

MOORE CORPORATION, LIMITED



ELEVENTH ANNUAL REPORT

YEAR ENDING DECEMBER 31ST
1939

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McGILL UNIVERSITY

MOORE CORPORATION, LIMITED

Board of Directors

E. G. BAKER, TORONTO
President

G. W. McLAUGHLIN, OSHAWA, ONT.
Director, National Trust Company, Limited

A. M. BOVIER, ELMIRA, N.Y.
Vice-President

W. N. McLEOD, TORONTO
Vice-President

C. W. COLBY, MONTREAL
Director, Canadian Bank of Commerce

A. J. MITCHELL, TORONTO
Vice-President, North American Life
Assurance Company

H. H. GRISWOLD, ELMIRA, N.Y.
President, Elmira Bank & Trust Company

S. J. MOORE, TORONTO
Chairman of the Board, The Bank of
Nova Scotia

S. G. H. TURNER, ELMIRA, N.Y.
Chairman of the Board, Elmira Bank & Trust Company

Officers

CHAIRMAN OF THE BOARD	S. J. MOORE
PRESIDENT	E. G. BAKER
VICE-PRESIDENT	W. N. McLEOD
VICE-PRESIDENT	A. M. BOVIER
COMPTROLLER	N. B. GERRY
SECRETARY	W. H. BROWNE

Head Office

330 UNIVERSITY AVENUE, TORONTO

Transfer Agents

NATIONAL TRUST COMPANY, LIMITED
20 KING STREET EAST, TORONTO

BANKERS TRUST COMPANY
16 WALL STREET, NEW YORK

MOORE CORPORATION, LIMITED

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31ST, 1939

The Directors present to the Shareholders their Eleventh Annual Report with financial statements.

The year's volume of business and earnings established new records, with satisfactory gains in all lines of products and in each operating division.

The net profit, after the customary provision for depreciation and federal taxes, was \$1,681,898.46. This compares with \$1,317,264.45 in 1938 and \$1,561,637.17 in 1937. Dividends were paid quarterly at the rate of 7% per annum on both classes of Preference Stock, and four quarterly dividends of 40c per share, and an extra dividend of 60c per share for the final quarter, were paid on the Common Stock, all payments being made in United States funds. The balance of the profit, namely, \$554,956.96 was added to Surplus, which now stands at \$3,716,279.04.

The financial position of the Corporation has been further strengthened during the year. The Balance Sheet shows current assets at December 31st of \$9,275,128.41 of which \$3,885,915.20 was cash, while all current liabilities including dividends payable and tax reserves totalled \$2,323,786.65.

Further conversions of Preference shares into Common shares were made by the holders in accordance with the right given them in the Company's charter. During the year a total of 680 shares of Preference "A" Stock and 1,010 shares of Preference "B" Stock were converted into 8,780 shares of Common Stock.

Your Directors record with sorrow the death of their friend and colleague, Mr. Thomas Bradshaw, whose sudden passing on November 10th was a great loss to this Company. Mr. Bradshaw had been a Director of this Corporation and its predecessors for over fourteen years and took a keen interest in the development of the business. The Directors regret also that Mr. Alfred Jephcott has felt obliged to resign from the Board on account of continuing ill-health. A by-law will be submitted to the Shareholders for their approval reducing the number of the Directors from eleven to nine.

The thanks of the Board is extended to the Officers and Staffs in all divisions for their excellent work throughout the year.

