

Building Products

Limited

Annual Report

1942

For the year ending December 31.

JURVIS HALL
LIBRARIES

JUN 10 1946

McGILL UNIVERSITY

BUILDING PRODUCTS LIMITED

THE Directors have pleasure in presenting to the Shareholders their Annual Report with the Company's Balance Sheet and statement of Profit and Loss as at December 31, 1942, and the report of the Auditors.

After adequately providing for the customary reserves and taxes, the Net Profit available for dividends was \$425,008.94, or \$0.88 per share compared with \$0.98 per share in the previous year. Profits exceeded the dividends paid during the year in the amount of \$38,301.74, and it was decided to transfer this sum to the Reserve for Contingencies Account.

Federal Income and Excess Profits Taxes of \$638,000.00 or \$1.32 per share, were \$0.30 per share higher than in the previous year when they were \$495,000.00. The refundable portion is calculated at \$51,909.37, or \$0.10 per share. Had the current rates been in effect during the full year, these taxes would have been equal to approximately \$1.52 per share, with \$0.21 per share refundable.

Surplus funds not required in the conduct of the business are invested exclusively in Dominion of Canada bonds, substantially all of them in the war issues, including \$500,000.00 of the recent Third Victory Loan.

The volume of sales consumed the full rated capacity of your paper mills, and sales would have been larger on some products but for this lack of capacity, and on still others except for the short supply of certain raw materials.

A larger portion of sales than during the previous year went into direct war projects. Contracts awarded for residences during the year, showed an increase in units, a large part of which were erected at war production centres under the sponsorship of Wartime Housing Limited. While the total value of all construction contracts awarded was down nearly thirty percent, the types of buildings into which this Company's products usually go were only off about ten percent.

BUILDING PRODUCTS LIMITED

In accordance with the usual practice, all of your properties have been well maintained as to repairs and efficiency.

Early in the year at the site of the paper mill at Winnipeg, the construction of new buildings was completed, and the machinery for making roofing transferred into them from the formerly owned property on Midland Street. The expected benefits accruing from this centralization of manufacturing operations are now being realized.

In addition to the rock crushing operations which have been carried on at Madoc, Ontario, there is now being installed at Havelock, Ontario, an additional unit to ensure a continuous supply of this important raw material.

Asphalt, one of the Company's major raw materials, has been in short supply since July 1st, by order of the Oil Controller. In collaboration with the Wartime Prices and Trade Board and other manufacturers making similar products, it became advisable to reduce the number of types and colors of roofings and other products, so that the curtailed supply might be stretched as far as possible. While these changes helped they fell short of providing sufficient of the goods which use asphalt to supply all of the demand. Fortunately the Company's group of products is a diversified one, and some use little or no asphalt.

Because the output of finished products has not been sufficient to meet the demand, it was decided to temporarily close the warehouses which have been maintained at Halifax, Saint John and Toronto. Under the circumstances, we believe that better service can be provided by making shipments direct from the factories.

The short supply of asphalt has also made it advisable to consolidate certain manufacturing operations which heretofore have been carried on at both Montreal and Hamilton. These changes which are also only temporary, have released a number of men for other work. Prior to the war, women had never been

BUILDING PRODUCTS LIMITED

employed in your factories. At the present time, however, they represent twenty-five percent of all employees in the roofing factories.

At the Pont Rouge paper mill curtailment in supply of electric power, by order of the Power Controller, will require changes in operations to maintain the output at or near the normal level.

While restrictions already placed upon new construction are bound to effect the total value of new construction, there is a general feeling that the war effort in many districts is still being hindered by the lack of sufficient or suitable housing. It seems likely, therefore, that there will be additional residential construction in these crowded areas. There should also be a sizeable amount of repair work done during the current year, and even though the individual jobs may be unimportant in themselves, the aggregate of them may run into a substantial figure. The products of your Company being particularly well adapted for use on the farms, a reasonably good volume of business may also be expected from this source.

The volume of orders currently being received indicates that the total output of your paper mills will be required, at least for some few months to come.

We have reason to be proud of this Company's employees, more than fifteen percent of whom are now serving their Country as members of His Majesty's Forces. All on the Home Front have responded splendidly to the appeals to buy Victory Bonds and War Savings Certificates.

We wish to record our appreciation of the splendid spirit of co-operation which was so generally given by employees during the year.

