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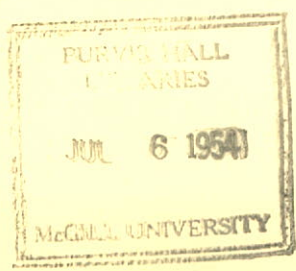
Consolidated
Press
Limited

twentieth annual report

as at

March thirty-first

nineteen forty-nine



To the Shareholders:

On behalf of your Directors I herewith submit the 20th Annual Report and Financial Statement of Consolidated Press Limited, which sets forth the results of the operations for the year ended 31st March 1949 and the financial position at that date.

Profit and Loss

The profit arising from the transactions for the year, before depreciation, amounted to \$114,749.62. From this amount \$90,548.27 has been deducted for depreciation, \$21,148.17 for moving expense and \$900.00 for Dominion and Provincial taxes on income, leaving a balance of \$2,153.18 which has been transferred to earned surplus.

During the year the Company was again required to absorb substantially increased production costs which more than offset an overall revenue gain achieved during the fiscal year under review. In March 1949 wage contracts at increased rates, retroactive to the Fall of 1948, were finalized for our factory personnel the costs of which have been fully absorbed in the year.

Turning now to the future earnings picture I should like to assure you that your management is fully conscious of the economic readjustment which, while perhaps more pronounced in the United States, is already casting its shadow on Canadian business. To meet this challenge we are pursuing a vigorous sales program, exercising every possible economy of operation and must now call upon the fullest effort of every member of our organization.

To assist in the implementation of the aggressive business policy we have established, I am pleased to announce that your Directors have appointed Mr. R. M. Barbour as Executive Vice-President and Mr. D. W. Turnbull, C.A. as Secretary-Treasurer and Comptroller.

In our 1950 fiscal year each cost factor will be carefully reviewed and controlled. Every effort will be made to restore the earning position to the former levels which will provide security and well-being for the years that lie ahead. The success of our endeavors will largely be measured by the individual effort of every employee of the Company.

It is encouraging now as I make my report to you to be able to state that the earnings of the first two months of our 1950 fiscal year have shown an improvement of 20% over the corresponding months of 1949.

Balance Sheet—Earned Surplus

With current assets of \$668,162.42 and current liabilities of \$408,047.41 our working capital amounts to \$260,115.01. This represents a reduction of \$186,296.95 from the previous year, which has resulted from the expenditure of current funds, along with funds derived from the year's transactions, for the purchase of new modern machinery and the extension of plant facilities, to the extent of \$252,743.24. This new equipment will contribute substantially to our future earnings. It has been entirely financed from Company resources.

Included in prepaid expense is an amount of \$21,148.17 representing the final costs of moving our plant to the Duchess Street property. The total cost of the move to date amounts to \$60,855.67. Of this total \$18,559.33 was absorbed in the operations of our 1948 fiscal year, \$21,148.17 in 1949 and \$21,148.17 is deferred to the 1950 fiscal year, since a good part of the benefit of this move will not be realized until that time.

The earned surplus at 31st March 1949 after charging \$65,006.13 dividends on the class "A" shares, amounts to \$632,721.23.

General

The fiscal year 1949 has been a difficult one. However, we have strengthened our position in the publications field with advanced circulations and increased revenues, at the same time maintaining the standards of quality of which we are proud.

The Publications Division, in common with the industry, is faced with the problem of long-term contract rates which cannot be advanced to keep pace with increases in costs. However, with new rates recently established and with others becoming effective in the current fiscal year, we look for an improvement in this connection.

The 1949 fiscal year records the continuous and healthy growth of your printing division—Saturday Night Press—both in clientele and sales volume.

I desire at this time to express my appreciation to the Directors, the Management and the Employees for their wholehearted cooperation during the past year. It is indeed a source of satisfaction that we are working together with mutual confidence and a broad understanding of our common problems. This spirit will contribute in no small way to the success of our future years.

24th June, 1949.

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 E. L. PATCHET
M. R. SUTTON

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, 1949

Profit from operations before depreciation and other items shown separately below		\$107,509.04
Add profit on disposal of fixed assets and investments		7,240.58
		<hr/>
		\$114,749.62
Less:		
Depreciation	\$90,548.27	
Moving expense	21,148.17	111,696.44
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Profit for year before provision for income taxes		\$ 3,053.18
Provision for income taxes		900.00
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Profit for year		<u>\$ 2,153.18</u>
Note:		
The expenditures for the year include the following—		
Remuneration of executive officers	\$41,375.00	
Directors' fees	220.00	
Legal fees	623.60	

Statement of Earned Surplus

Balance March 31, 1948	\$695,574.18
Deduct four quarterly dividends of 16¼c each per share on Class A shares, including dividend due April 1, 1949, paid March 31, 1949	65,006.13
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	\$630,568.05
Profit for year	2,153.18
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Balance March 31, 1949	<u>\$632,721.23</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 as at March 31, 1949 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, 1949 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 10, 1949.

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, 1949

A s s e t s

CURRENT:		
Cash on hand.....		\$ 2,800.00
Accounts receivable.....	\$357,831.38	
Less reserve for doubtful accounts.....	12,283.45	345,547.93
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Inventories as determined and certified by the management, and valued at the lower of cost or market.....		260,005.39
Prepaid expenses.....		59,809.10
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		\$ 668,162.42
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.....	400,223.82	
Other real estate and property.....	16,900.00	
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	\$ 702,538.84	
Less reserve for depreciation.....	171,707.44	\$530,831.40
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Plant and equipment.....	\$1,242,626.47	
Less reserve for depreciation.....	710,236.93	532,389.54
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Foundry type, mono sorts and lino metal.....	30,874.13	1,094,095.07
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REFUNDABLE PORTION OF TAXES ON INCOME.....		43,320.17
CIRCULATION STRUCTURE.....		500,000.00
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		<u>\$2,305,577.66</u>

L i a b i l i t i e s

CURRENT:		
Bank advances.....		\$ 208,827.36
Accounts payable and accrued charges.....		194,147.00
Accrued income taxes.....		5,073.05
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		\$ 408,047.41
PREPAID SUBSCRIPTIONS.....		532,732.67
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.		
Earned surplus.....	632,721.23	1,364,797.58
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		<u>\$2,305,577.66</u>

