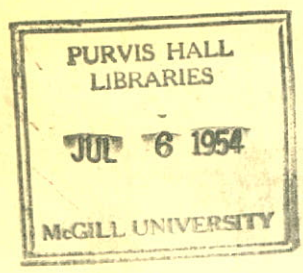


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23rd annual report

CONSOLIDATED PRESS LIMITED

as at **March 31st, 1952**



to the shareholders

On behalf of your Board of Directors I herewith submit the 23rd Annual Report and Financial Statement of Consolidated Press Limited which sets forth the results of the operations for the year ended 31st March, 1952, and the financial position at that date.

The profit arising from transactions for the year before depreciation amounted to \$105,343. After deducting \$103,885 for depreciation we have transferred \$1,458 to surplus account.

You will, I am sure, recall the problems we, as publishers, faced from rapidly rising costs in the post-war era. We met these problems with control measures which resulted in a definite improvement in the operating results of the previous year and which carried into the year under review. Further new factors however, which I will discuss briefly later, entered the picture late in the year. That we should have a set back at this time is naturally disappointing to me. I do however take consolation in the fact that the situation is temporary.

While revenues again advanced in total over the previous year the increases in direct costs were substantially in excess of that gain. Prolonged labour negotiations were not finalized until March of this year. Industry settlements were reached at greatly advanced rates retroactive to October. Midway through this year a change in Government legislation increased the mailing costs on our various publications by percentages ranging from 33⅓ to 100% with damaging effect.

To complicate Canadian publishers' problems further, Canadian magazines have this year faced a far greater and completely unrestricted competition from imported magazines, who wrap Canadian advertising around their largely domestic editorial material and market the results as Canadian editions. This fact, and a slow start of national advertising, has resulted in a lower volume of advertising being carried in January, February and March, than in the corresponding months of last year. Fortunately this situation is now showing a decided improvement.

The foregoing factors along with the loss and dislocation arising from an industry strike have in combination absorbed the profit margin.

I said earlier that this was a temporary situation because while we have naturally countered with cost realignment and increased rates, little benefit could accrue to the fiscal year under review. The picture for the 1953 fiscal year, with full benefit of the adjustments in force, appears much brighter.

I think I should also report to you at this time that the industry is giving considerable attention to both the impact of the postal legislation and the encroachment of foreign magazines on our Canadian market.

In the early part of the year we expended approximately \$127,000.00 to improve our production facilities. This included the purchase of two new fast presses which will enhance the economy of our future operations. The expenditure on this equipment was made far in advance of the cost impact we were later to receive and along with our dividend payments contributed to a reduction in working capital this year to the extent of \$93,570. Our net improvement in working capital over the past three years now stands at \$157,370 and this is short of our objectives.

In view of the foregoing your Board has considered it advisable to curtail capital expenditures in the coming year and to defer dividend payments for the time being. The dividends on the "A" shares are of course cumulative and accordingly any dividends that may be deferred will be paid just as soon as this is possible.

While the 1952 fiscal year has been a difficult one from the publishing side you will be pleased to know that Saturday Night Press, our commercial printing division, has continued its steady and prosperous growth.

I regret to report that at the time of writing Mr. Roydon M. Barbour our Executive Vice-President has resigned after twenty-seven years of outstanding service to the company. The good wishes and the appreciation of the Board, our employees, and I am sure your own, will go with him for the future.

We are indeed fortunate to have obtained the services of Mr. George Collington who joins us now in the capacity of General Manager. He brings with him a broad management and publishing experience. Mr. Collington was formerly Vice-President and General Manager of the Hugh C. MacLean Publications Limited.

I could not end my report to you without attempting to convey my appreciation of the loyalty and wholehearted cooperation extended throughout the year by all members of the staff.

M. R. Sutton

13 June, 1952

CONSOLIDATED
PRESS
LIMITED

printers and publishers

HEAD OFFICE: 73 Richmond Street W., Toronto, Canada

directors

R. A. DALY
N. A. HYLAND
E. R. MILLING

J. R. MEGGESON
M. R. SUTTON
D. W. TURNBULL

officers

M. R. SUTTON, President
G. J. COLLINGTON, General Manager
E. R. MILLING, Vice-President
D. W. TURNBULL, C.A., Secretary-Treasurer

branches

NEW YORK, 101 Park Avenue
With Agents at—Vancouver, Calgary, Winnipeg, Hamilton, Halifax and London,
England

MONTREAL, Birks Building

publishers of

SATURDAY NIGHT CANADIAN HOME JOURNAL FARMER'S MAGAZINE
The Trader and Canadian Jeweller
The Canadian Cigar and Tobacco Journal
Motor Magazine Canadian Baker Food in Canada
Manufacturing and Industrial Engineering
Canadian Service Data Book Canadian Jeweller's Year Book