On behalf of the Board of Directors,

W. R. McNEIL,
President.

Montreal, February 5, 1943.

BUILDING PRODUCTS LIMITED

(INCORPORATED UNDER THE LAWS OF THE DOMINION OF CANADA)

BALANCE SHEET

DECEMBER 31, 1942

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	\$ 657,941.74	Accounts Payable and Accrued Liabilities.....	\$ 305,111.07
Trade Accounts Receivable (less Bad Debt Reserve)	474,635.23	Reserve for Dominion Income and Excess Profits and Other Taxes after prepayment of \$291,290.76 to the Dominion Government.....	393,189.95
Other Accounts Receivable	38,114.42		\$ 698,301.02
Dominion Government Bonds at cost (less Reserve) (Market Value December 31, 1942—\$1,124,621.50)	1,123,000.00	RESERVE FOR CONTINGENCIES	306,628.77
Cash in Bank and on Hand.....	288,401.20	RESERVE FOR FUTURE DEPRECIATION IN INVENTORY VALUES	50,000.00
Insurance Unexpired and Taxes Prepaid, etc.	33,404.76	CAPITAL AND SURPLUS:	
	\$ 2,615,497.35	Represented by 483,384 shares without nominal or par value, being all of the authorized issue	\$ 1,483,110.00
Refundable Portion of Excess Profits Tax	51,909.37	NOTE: Of the above mentioned shares 3,328 are held by Montreal Trust Company for exchange of 832 old Class A shares.	
PROPERTY ACCOUNT:		DEFERRED SURPLUS:	
Land, Buildings and Equipment, purchase price at date of acquisition in 1926, plus subsequent additions (net) at cost	2,245,567.32	Refundable Portion of Excess Profits Tax.....	51,909.37
Less: Reserve for Depreciation	1,250,897.79	EARNED SURPLUS:	
	994,669.53	Balance as per statement attached	1,072,127.09
			2,607,146.46
	\$ 3,662,076.25		\$ 3,662,076.25

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

Contingent Liability in respect of Customers'
 Notes Discounted \$68,810.48

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of Building Products Limited for the year ending December 31, 1942, 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 31, 1942 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 5, 1943.

PRICE, WATERHOUSE & CO.,
 Auditors.

BUILDING PRODUCTS LIMITED

STATEMENT OF PROFIT & LOSS AND EARNED SURPLUS

FOR THE YEAR ENDING DECEMBER 31, 1942

Net Profit from Operations for the year ending December 31, 1942, before taking into account the items shown below		\$ 1,236,256.42
ADD: Interest on Investments	17,077.25	
Profit arising from sales of Investments, Plant, etc.	11,193.55	28,270.80
		\$ 1,264,527.22
DEDUCT: Provision for Depreciation.....	\$ 108,373.06	
Directors' Fees	3,240.00	
Legal Fees	991.40	
Remuneration to Executive Officers.....	88,913.82	
Provision for Dominion Income and Excess Profits Taxes	638,000.00	839,518.28
Net Profit for the year after providing for Income Taxes thereon		\$ 425,008.94
Earned Surplus Balance December 31, 1941		1,072,127.09
		\$ 1,497,136.03
DEDUCT: Dividends declared and paid.....	\$ 386,707.20	
Transferred to Reserve for Contingencies....	38,301.74	425,008.94
Earned Surplus Balance December 31, 1942.....		\$ 1,072,127.09

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

In addition to the direct contribution that this Company is making to the war effort, by supplying its many building products for the construction and maintenance of all the various types and kinds of buildings which are required to carry out the Country's tremendous war program, we are providing the civilian population with important insulation products which are greatly aiding in the conservation of fuel.

Outstanding among these insulation products, is the famous B. P. Insul-Ated Sidings for exterior walls of buildings of wood construction. For interior use, on walls, floors and ceilings, there is B. P. Insul-Board, a rigid fibre board, that helps in reducing fuel consumption by keeping out cold.

Also made by this Company are B. P. Asphalt Roofings, in shingle and roll form, and B. P. Asphalt Composition Tiles for floors.



SALES OFFICES—Montreal, Toronto, Hamilton and Winnipeg.

PAPER MILLS—Pont Rouge, Que. and Winnipeg.

ROOFING FACTORIES—Montreal, Hamilton, Winnipeg.

QUARRIES—Madoc and Havelock, Ont.

