

MOORE CORPORATION, LIMITED



FOURTEENTH ANNUAL REPORT

YEAR ENDING DECEMBER 31st
1942

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MOORE CORPORATION, LIMITED

Board of Directors

E. G. BAKER, TORONTO
President

R. S. McLAUGHLIN, OSHAWA, ONT.
President, General Motors of Canada, Ltd.

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

G. W. FRAKER, New York, N.Y.
Vice-President, The National City Bank of
New York

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, 1942

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

Our subsidiary companies were very active throughout the year, with shipments and profits before taxes making new records. After providing fully for depreciation and taxes, the year's net profit was \$1,486,924.60. Dividends amounting to \$1,433,709.08 were disbursed to shareholders at the rate of 7% on both classes of Preference Stock and \$2.88½ per share on Common Stock. The balance of profit, namely, \$53,215.52 was added to Surplus, which now stands at \$4,706,051.48.

Federal income and excess profits taxes amounted to \$4,407,300.00, which is 75% of the year's profit. This amount compares with \$2,576,000.00 or 53% for 1941 and \$888,700.00 or 33% for 1940.

A good financial position is shown by the attached Balance Sheet, with current assets of \$15,588,307.11 and current liabilities (including taxes payable) of \$6,727,716.28. Investment in inventories and accounts receivable increased to the extent of \$1,978,241.00, reflecting the record business of the various subsidiaries. The financing of this increased business was facilitated by the cash reserves which the Corporation had built up in previous years. The Reserve for Post-War Adjustments established last year has been increased to \$1,000,000.00 by the addition of premium received on funds transferred from the United States to Canada, amounting to \$115,050.00, and the refundable portion of the year's excess profits taxes of \$334,950.00.

Further conversions of Preference Stock took place during the year in accordance with the right given shareholders in the Corporation's charter. A total of 145 Preference "A" and 211 Preference "B" shares were converted into 1,846 Common shares. At December 31st shareholders of the Corporation numbered 5,026.

Our products continue to be used in increasing quantities in the armed services, government departments and in other war and essential activities in both the United States and Canada. Specialized business forms have an important place in the control and efficient handling of practically every kind of large scale operation. The Paper Box subsidiaries are producing large quantities of paper boxes and containers replacing articles formerly made from vital metals. With current orders taxing the capacity of our factories, the problem of securing adequate labour forces continues to be acute, notwithstanding the increased recognition of the essentiality of our products. Women are being used successfully on many jobs formerly filled by men.

Employees at December 31st numbered 5,777, of whom 3,012 were men and 2,765 were women. We report with pride that 856 members of the staff are on leave of absence in the armed forces of our two countries. Their absence has added to the responsibilities of those who remain, and we record our warm appreciation of the splendid manner in which our executives and other experienced employees in large numbers have shouldered the additional burdens and are intent on having the Corporation make its maximum contribution in the war economy.

It is with deep regret that we report the death during the year of two Directors: Messrs. H. H. Griswold of Elmira, N.Y., and G. W. McLaughlin of Oshawa, Ontario. Both had always taken a keen interest in the Corporation's affairs and had given freely of their time and counsel on its behalf. Messrs. G. W. Fraker of New York and R. S. McLaughlin of Oshawa were elected Directors to fill the vacancies.

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, 1942

Total Earnings—after deducting all expenses incident to operations		\$6,563,309.42
<i>Deduct:</i> Provision for Depreciation		669,084.82
Profit before providing for Federal Income and Excess Profits Taxes		<u>\$5,894,224.60</u>
<i>Deduct:</i>		
Provision for Federal Income and Excess Profits Taxes (of which the refundable portion of Excess Profits Tax amounts to \$334,950.00)		4,407,300.00
Net Profit		<u>\$1,486,924.60</u>
<i>Dividends:</i>		
Four quarterly dividends of 1 $\frac{3}{4}$ % each, in United States funds, on Preference "A" Stock	\$180,540.50	
Four quarterly dividends of 1 $\frac{3}{4}$ % each, in United States funds, on Preference "B" Stock	29,452.50	
Four quarterly dividends of 55 $\frac{1}{2}$ c per share and an extra dividend of 66 $\frac{1}{2}$ c per share, in Canadian funds, on Common Stock	1,223,716.08	1,433,709.08
Balance of Profit		<u>\$ 53,215.52</u>
Surplus brought forward January 1st, 1942		<u>4,652,835.96</u>
Surplus, December 31st, 1942		<u><u>\$4,706,051.48</u></u>