By order of the Board,

S. J. MOORE,
Chairman.

E. G. BAKER,
President.

MOORE CORPORATION, LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND SURPLUS FOR YEAR ENDED DECEMBER 31st, 1939

Total Earnings—after deducting all expenses incident to operations	\$2,813,999.47
<i>Deduct:</i> Provision for Depreciation	628,701.01
Profit before providing for Federal Income Taxes	<u>2,185,298.46</u>
<i>Deduct:</i> Provision for Federal Income Taxes	503,400.00
Net Profit	<u>1,681,898.46</u>

Dividends:

Four quarterly dividends of 1 $\frac{3}{4}$ % each on Preference "A" Stock	\$216,944.00	
Four quarterly dividends of 1 $\frac{3}{4}$ % each on Preference "B" Stock	40,225.50	
Four quarterly dividends of 40c per share and bonus dividend of 60c per share on Common Stock	869,772.00	1,126,941.50
Balance of Profit		<u>554,956.96</u>
Surplus brought forward January 1st, 1939		3,161,322.08
Surplus, December 31st, 1939		<u><u>\$3,716,279.04</u></u>

MOORE CORPOR

AND SUBSIDIAR

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash in Banks and on Hand		\$3,885,915.20
Accounts and Bills Receivable (after providing for doubtful accounts)		
Trade	\$2,562,185.48	
Other	<u>37,939.66</u>	2,600,125.14
Inventories, valued at not in excess of cost in ac- cordance with the companies' usual practice		<u>2,789,088.07</u>
TOTAL CURRENT ASSETS		9,275,128.41

FIXED ASSETS:

Land and Buildings	3,620,814.10	
Machinery and Equipment	<u>8,085,139.73</u>	
	11,705,953.83	
Less: Reserves for Depreciation	<u>6,598,420.89</u>	5,107,532.94

INVESTMENTS:

Investments in and advances to Associated Companies	903,375.00	
Other Investments	<u>73,148.83</u>	976,523.83

GOODWILL AND PATENTS 1.00

INSURANCE DEPOSITS, PREPAID TAXES AND OTHER

EXPENSES PAID IN ADVANCE		183,289.33
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\$15,542,475.51

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Y COMPANIES

ET AS OF DECEMBER 31st, 1939

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Liabilities	\$1,141,362.38
Dividends Payable on January 2nd, 1940	461,475.50
Reserve for Federal Income Taxes	720,948.77
TOTAL CURRENT LIABILITIES	2,323,786.65

CAPITAL AND SURPLUS:

7 % Cumulative Convertible Preference "A" Stock:	
Issued 30,477 shares of a par value of \$100 each	\$3,047,700.00
7 % Cumulative Convertible Preference "B" Stock:	
Issued 5,230 shares of a par value of \$100 each	523,000.00
Common Stock—no par value:	
Issued 399,182 shares	5,931,709.82
Surplus	<u>3,716,279.04</u>
	13,218,688.86

FOOTNOTE:—The greater part of the assets, liabilities and earnings reflected in the above consolidated balance sheet and related consolidated statement of profit and loss and surplus, are located or originate in the United States. Such items are included in these consolidated statements in United States dollars, notwithstanding the fact that United States funds, at December 31st, 1939, were at a premium in relation to Canadian currency.

\$15,542,475.51

MOORE CORPORATION, LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of

MOORE CORPORATION, LIMITED:

We have made an examination of the consolidated balance sheet of Moore Corporation, Limited and its subsidiary companies as of December 31st, 1939, and of the related consolidated statement of profit and loss and surplus for the year ended on that date. In connection with the accounts of the companies examined by us, we examined or tested accounting records and other supporting evidence. An audit of the detailed transactions is carried out by the company's internal audit department. The balance sheets as of December 31st, 1939, and related statements of profit and loss and surplus of F. N. Burt Company, Inc., and Dominion Paper Box Company, Limited, with reports thereon of Messrs. Clarkson, Gordon, Dilworth & Nash, the auditors of those companies, have been accepted by us for inclusion in the accompanying consolidated accounts of Moore Corporation, Limited and subsidiary companies.

In our opinion, based upon such examination, the accompanying financial statements with footnote on the balance sheet relative to the basis on which the assets, liabilities and earnings in the United States are included, fairly present in accordance with accepted principles of accounting consistently maintained by the companies during the period under review, the position of Moore Corporation, Limited and its subsidiary companies at December 31st, 1939, and the results of their operations for the fiscal year ended on that date as shown by the books. All our requirements as auditors have been complied with.

