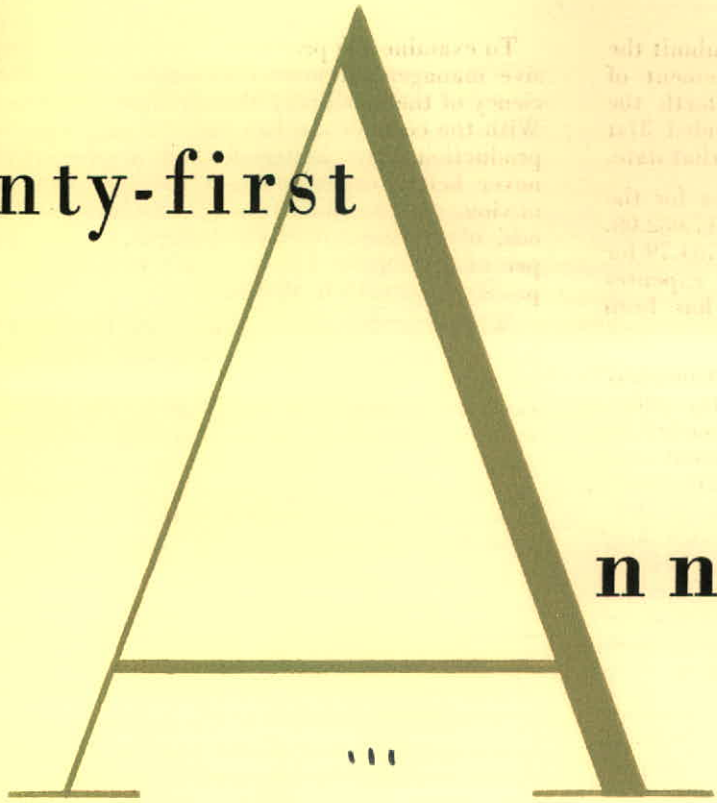


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To the Shareholders:

twenty-first



annual report

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MCGILL UNIVERSITY

as at March 31st, 1950

Consolidated Press Limited

To the Shareholders:

On behalf of your Directors I herewith submit the 21st Annual Report and Financial Statement of Consolidated Press Limited which sets forth the results of the operations for the year ended 31st March, 1950 and the financial position at that date.

The profit arising from the transactions for the year before depreciation amounted to \$117,082.08. From this amount has been deducted \$83,754.79 for depreciation and \$22,020.92 for moving expenses leaving a balance of \$11,306.37 which has been transferred to earned surplus.

During the past twelve months your Company was once again faced with a costly industry strike. Our offset lithography production was suspended for 23 weeks from June 29th until settlement was reached at increased rates on December 7th, 1949. While the Company lost the benefit of this production our offset plant personnel, many with long service, also suffered unduly, since based on a 40-hour week it will take about six years for the increases gained to equal the wages lost. For the welfare of the industry and its employees I sincerely hope there will be no recurrence of these wasteful strikes.

In our other production divisions wage contract rates were again advanced during the year. Much of this increased cost had to be borne without compensating increases in revenues.

Turning now to the brighter side let me assure you that the past year has been one of major accomplishment.

Planned circulation increases on SATURDAY NIGHT, CANADIAN HOME JOURNAL and FARMER'S MAGAZINE of 33%, 15% and 25% respectively have been attained and the consequent heavy costs fully absorbed in the year under review, thus permitting advances in revenue rates which will enhance the operations of future years. Our commercial printing division, SATURDAY NIGHT PRESS, continues to expand on profitable lines. Our Business Papers Division is recording interesting improvement.

During the year your Company undertook a complete restyling of SATURDAY NIGHT to enable it to continue its traditional role of usefulness to Canadians. The increased tempo in Canada's weekly activities as well as our nation's new significance in world affairs, have been reflected in the broadening of SATURDAY NIGHT's editorial scope.

To examine the products is not enough. Progressive management must continually assess the efficiency of the machinery that produces the products. With the costs of the two major components of our production—raw materials and wages—at levels never before experienced, it becomes increasingly obvious that we must turn to machinery and methods, of the most modern conception, with greater per unit productivity, if we are to ensure healthy profitable growth in the future.

With this thought in mind your Directors instituted a survey of our production facilities with promising results. Certain additions and modifications are planned for the future. The speed with which our program can be executed will largely be governed by our ability to improve the working capital position. To this end your Directors on March 7th, last, deferred payment of the April 1st, 1950 dividend on the class "A" shares.

It is gratifying to observe that with current assets at 31st March, 1950 of \$850,843.52 and current liabilities of \$490,520.69 our working capital now amounts to \$360,322.83 to record an improvement of more than \$100,000.00 over the position at the corresponding date last year.