MOORE CORPORA

AND SUBSIDIAR

CONSOLIDATED BALANCE SHEET

		ASSETS	
CURRENT ASSETS:			
Cash in Banks and on Hand			\$3,410,786.02
Government Bonds, at market value			600,000.00
Accounts and Bills Receivable (after providing for doubtful accounts)			
Trade	\$ 5,378,223.38		
Other		<u>68,753.24</u>	5,446,976.62
Inventories, valued at not in excess of cost in accordance with the companies' usual practice			<u>6,130,544.47</u>
TOTAL CURRENT ASSETS			\$15,588,307.11
FIXED ASSETS:			
Land and Buildings	\$ 3,828,515.76		
Machinery and Equipment		<u>8,541,575.16</u>	
		\$12,370,090.92	
Less: Reserves for Depreciation		<u>7,418,975.45</u>	4,951,115.47
INVESTMENTS:			
Investments in and advances to Associated Companies	\$ 765,275.00		
Other Investments		<u>57,652.28</u>	822,927.28
GOODWILL AND PATENTS			1.00
REFUNDABLE PORTION OF EXCESS PROFITS TAX (credited to Reserve for Post-War Adjustments)			334,950.00
INSURANCE DEPOSITS, PREPAID TAXES AND OTHER EXPENSES PAID IN ADVANCE			<u>238,876.72</u>
			<u><u>\$21,936,177.58</u></u>

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RY COMPANIES

ET AS OF DECEMBER 31st, 1942

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Liabilities	\$1,733,085.37
Dividends Payable on January 2nd, 1943	570,231.17
Reserve for Federal Income and Excess Profits Taxes, less payments on 1942 Taxes and Tax Certificates purchased	4,424,399.74
TOTAL CURRENT LIABILITIES	\$6,727,716.28

RESERVE FOR POST-WAR ADJUSTMENTS 1,000,000.00

CAPITAL AND SURPLUS:

7% Cumulative Convertible Preference "A" Stock:

Issued—25,765 shares of a par value of \$100 each . \$2,576,500.00

7% Cumulative Convertible Preference "B" Stock:

Issued—4,154 shares of a par value of \$100 each . 415,400.00

Common Stock—no par value:

Issued—424,486 shares 6,510,509.82

Surplus 4,706,051.48

14,208,461.30

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, 1942, were at a premium in relation to Canadian currency.

\$21,936,177.58

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, 1942, 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, 1942, 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, 1942, 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 26, 1943.

Chartered Accountants.

MOORE CORPORATION, LIMITED

AND SUBSIDIARY COMPANIES COMPARATIVE SUMMARIES

SUMMARY OF EARNINGS	1942	1941	1940
Total Earnings	\$6,563,310	\$5,485,059	\$3,309,218
Deduct:			
Provision for Depreciation	669,085	659,440	633,647
Provision for Federal Income and Excess Profits Taxes	4,407,300	2,576,000	888,700
Provision for Post-War Adjustments		450,000	
Net Profit	1,486,925	1,799,619	1,786,871
Deduct:			
Preference Dividends	209,993	215,390	239,864
Common Dividends	1,223,717	1,214,320	980,359
Balance of Profit	53,215	369,909	566,648
Surplus at beginning of year	4,652,836	4,282,927	3,716,279
Surplus at end of year	\$4,706,051	\$4,652,836	\$4,282,927

SUMMARY OF BALANCE SHEET

Cash and Government Bonds	\$4,010,786	\$4,093,176	\$4,461,137
Accounts Receivable and Inventories	11,577,521	9,599,279	6,020,744
Current Assets	15,588,307	13,692,455	10,481,881
Deduct: Current Liabilities	6,727,716	5,315,824	2,775,093
Net Working Capital	8,860,591	8,376,631	7,706,788
Fixed Assets (net)	4,951,115	5,244,069	5,011,726
Investments	822,927	907,810	895,356
Refundable Portion of Excess Profits Tax	334,950		
Insurance Deposits and Expenses paid in Advance	238,877	176,734	171,466
Patents and Goodwill	1	1	1
	15,208,461	14,705,245	13,785,337
Deduct: Reserve for Post-War Adjustments	1,000,000	550,000	
Net Worth (Shareholders' interest)	\$14,208,461	\$14,155,245	\$13,785,337

MOORE CORPORATION, LIMITED

SUBSIDIARY COMPANIES

BUSINESS FORMS

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>H. 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>G. W. Hall, General Manager</i>	VANCOUVER, B.C.

PAPER BOXES

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

SERVICES

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

PRODUCTS

BUSINESS FORMS

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 BOXES

Folding Cartons
Transparent Packages
Set-up Paper Boxes
Advertising Displays
Mailing Tubes and Cores

