

Building Products

Limited

Annual Report

1940

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For the year ending December 31st.

McGILL UNIVERSITY

BUILDING PRODUCTS LIMITED

THE Directors have pleasure in presenting to the Shareholders their Annual Report with the Company's Balance Sheet, Statement of Profit and Loss and Surplus as at December 31st, 1940.

BUILDING PRODUCTS LIMITED

FINAL Net Profit from all sources was \$413,843.50, or \$.86 per Capital Share, after providing Reserves for Depreciation at authorized Government rates, Income and Excess Profits Taxes as calculated at the present time and for all known contingencies. This compares with a net profit of \$487,597.09 or \$1.01 per share in 1939.

The amount which has been provided for Dominion and Provincial Income Taxes and for the Dominion Excess Profits Tax is equal to \$.91 per share. This represents an increase of \$.70 per share over similar charges in 1939. Income taxes applicable to 1939 operations were equivalent to \$.21 per share.

Again in 1940 the volume of business reached an all-time high even after excluding possible non-recurring orders received direct from the Department of Munitions and Supply, and shipments of considerable proportion to Great Britain.

Building activity in 1940 was the highest in ten years, although residential building remained about the same as in 1939. Construction under the Commonwealth Air Training Plan and the expansion of industrial plants for war purposes reached an unusually high level.

Our domestic business was again aided by the Home Improvement Plan of the Federal Government which was terminated on October 31st. and also by the National Housing Act which remains in force.

The usual program of repairs and replacements required to keep your properties at a high level of efficiency was continued throughout the year, and the value of land, buildings and equipment was increased by \$263,115.00.

The land and buildings at Portneuf which had been carried in the Property Account at only a nominal value have been sold. This property had been non-productive since operations formerly carried on there were consolidated with the operations at Pont Rouge during the winter of 1936-1937.

If the amounts due from sales to the Dominion Government and to reliable export customers are excluded, Accounts Receivable bear only a normal ratio to sales to our regular customers. An adequate reserve has been provided for doubtful accounts as usual.

BUILDING PRODUCTS LIMITED

The equipment which was installed at the Pont Rouge Mill during 1939 to supplement the supply of important raw materials available in only limited quantities from outside sources, made it possible to operate this mill at full capacity, in fact 24% more paper was produced than in 1939 or double the tonnage produced in 1935. Our total requirements of paper, however, forced us to purchase additional supplies from other mills.

Construction of the new paper mill at Winnipeg was started in June and put on maximum production basis in October. It is the only mill of its kind in the Prairie Provinces, and in addition to supplying the roofing factory, established there in 1935, with the semi-finished materials heretofore sent from the East, it is producing completely finished products which have been made only at the Pont Rouge Mill in the past. This new mill has enabled us to lower prices in the Western Provinces on most products to substantially the level of prices currently in effect in the Eastern Provinces.

It is believed that the combined output of the Pont Rouge and Winnipeg paper mills will be sufficient to provide all the paper required for our domestic business and for a reasonable quota of export orders as well in 1941.

The current rate of operations and the probable continued demand for the Company's products for both normal and war purposes indicate another year of record production.

We wish to express our sincere appreciation to all employees for the fine spirit of co-operation shown by them throughout the year.

On behalf of the Board of Directors,

W. R. McNEIL,
President.

Montreal, February 5th, 1941.

BUILDING PRODUCTS LIMITED

(INCORPORATED UNDER THE LAWS OF THE DOMINION OF CANADA)

