes Discounted \$18,086.50

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of Building Products Limited for the year ending December 31st 1938 and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Balance Sheet at December 31st 1938 is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

MONTREAL, January 18th, 1939.

PRICE, WATERHOUSE & CO.,
 Auditors.

BUILDING PRODUCTS LIMITED

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

YEAR ENDING DECEMBER 31ST 1938

Net Profit from Operations for the year ending December 31st 1938, before taking into account the items shown below		\$ 637,432.19
ADD: Interest on Investments	\$ 20,997.39	
Profit on Investments less amount appro- priated to write off premiums on bonds pur- chased above par	1,182.50	22,179.89
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DEDUCT: Provision for Depreciation	\$ 59,619.44	\$ 659,612.08
Transferred to Contingent Reserve	7,355.71	
Directors Fees	3,260.00	
Legal Fees	2,467.20	
Remuneration to Executive Officers	84,541.00	
Expenses in connection with the reclassifi- cation and subdivision of the Company's Shares	5,163.76	
Loss of Assets at Portneuf due to floods.....	36,672.48	
Provision for Dominion and Provincial Income Taxes	86,538.83	285,618.42
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Net Profit for the year after providing for Income Taxes thereon		\$ 373,993.66
Earned Surplus Balance at December 31st, 1937.....		864,163.73
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DEDUCT: Dividends declared and Paid		\$ 1,238,157.39
		314,199.60
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Earned Surplus Balance at December 31st, 1938.....		\$ 923,957.79
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BUILDING PRODUCTS LIMITED

BOARD OF DIRECTORS

- PHILIP R. ALLEN, *Chairman of the Board*
Bird & Son, Inc.
- WINTHROP BRAINERD, *Vice-President*
Canadian Industries Limited
- C. P. COWAN, *Vice-President*
Building Products Limited
- R. C. CROOKER, *Secretary-Treasurer*
Building Products Limited
- D. P. HATCH, *Vice-President*
Building Products Limited
- G. H. MONTGOMERY, K.C.
Montgomery, McMichael, Common & Howard
- G. M. MCKEE, *Assistant to the President*
Consolidated Paper Corporation, Limited
- W. R. McNEIL, *President*
Building Products Limited
- H. R. TUDHOPE, *President*
A. E. Ames & Co., Limited
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OFFICERS

Chairman of the Board

PHILIP R. ALLEN

President

W. R. McNEIL

Vice-Presidents

C. P. COWAN—D. P. HATCH

Secretary-Treasurer

R. C. CROOKER

HEAD OFFICE—Montreal, Canada

SALES OFFICES—Montreal, Toronto, Hamilton and
Winnipeg

PAPER MILL—Pont Rouge, Que.

ROOFING FACTORIES—Montreal, Que., Hamilton, Ont.,
Winnipeg, Man.

QUARRIES—Verona, Ont.