During the course of the year we received funds from our transactions in excess of the required outlay amounting to \$205,600.00. Of this amount \$56,638.00 was applied for new equipment, \$48,754.00 to the payment of dividends, leaving a balance of \$100,208.00 representing the improvement in working capital referred to above.

In our 1951 fiscal year operations, I look for continued improvement. Business conditions in Canada now appear to be reasonably favourable for the current year. While there are undoubtedly indications of contractions in some specialized lines I do not anticipate any general recession. In fact, the greater awareness of industry to the competitive situation which now exists may be beneficial to our operations.

To all those who have so wholeheartedly contributed to the accomplishment of this past year, I desire to express my appreciation. This spirit will contribute materially to our future prosperity and to the well-being of the 590 employees who now comprise the Consolidated family.

15th June, 1950.

M. R. SUTTON

Consolidated Press Limited

PRINTERS AND PUBLISHERS

Head Office: 73 RICHMOND STREET W., TORONTO, CANADA

Directors

R. M. BARBOUR J. R. MEGGESON
R. A. DALY E. R. MILLING
N. A. HYLAND M. R. SUTTON
D. W. TURNBULL

Officers

M. R. SUTTON, *President*
R. M. BARBOUR, *Executive Vice-President*
E. R. MILLING, *Vice-President and General Manager of Publications*
D. W. TURNBULL, C.A., *Secretary-Treasurer and Comptroller*

Branches

NEW YORK, 101 Park Avenue

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
Motor Wholesaler

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, 1950

Profit from operations before depreciation and other items shown separately below		\$107,949.19
Add profit on disposal of fixed assets		9,132.89
		<u>\$117,082.08</u>
Less:		
Depreciation	\$83,754.79	
Moving expense	22,020.92	105,775.71
		<u>\$ 11,306.37</u>
Profit for year		<u>\$ 11,306.37</u>
Note:		
The expenditures for the year include the following—		
Remuneration of executive officers	\$43,750.00	
Legal fees	341.80	

Statement of Earned Surplus

Balance March 31, 1949	\$632,721.23
Deduct three quarterly dividends of 16¼c each per share on Class "A" shares	48,754.37
	<u>\$583,966.86</u>
Profit for year	11,306.37
Balance March 31, 1950	<u>\$595,273.23</u>

On behalf of the Board

M. R. SUTTON, *Director*
R. M. BARBOUR, *Director*

Auditors' Report to the Shareholders

We have examined the above balance sheet of Consolidated Press, Limited at March 31, 1950 and the statements of profit and loss and earned surplus for the year ended on that date. In connection therewith we made a general review of the accounting methods and, without making a detailed audit of the transactions, examined or tested the accounting records of the company. We received all the information and explanations we required from its officers and employees.

We report that in our opinion the above balance sheet and the related statements of profit and loss and earned surplus have been drawn up so as to exhibit a true and correct view of the state of the company's affairs at March 31, 1950 and of the results of its operations for the year, according to the best of our information and the explanations given us and as shown by the books.

Toronto, Canada,
June 1, 1950.

CLARKSON, GORDON & Co.
Chartered Accountants.

C o n s o l i d a t e d P r e s s L i m i t e d

B a l a n c e S h e e t

As at 31st March, 1950

A s s e t s

CURRENT:		
Cash on hand		\$ 2,435.10
Accounts receivable	\$522,886.67	
Less reserve for doubtful accounts	12,283.45	510,603.22
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Inventories as determined and certified by the management, and valued at the lower of cost or market		273,723.82
Refundable portion of taxes on income due March 31, 1951		23,843.41
Prepaid expenses		40,237.97
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		\$ 850,843.52
 FIXED— as appraised by the Canadian Appraisal Company at December 31, 1928 with subsequent additions at cost:		
Graphic Arts Building (leasehold)	\$ 285,415.02	
Duchess Street — land and building	400,625.48	
<hr/>		
	\$ 686,040.50	
Less reserve for depreciation	184,677.56	\$501,362.94
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Plant and equipment	\$1,307,113.39	
Less reserve for depreciation	772,372.37	534,741.02
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Foundry type, mono sorts and lino metal	30,874.13	1,066,978.09
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REFUNDABLE PORTION OF TAXES ON INCOME due March 31, 1952		10,139.43
CIRCULATION STRUCTURE		500,000.00
<hr/>		
		<u>\$2,427,961.04</u>

L i a b i l i t i e s

CURRENT:		
Bank advances		\$ 265,288.05
Accounts payable, trade		225,232.64
<hr/>		
		\$ 490,520.69
PREPAID SUBSCRIPTIONS		610,090.77
 SHAREHOLDERS:		
Capital, authorized and issued—		
100,000 class "A" shares of no par value		
100,000 class "B" shares of no par value	\$732,076.35	
Class "A" shares are entitled to fixed cumulative preferential dividend 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 January 1, 1950.		
Earned surplus	595,273.23	1,327,349.58
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		<u>\$2,427,961.04</u>