BALANCE SHEET

DECEMBER 31ST 1940

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	\$ 624,940.30	Accounts Payable and Accrued Liabilities	\$ 293,146.39
Trade Accounts Receivable (less Bad Debt Reserve)	730,869.09	Provision for Dominion, Provincial and Other Taxes	447,122.72
Other Accounts Receivable	11,636.64		\$ 740,269.11
Dominion Government Bonds at cost (less Reserve)	1,007,911.25	RESERVE FOR CONTINGENCIES:	245,059.50
(Market Value December 31st 1940— \$1,016,631.25)		CAPITAL AND SURPLUS:	
Cash in Bank and on Hand	153,033.09	Represented by 483,384 shares without nominal or par value—being all of the authorized issue.....	\$ 1,483,110.00
Insurance Unexpired and Taxes prepaid etc.	12,819.90	NOTE: Of the above shares 6,100 are held by Montreal Trust Company for exchange of 1,525 old Class A shares.	
	\$ 2,541,210.27	EARNED SURPLUS:	
PROPERTY ACCOUNT:		Balance as per statement attached	1,033,079.06
Land, Buildings and Equipment, purchase price at date of acquisition in 1926, plus subsequent additions (net) at cost	2,031,249.95		2,516,189.06
Less: Reserve for Depreciation	1,070,942.46		
	960,307.49		
	\$ 3,501,517.76		\$ 3,501,517.76

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

NOTE:—
 Contingent Liability in respect of
 Customers Notes Discounted \$7,212.51

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, 1940, 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 1940 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, February 5th, 1941.

PRICE, WATERHOUSE & CO.,
Auditors.

BUILDING PRODUCTS LIMITED

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

YEAR ENDING DECEMBER 31ST 1940

Net Profit from Operations for the year ending December 31st 1940, before taking into account the items shown below			\$ 1,020,214.85
ADD: Interest on Investments	\$	19,724.75	
Profit on Investments		9,375.00	29,099.75
			\$ 1,049,314.60
DEDUCT: Provision for Depreciation.....	\$	99,358.73	
Directors' Fees		3,360.00	
Legal Fees		1,382.58	
Remuneration to Executive Officers.....		91,369.79	
Provision for Dominion and Provincial Income Taxes		440,000.00	635,471.10
			\$ 413,843.50
Net Profit for the year after providing for Income Taxes thereon			\$ 413,843.50
Earned Surplus, Balance at December 31st, 1939.....		1,024,847.68	
DEDUCT: Income Taxes applicable to prior years		18,904.92	1,005,942.76
			\$ 1,419,786.26
DEDUCT: Dividends declared and paid.....			386,707.20
			\$ 1,033,079.06
Earned Surplus, Balance at December 31st, 1940.....			\$ 1,033,079.06

Building Products Limited

HEAD OFFICE — MONTREAL

BOARD OF DIRECTORS

PHILIP R. ALLEN	DANIEL P. HATCH
WINTHROP BRAINERD	GEORGE H. MONTGOMERY, K.C.
CLARENCE P. COWAN	GEORGE M. MCKEE
ROY C. CROOKER	WILLIAM R. McNEIL
HILTON R. TUDHOPE	

OFFICERS

<i>Chairman of the Board</i>	PHILIP R. ALLEN
<i>President</i>	WILLIAM R. McNEIL
<i>Vice-President</i>	CLARENCE P. COWAN
<i>Vice-President</i>	DANIEL P. HATCH
<i>Secretary-Treasurer</i>	ROY C. CROOKER

<i>Transfer Agent</i>	MONTREAL TRUST Co., Toronto, Ont. — Montreal, Que.
<i>Registrar</i>	NATIONAL TRUST Co. LIMITED, Toronto, Ont. — Montreal, Que.

BUILDING PRODUCTS LIMITED

FOR the construction of all types of new buildings and for most repair jobs, there is a product of this Company which meets the most exacting requirements.

ROOFINGS—In many colors in roll or shingle form. Also the built-up type.

SIDINGS—In panels which simulate brick, stucco or cement blocks.

INSULATION—In rigid panels for wall construction or plaster base.

FLOORING—In tile form and many striking colors.

BUILDING PAPERS

BLACK PAINTS AND CEMENTS



SALES OFFICES—Montreal, Toronto, Hamilton and Winnipeg.

PAPER MILLS—Pont Rouge, Que. and Winnipeg.

ROOFING FACTORIES—Montreal, Hamilton, Winnipeg.

QUARRIES—Verona, Ont.

