

Building Products Limited

Annual Report
1943

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For the year ending December 31.

10 1943

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, 1943, and the report of the Auditors.

The final net profit of your company, after income and excess profits taxes, for the year 1943 was \$318,500.58. Before taxes the net profit was \$1,347,500.58. The corresponding figures for the previous year were \$425,008.94 and \$1,063,008.94 respectively.

The refundable portion of the excess profits taxes for the year 1943 has been calculated at \$159,671.83, while in the previous year it was \$51,909.37.

Reduced selling expenses, including advertising, contributed to a higher net profit prior to taxes, but final net profit after taxes was lower because the higher rates of taxes were in effect during the whole of 1943, but only for six months of 1942.

Current assets of \$2,800,182.49 were at the ratio of 3.3 to 1 of current liabilities at the close of 1943, while working capital was \$1,952,929.30.

Plants have been kept in a good condition of repair, insofar as materials and labor were available. During the year capital expenditures amounted to \$98,435.15.

The volume of sales was well maintained, and used the full rated capacity of the paper mills. Government orders received during the year were less than one-half of the volume of the previous year, and export sales were of small proportion. Throughout the year, however, the domestic demand for goods exceeded the

BUILDING PRODUCTS LIMITED

supply, and it was therefore necessary to allot the output in accordance with customers past purchases.

The total value of all construction contracts awarded dropped 27% below the previous year's volume. Construction of residences, however, held at substantially the same level as in 1942, and it is for this class of construction that the products of your company have found their best market. This satisfactory showing in residential construction was attained in spite of shortages of materials, and wartime regulations which have permitted only the building of houses of extremely limited dimensions. Recently there has been some easing of these regulations, and all signs now point to a continued favorable trend in this particular type of construction. The class of products called for in current orders clearly indicates that a substantial part of the output of your mills is still being used for the repair and renovation of old buildings, especially those on the farms.

By Order of the Oil Controller, all restrictions were removed on supplies of asphalt on December 1, 1943. Assured supplies of this important raw material in adequate quantities justify the re-opening of the roofing division at Hamilton, and also the re-instatement in the line of products certain types of roofing which had been discontinued but without which the trade could not satisfactorily meet its customers essential requirements.

Anticipated shortages of other raw materials, especially waste paper, rags, and wood pulp, are causing some concern, and it is for this reason that additional equipment is to be installed in the paper mills so that the company's operations will become less dependent upon other sources for its most essential raw materials. The physical assets of the St. Basile Paper Company

BUILDING PRODUCTS LIMITED

Inc. In Bankruptcy, St. Basile, Quebec, were acquired during the year at a cost of \$8,000.00, and the machinery and equipment will be dismantled and used at the Pont Rouge and Winnipeg paper mills.

During the year the work of extending the rock crushing and coloring operations at Havelock and Madoc, Ontario, was completed. An adequate supply of this important raw material is now assured.

It is expected that the full output of your paper mills will be required for some time to come to make the roofings, insulating board and our other building products for which the demand still exceeds the supply.

Nearly 25% of our employees are now serving as members of His Majesty's Forces, and we honor the memory of three who have paid the supreme sacrifice.

To all employees who helped to keep the mills in production throughout the year, and to those in other departments who, in their own way, rendered loyal service under very trying conditions, the company extends its sincere appreciation.

On behalf of the Board of Directors,

W. R. McNEIL,
President.

Montreal, February 2, 1944.

BUILDING PRODUCTS LIMITED

(INCORPORATED UNDER THE LAWS OF THE DOMINION OF CANADA)

BALANCE SHEET

DECEMBER 31, 1943

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	\$ 628,016.10	Accounts Payable and Accrued Liabilities.....	\$ 273,329.29
Trade Accounts Receivable (less Bad Debt Reserve)	500,549.27	Reserve for Dominion Income and Excess Profits and Other Taxes after prepayment of \$480,000.00 to the Dominion Government.....	573,923.90
Other Accounts Receivable	48,657.08		<u>\$ 847,253.19</u>
Dominion Government Bonds at cost (less Reserve) (Market Value December 31, 1943— \$1,325,612.50)	1,325,000.00	RESERVE FOR CONTINGENCIES	299,781.16
Cash in Bank and on Hand.....	275,183.44	RESERVE FOR FUTURE DEPRECIATION IN INVENTORY VALUES	50,000.00
Insurance Unexpired and Taxes Prepaid, etc.	22,776.60	CAPITAL AND SURPLUS:	
	<u>\$ 2,800,182.49</u>	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	211,581.20	NOTE: Of the above mentioned shares 2,656 are held by Montreal Trust Company for exchange of 664 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	2,341,291.08	Refundable Portion of Excess Profits Tax.....	211,581.20
Less: Reserve for Depreciation	1,360,731.95	EARNED SURPLUS:	
	<u>980,559.13</u>	Balance as per statement attached	1,100,597.27
			<u>2,795,288.47</u>
	<u><u>\$ 3,992,322.82</u></u>		<u><u>\$ 3,992,322.82</u></u>

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

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, 1943, 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, 1943 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 2, 1944.

PRICE, WATERHOUSE & CO.,
Auditors.

BUILDING PRODUCTS LIMITED

STATEMENT OF PROFIT & LOSS AND EARNED SURPLUS

FOR THE YEAR ENDING DECEMBER 31, 1943

Net Profit from Operations for the year ending December 31, 1943, before taking into account the items shown below		\$ 1,523,361.64
ADD: Interest on Investments	21,561.83	
Profit arising from sales of Investments, Plant, etc.	3,077.88	
	<hr/>	24,639.71
		<hr/>
		\$ 1,548,001.35
DEDUCT: Provision for Depreciation.....	\$ 112,188.27	
Directors' Fees	3,220.00	
Legal Fees	1,632.50	
Remuneration to Executive Officers.....	83,460.00	
Provision for Dominion Income and Excess Profits Taxes	1,029,000.00	1,229,500.77
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Net Profit for the year after providing for Income Taxes thereon		\$ 318,500.58
Earned Surplus Balance December 31, 1942		1,072,127.09
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		\$ 1,390,627.67
DEDUCT: Dividends declared and paid.....		\$ 290,030.40
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Earned Surplus Balance December 31, 1943.....		\$ 1,100,597.27
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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

Transfer Agent MONTREAL TRUST Co.,
Toronto, Ont. — Montreal, Que.

Registrar NATIONAL TRUST Co. LIMITED,
Toronto, Ont. — Montreal, Que.

BUILDING PRODUCTS LIMITED

The products made by your company are put to many different uses, under many different conditions, but in all cases they serve one or both of these essential purposes —

INSULATION AGAINST COLD AND HEAT and
WEATHER PROTECTION AGAINST SUN,
RAIN AND SNOW.

Insulation Products

Insul-Board—For inside walls and ceilings.

Insul-Ated Sidings—For outside walls.

Weather Protection Products

Asphalt Shingles—For residences and public buildings.

Asphalt Roofings in rolls—For farm buildings and general use.

Built-Up-Roofs—For factories and warehouses.

Other B. P. Products

Asphalt Tile—For floors.

Asphalt Paints and Cements (black)—For general use.



SALES OFFICES—Montreal, Toronto, Hamilton and Winnipeg.

PAPER MILLS—Pont Rouge, Que. and Winnipeg.

ROOFING FACTORIES—Montreal, Hamilton and Winnipeg.

QUARRIES—Madoc, Ont. — Granule Works — Havelock, Ont.