**Advertising Sales
Representatives for**

Journal of the Canadian Dental Association
Chemistry in Canada

SATURDAY NIGHT

PRESS

Planners and Producers of Printed Material for use in
SALES PROMOTION . . . PUBLIC RELATIONS . . . EMPLOYEE RELATIONS
71 Richmond St. W., Toronto, Canada

statement of profit and loss

for the year ended 31st March

1951		1952
\$287,923.13	Profit from operations before depreciation, taxes and other items shown below	\$ 99,716.98
1,466.41	Profit on disposal of fixed assets	5,626.71
\$289,389.54		\$105,343.69
	Deduct	
\$110,677.56	Depreciation	\$103,885.27
74,000.00	Provision for Dominion and Provincial taxes on income	—
\$184,677.56		\$103,885.27
\$104,711.98	Profit for year	\$ 1,458.42

Note: The expenditures for the year include the following:—

	1951			1952
	\$ 3,500.00	Directors' fees	\$	—
	45,458.14	Remuneration of executive officers		43,333.12
	102.90	Legal fees		200.00

statement of earned surplus

\$595,273.23	Balance—beginning of year	\$651,230.97
48,754.24	Deduct—quarterly dividends of 16¼c each per share on class "A" shares	65,006.26
\$546,518.99		\$586,224.71
104,711.98	Profit for the year	1,458.42
\$651,230.97	Balance March 31st	\$587,683.13

On behalf of the Board

M. R. SUTTON, Director
D. W. TURNBULL, Director

Auditors' Report to the Shareholders:

We have examined the balance sheet of the Consolidated Press, Limited as at March 31st, 1952 and the statements of profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at March 31st, 1952 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

Toronto, Canada
June 6, 1952

CLARKSON, GORDON & CO.
Chartered Accountants.

CONSOLIDATED PRESS LIMITED

balance sheet *as at 31st March*

a s s e t s

<u>1951</u>		<u>1952</u>
	CURRENT:	
\$ 2,639.75	Cash on hand	\$ 2,742.45
528,807.77	Accounts receivable less reserve of \$12,283.45	534,160.46
368,181.71	Inventories—valued at the lower of cost or market value	466,517.45
10,139.43	Refundable portion of taxes on income—current	—
—	Income Taxes Recoverable	15,379.76
42,019.81	Prepaid expenses and deposits	79,030.93
<u>\$ 951,788.47</u>		<u>\$1,097,831.05</u>
	FIXED —as appraised by the Canadian Appraisal Company at December 31st, 1928 with subsequent additions at cost.	
\$ 41,006.96	Land	\$ 41,006.96
\$ 645,478.54	Buildings	\$ 649,855.33
1,344,863.50	Plant and equipment	1,460,925.44
<u>\$1,990,342.04</u>		<u>\$2,110,780.77</u>
1,060,200.79	Less Reserve for depreciation	1,133,763.12
<u>\$ 930,141.25</u>		<u>\$ 977,017.65</u>
30,874.13	Foundry type, mono sorts and lino metal	30,874.13
<u>\$1,002,022.34</u>		<u>\$1,048,898.74</u>
<u>\$ 500,000.00</u>	CIRCULATION STRUCTURE	<u>\$ 500,000.00</u>
<u>\$2,453,810.81</u>		<u>\$2,646,729.79</u>

l i a b i l i t i e s

	CURRENT	
\$ 29,598.11	Bank Advances	\$ 211,012.30
356,535.12	Accounts Payable—trade	453,081.78
54,600.00	Estimated income taxes less instalments paid	—
—	Dividend payable	16,252.28
<u>\$ 440,733.23</u>		<u>\$ 680,346.36</u>
<u>\$ 629,770.26</u>	PREPAID SUBSCRIPTIONS	<u>\$ 646,623.95</u>
	SHAREHOLDERS:	
	Capital authorized and issued—	
	100,000 class "A" shares of no par value	
\$ 732,076.35	100,000 class "B" shares of no par value	\$ 732,076.35
	Class "A" shares are entitled to fixed cumulative preferential dividends at the rate of 65c per share per annum and thereafter participate further in earnings with class "B" shares.	
	Dividends on class "A" shares have been paid to October 1st, 1951.	
\$ 651,230.97	Earned surplus	\$ 587,683.13
<u>\$1,383,307.32</u>		<u>\$1,319,759.48</u>
<u>\$2,453,810.81</u>		<u>\$2,646,729.79</u>

