

MOORE CORPORATION, LIMITED



TWELFTH ANNUAL REPORT

YEAR ENDING DECEMBER 31st
1940

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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, 1940

The Directors present to the Shareholders their Twelfth Annual Report with Financial Statements.

Shipments and profits for the year were the largest in the Corporation's history, and to this result all of the operating divisions contributed in a satisfactory manner.

After providing for depreciation on the usual basis and for federal taxes at increased rates, the net profit was \$1,786,870.66 compared with \$1,681,898.46 for 1939.

Dividends totalling \$1,220,222.35 were distributed to shareholders by way of quarterly payments at the rate of 7% per annum on both classes of Preference Stock, and quarterly payments and an extra dividend totalling \$2.40 per share on Common Stock. The balance of the year's profit, namely, \$566,648.31 was added to Surplus, which now stands at \$4,282,927.35.

The Balance Sheet shows a good financial position. Current assets at December 31st totalled \$10,481,880.62, of which \$4,461,136.75 was in cash and government bonds, while current liabilities, including dividends payable and tax reserve, amounted to \$2,775,092.85.

During the year, in accordance with the right granted to shareholders in the Corporation's charter, 3,446 shares of Preference A Stock and 515 shares of Preference B Stock were converted into 16,874 shares of Common Stock.

Further progress was made during the year in expanding the Employee Relations programs in the various operating divisions for the mutual benefit of employees and the Corporation. A number of the Canadian staff are on leave of absence on active service.

Most of our products, particularly multiple-copy business forms of all kinds, are necessary in the conduct of modern business operations. The Corporation, we believe, is performing an essential service in the war and defence activities of Canada and the United States and is well prepared in personnel, equipment and program to meet the increased demands that are likely to be made upon us by our many customers in both countries.

Your Directors record their warm appreciation of the loyal and effective service given by the Officers, Executives and other Employees in all divisions of the Corporation.

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, 1940

| | |
|--|----------------|
| Total Earnings—after deducting all expenses incident to operations | \$3,309,217.91 |
| <i>Deduct:</i> Provision for Depreciation | 633,647.25 |
| Profit before providing for Federal Income and Excess Profits Taxes | 2,675,570.66 |
| <i>Deduct:</i> Provision for Federal Income and Excess Profits Taxes | 888,700.00 |
| Net Profit | 1,786,870.66 |

Dividends:

| | | |
|---|--------------|-----------------------|
| Four quarterly dividends of 1 $\frac{3}{4}$ % each on Preference "A" Stock | \$205,364.25 | |
| Four quarterly dividends of 1 $\frac{3}{4}$ % each on Preference "B" Stock | 34,499.50 | |
| Four quarterly dividends—2 at 40c per share, 2 at 50c per share—and bonus dividend of 60c per share on Common Stock | 980,358.60 | 1,220,222.35 |
| Balance of Profit | | 566,648.31 |
| Surplus brought forward January 1st, 1940 | | 3,716,279.04 |
| Surplus, December 31st, 1940 | | <u>\$4,282,927.35</u> |

MOORE CORPOR

AND SUBSIDIA

CONSOLIDATED BALANCE SH

ASSETS

CURRENT ASSETS:

| | | |
|--|------------------|---------------------|
| Cash in Banks and on Hand | | \$4,133,336.75 |
| Government bonds, at not more than market value | | 327,800.00 |
| Accounts and Bills Receivable (after providing for doubtful accounts) | | |
| Trade | \$2,741,199.98 | |
| Other | <u>42,499.56</u> | 2,783,699.54 |
| Inventories, valued at not in excess of cost in ac- cordance with the companies' usual practice | | <u>3,237,044.33</u> |
| TOTAL CURRENT ASSETS | | 10,481,880.62 |

FIXED ASSETS:

| | | |
|---|----------------------|--------------|
| Land and Buildings | 3,722,288.48 | |
| Machinery and Equipment | 8,341,098.33 | |
| | <u>12,063,386.81</u> | |
| Less: Reserves for Depreciation | <u>7,051,660.41</u> | 5,011,726.40 |

INVESTMENTS:

| | | |
|---|------------------|------------|
| Investments in and advances to Associated Companies | 823,075.00 | |
| Other Investments | <u>72,280.79</u> | 895,355.79 |