PRICE, WATERHOUSE & CO.,

TORONTO, February 28th, 1940.

Chartered Accountants.

MOORE CORPORATION, LIMITED

AND SUBSIDIARY COMPANIES COMPARATIVE SUMMARIES

SUMMARY OF EARNINGS	1939	1938	1937 *
Total Earnings	\$2,814,000	\$2,272,960	\$2,718,487
<i>Deduct:</i>			
Provision for Depreciation	628,701	610,146	605,850
Provision for Federal Income Taxes	503,400	345,550	551,000
Net Profit	1,681,899	1,317,264	1,561,637
<i>Deduct:</i>			
Preference Dividends	257,170	264,204	272,193
Common Dividends	869,772	745,159	797,362
Balance of Profit	554,957	307,901	492,082
Surplus at beginning of year	3,161,322	2,853,421	2,361,339
Surplus at end of year	\$3,716,279	\$3,161,322	\$2,853,421
Earned per share of Common stock	\$3.57	\$2.69	\$3.33

SUMMARY OF BALANCE SHEET

Cash and Government Bonds	\$3,885,915	\$3,197,096	\$2,508,465
Accounts Receivable and Inventories	5,389,213	4,569,430	4,812,806
Current Assets	9,275,128	7,766,526	7,321,271
<i>Deduct: Current Liabilities</i>	<i>2,323,787</i>	<i>1,664,910</i>	<i>1,718,382</i>
Net Working Capital	6,951,341	6,101,616	5,602,889
Fixed Assets (net)	5,107,533	5,422,260	5,602,174
Investments	976,524	949,205	968,829
Insurance Deposits and Expenses paid in advance	183,290	190,650	181,938
Patents and Goodwill	1	1	1
Net Worth (Shareholders' interest)	\$13,218,689	\$12,663,732	\$12,355,831

* Includes F. N. Burt Company, Limited and its subsidiary companies for comparison with 1938 and 1939.

MOORE CORPORATION, LIMITED

BUSINESS FORMS DIVISION

AMERICAN SALES BOOK COMPANY, INC.	NIAGARA FALLS, N.Y.
<i>R. P. Templeton, Vice-President</i>	ELMIRA, N.Y.
<i>H. P. Brown, General Manager</i>	
PACIFIC MANIFOLDING BOOK COMPANY, INC.	EMERYVILLE, CAL.
<i>W. H. Mordy, General Manager</i>	LOS ANGELES, CAL.
GILMAN FANFOLD CORPORATION	NIAGARA FALLS, N.Y.
<i>Hugh D. Clark, General Manager</i>	
COSBY-WIRTH MANIFOLD BOOK COMPANY	MINNEAPOLIS, MINN.
<i>Turner Lawrence, General Manager</i>	
BURT BUSINESS FORMS, LIMITED	TORONTO, ONT.
NATIONAL SALES CHECK BOOK COMPANY, LIMITED	MONTREAL, QUE.
WESTERN SALES BOOK COMPANY, LIMITED	WINNIPEG, MAN.
<i>George W. Hall, General Manager</i>	VANCOUVER, B.C.

PAPER BOX DIVISION

F. N. BURT COMPANY, INC.	BUFFALO, N.Y.
<i>J. H. Paterson, General Manager</i>	
<i>T. S. Duncanson, Assistant General Manager</i>	
DOMINION PAPER BOX COMPANY, LIMITED	TORONTO, ONT.
<i>R. S. Dunlop, General Manager</i>	

SERVICE DIVISION

MOORE RESEARCH & SERVICE COMPANY, INC.	NIAGARA FALLS, N.Y.
<i>J. Stuart Fleming, Director of Research</i>	
KIDDER PRESS COMPANY, INC.	DOVER, N.H.
<i>J. F. Sheppard, General Manager</i>	

