

Building Products Limited

Annual Report
1944

PURVIS HALL *For the year ending December 31.*
LIBRARIES

JAN 10 1946

MCGILL UNIVERSITY

BUILDING PRODUCTS LIMITED

THE Directors have pleasure in presenting to the Shareholders their Annual Report, the report of the Auditors, and the Company's Balance Sheet and statement of Profit and Loss as at December 31, 1944.

The final net profit from the year's operations, after deduction of all taxes, and excluding the refundable tax, was \$334,413.79 comparing with \$318,500.58 for the year 1943, while prior to the deduction of income and excess profits taxes there was a decrease in earnings of \$13,086.79. At December 31st the cumulative total of the refundable portion of the excess profits tax was \$366,915.04.

The balance of the year's net profit remaining after the payment of dividends \$44,383.39, has been set apart as a reserve to provide for yet undetermined refunds, if any, which may be required in respect to re-negotiation of Government war contracts.

Current assets as at December 31, 1944 were valued at \$2,789,371.29, a ratio of 3.27 to 1 of current liabilities. Working capital remained only slightly changed from the previous year at \$1,936,885.48.

While essential repairs and maintenance of properties were somewhat limited, due to the scarcity of labor and materials, all major repairs were completed, and the property account was increased by \$186,985.59 prior to deduction of reserve for depreciation.

The volume of sales attained an all time high in spite of scarcities of certain important raw materials and a continued shortage of manpower. A good volume of orders was carried forward into the new year, because your paper mills were unable to meet the heavy demands for the company's products,

BUILDING PRODUCTS LIMITED

and this condition has required keeping in force the plan of allocating the mills production so that all customers will receive an equitable share.

The total value of all construction contracts awarded during the past year, according to MacLean's Building Reports, exceeded the volume of 1943 by over 40%. The number of residential units alone was up nearly 25% and, in fact, reached a higher level than in any previous year on record. This upward trend in residential construction would seem to confirm the opinion of well informed authorities that during the early postwar period an extensive program of residential construction may be expected.

The 1944 regulations of the National Housing Act, Part 1, which recently became operative, will unquestionably play an important part in stimulating construction. This legislation provides for the building of new homes with Government guaranteed loans through authorized lending institutions at low rates of interest, and long terms for re-payment.

While an increase in new residential construction always creates a proportionately larger market for your company's products, their use for the repair and maintenance of properties will probably, as in the past, continue to account for approximately one-half of the company's total sales.

During the past few months an active interest in certain of the company's products has emanated from those sources which are concerned with re-construction in Great Britain and France, and already orders for shipment abroad, during the current year, have been accepted up to the rated capacity of your mills, after making full provision for meeting the requirements of domestic customers.

BUILDING PRODUCTS LIMITED

Not only have your mills been unable to take care of the demands made upon them during the war years, but in the opinion of your Directors this same condition is likely to continue for sometime to come. It was for this reason that it has been decided to proceed with the construction of a new paper mill at the site of the Montreal (Ville LaSalle) works, which, when completed, will bring to the total of three the entirely separate paper mills to be operated by your company, the others being located at Pont Rouge, Quebec, and Winnipeg.

The new paper mill at Montreal, and the additional investment required at the Pont Rouge mill to complete this particular program of expansion, will represent an investment of approximately \$500,000.00, which will be financed with the company's own funds. Unless unforeseen delays occur, this new paper mill will begin production during the early part of this summer.

A few of those employees who have been serving with His Majesty's forces have rejoined the organization, and it is hoped that during the coming year many more of them will not only return home, but will once more become active members of the B.P. family.

The Directors wish to record their appreciation to all of those who, by their continued faithful services, have helped the company to complete another year of satisfactory progress.

On behalf of the Board of Directors,

W. R. McNEIL,
President.

Montreal, February 2, 1945.

BUILDING PRODUCTS LIMITED

(INCORPORATED UNDER THE LAWS OF THE DOMINION OF CANADA)

BALANCE SHEET

DECEMBER 31, 1944

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	\$ 736,453.43	Accounts Payable and Accrued Liabilities	\$ 317,217.41
Trade Accounts Receivable (less Bad Debt Reserve)	511,262.72	Reserve for Dominion Income and Excess Profits and Other Taxes after prepayment of \$517,800.00 to the Dominion Government	535,268.40
Other Accounts Receivable	70,500.85		\$ 852,485.81
Dominion Government Bonds at cost	1,225,000.00	RESERVE FOR CONTINGENCIES (Including \$50,000.00 previously carried as a reserve for future Depreciation in Inventory Values)	398,939.16
(Market Value December 31, 1944— \$1,226,850.00)		CAPITAL AND SURPLUS:	
Cash in Bank and on Hand	181,192.33	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.....	64,961.96	NOTE: Of the above mentioned shares 1,804 are held by Montreal Trust Company for exchange of 451 old Class A shares.	
	\$ 2,789,371.29	DEFERRED SURPLUS:	
Refundable Portion of Excess Profits Tax	366,915.04	Refundable Portion of Excess Profits Tax	366,915.04
PROPERTY ACCOUNT:		EARNED SURPLUS:	
Land, Buildings and Equipment, purchase price at date of acquisition in 1926, plus subsequent additions (net) at cost	\$ 2,528,276.67	Balance as per statement attached	1,100,597.27
Less: Reserve for Depreciation	1,482,515.72		2,950,622.31
	1,045,760.95		
	<u>\$ 4,202,047.28</u>		<u>\$ 4,202,047.28</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, 1944, 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, 1944, when read in conjunction with the remarks regarding re-negotiation of war contracts made in the President's Report, 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, 1945.

PRICE, WATERHOUSE & CO.,
Auditors.

BUILDING PRODUCTS LIMITED

STATEMENT OF PROFIT & LOSS AND EARNED SURPLUS

FOR THE YEAR ENDING DECEMBER 31, 1944

Net Profit from Operations for the year ending December 31, 1944, before taking into account the items shown below		\$ 1,523,649.68	
ADD: Interest on Investments	\$ 19,623.04		
Profit arising from sales of Investments, Plant, etc.	3,754.50		
		23,377.54	
		\$ 1,547,027.22	
DEDUCT: Provision for Depreciation	\$ 124,802.21		
Directors' Fees	3,320.00		
Legal Fees	1,539.22		
Remuneration to Executive Officers	82,952.00		
Provision for Dominion Income and Excess Profits Taxes	1,000,000.00	1,212,613.43	
		1,212,613.43	
Net Profit for the year after providing for Income Taxes thereon		\$ 334,413.79	
Earned Surplus, Balance December 31, 1943.....		1,100,597.27	
		\$ 1,435,011.06	
DEDUCT: Dividends declared and paid	\$ 290,030.40		
Transferred to Reserve for Contingencies	44,383.39	334,413.79	
		334,413.79	
Earned Surplus, Balance December 31, 1944		\$ 1,100,597.27	

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 and General Manager</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

WHEREVER you see new building construction of any kind, you may be sure that one or more of the building products, such as your company produces, will be required for its completion. On most building repair and maintenance jobs this is also true.

Roofings, Sidings, Insulation and Flooring manufactured by your company, bear this trade mark.



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.