GOODWILL AND PATENTS 1.00

INSURANCE DEPOSITS, PREPAID TAXES AND OTHER

| | | |
|------------------------------------|--|------------------------|
| EXPENSES PAID IN ADVANCE | | <u>171,466.21</u> |
| | | <u>\$16,560,430.02</u> |

ATION, LIMITED

RY COMPANIES

ET AS OF DECEMBER 31st, 1940

LIABILITIES

CURRENT LIABILITIES:

| | |
|---|---------------------|
| Accounts Payable and Accrued Liabilities | \$1,206,272.94 |
| Dividends Payable on January 2nd, 1941 | 512,978.80 |
| Reserve for Federal Income and Excess Profits Taxes | 1,055,841.11 |
| TOTAL CURRENT LIABILITIES | <u>2,775,092.85</u> |

CAPITAL AND SURPLUS:

| | | |
|---|---------------------|---------------|
| 7% Cumulative Convertible Preference "A" Stock: | | |
| Issued 27,031 shares of a par value of \$100 each | \$2,703,100.00 | |
| 7% Cumulative Convertible Preference "B" Stock: | | |
| Issued 4,715 shares of a par value of \$100 each | 471,500.00 | |
| Common Stock—no par value: | | |
| Issued 416,056 shares | 6,327,809.82 | |
| Surplus | <u>4,282,927.35</u> | 13,785,337.17 |

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 at par, notwithstanding the fact that United States funds, at December 31st, 1940, were at a premium in relation to Canadian currency.

\$16,560,430.02

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, 1940, 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, 1940, 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, 1940, 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, 1941.

Chartered Accountants.

MOORE CORPORATION, LIMITED

AND SUBSIDIARY COMPANIES COMPARATIVE SUMMARIES

| SUMMARY OF EARNINGS | 1940 | 1939 | 1938 |
|--|-------------|-------------|-------------|
| Total Earnings | \$3,309,218 | \$2,814,000 | \$2,272,960 |
| <i>Deduct:</i> | | | |
| Provision for Depreciation | 633,647 | 628,701 | 610,146 |
| Provision for Federal Income and Excess Profits Taxes | 888,700 | 503,400 | 345,550 |
| Net Profit | 1,786,871 | 1,681,899 | 1,317,264 |
| <i>Deduct:</i> | | | |
| Preference Dividends | 239,864 | 257,170 | 264,204 |
| Common Dividends | 980,359 | 869,772 | 745,159 |
| Balance of Profit | 566,648 | 554,957 | 307,901 |
| Surplus at beginning of year | 3,716,279 | 3,161,322 | 2,853,421 |
| Surplus at end of year | \$4,282,927 | \$3,716,279 | \$3,161,322 |
| Earned per share of Common Stock | \$3.72 | \$3.57 | \$2.69 |

SUMMARY OF BALANCE SHEET

| | | | |
|---|---------------------|---------------------|---------------------|
| Cash and Government Bonds | \$4,461,137 | \$3,885,915 | \$3,197,096 |
| Accounts Receivable and Inventories | 6,020,744 | 5,389,213 | 4,569,430 |
| Current Assets | 10,481,881 | 9,275,128 | 7,766,526 |
| <i>Deduct: Current Liabilities</i> | <u>2,775,093</u> | <u>2,323,787</u> | <u>1,664,910</u> |
| Net Working Capital | 7,706,788 | 6,951,341 | 6,101,616 |
| Fixed Assets (net) | 5,011,726 | 5,107,533 | 5,422,260 |
| Investments | 895,356 | 976,524 | 949,205 |
| Insurance Deposits and Expenses paid in advance | 171,466 | 183,290 | 190,650 |
| Patents and Goodwill | 1 | 1 | 1 |
| Net Worth (Shareholders' interest) | <u>\$13,785,337</u> | <u>\$13,218,689</u> | <u>\$12,663,732</u> |

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> | |

PRODUCTS

BUSINESS FORMS DIVISION

Autographic Registers and Printed Supplies

Continuous Interfolded Forms

Continuous Interleaved Forms

Fanfold Systems

Speedifold Forms

Sales Books and Manifold Books

Speediset Forms for Unit Accounting Records

Attachments and Devices

PAPER BOX DIVISION

Folding Cartons

Transparent Packages

Set-up Paper Boxes

Advertising Displays

Mailing Tubes and Cores

