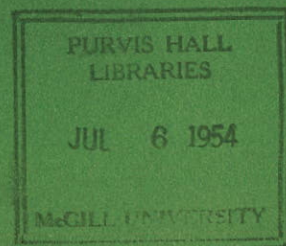


25th Annual Report

Consolidated Press Limited

as at December 31st 1953



To the Shareholders



THIS is the first statement covering a full year's operation under your new management and it shows a modest profit, before depreciation, of \$63,607.88. The attached Balance Sheet sets out the financial position in full detail. Thus, the observations which follow are simply intended to serve by way of explanatory notes.

You will recall that, late in November 1952, the fiscal year of your Company was altered to coincide with the calendar year; this step being taken to make the end of the Company year contemporaneous with the low point of advertising expenditures. So that a proper comparison may be made with the 1952 period, your management has estimated the condition of profit and loss for the twelve months ending December 31, 1952 as a loss of \$131,411.00 after depreciation. In the same period of 1953, your Company lost, after depreciation, \$47,621.46; a net improvement over 1952 of \$83,789.54.

In 1953, every effort has been made to excise unnecessary operational costs; nevertheless, the outlay required to provide crucial competitive equipment at your Duchess Street plant and also to effect unavoidable building rehabilitation at 71 and 73 Richmond Street West has been heavy. In 1953 your Company

purchased capital assets totalling \$140,243.73. Over the next few years further expenditures of a similar kind will be required to ensure substantially reduced mechanical costs and fully efficient physical operations. This, so to speak, is "the dark side of the moon."

Saturday Night Press (the letterpress and offset division) is showing fine progress and is without a peer in the Canadian creative printing field.

The position in the publication division—Saturday Night alone excepted—also showed a healthy improvement in 1953. Canadian Home Journal has been largely redesigned and, with its February issue, enjoyed the largest circulation in its history. Farmer's Magazine has shown fine progress, also. Moreover, the recent appointment of J. R. Neale as Consulting Editor to Farmer's provides it with an assured position as *the* farm vehicle in this country.

The trade papers are doing well. In addition, during 1953, your Company undertook to publish, on behalf of the Automotive Transport Association, an altogether new trade paper known as "Truck Transportation."

Your management believes that it would be ill judged to apply the usual financial criteria of success to Saturday Night, which over the years has been a heavy loser for your Company. In terms of prestige

and influence, Saturday Night has no equal in Canada and during 1953 has elicited an abundance of critical praise. Citing only a single instance, one of the world's great newspapers, "The Scotsman" of Edinburgh, Scotland, commented editorially on May 6, 1953, in part as follows:

"... this sprightly periodical has recently been editorially reconstructed, and it is an impressive credit to Canadian culture.

"The standard of writing in the various departments of Saturday Night is not only high, but the general approach is witty and outspoken. It compares well with the leading U.S. weekly journals, such as the Saturday Review of Literature, and it completely avoids that provincialism or parochialism of emphasis that disfigures some journals of comment. It is thoroughly professional in format, content and style.

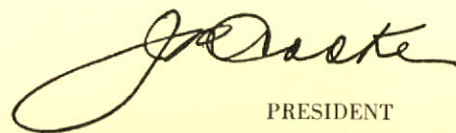
"It is a sorry reflection on our own lack of liveliness of mind that Scotland has not seen, for many years, a weekly paper remotely approaching Saturday Night in enterprise, literacy and liberality of outlook."

Despite this heartening sort of appreciation, your management believes that Saturday Night is losing a quite improper sum and a variety of steps have already been taken in order to correct the situation. Beginning with its May issue, Saturday Night will publish

in that smaller format size which has shown itself so acceptable to advertisers and readers alike. Examples are The New Yorker, Business Week, The Atlantic Monthly and Time. Besides, your management is making every effort to attract those broad groups of advertisers, who are assured in Saturday Night of the ideal advertising medium for sale of their products. These various steps, taken together, should result in a greatly reduced loss for this publication in 1954.

Summing up, there is solid and precise cause for sober optimism in regard to the future of your Company. There has been an almost total absence of distinguished and lively magazine publishing in Canada and your management believes that its policies are calculated to produce publications of such a character. Re-organization of your Company's properties, inevitably spells that step by step rehabilitation which makes for positive and enduring, although not spectacularly quick, results. Basically, your Company is now sound, however, and you have in addition, a staff which is enthusiastically dedicated to advancing its future. Most important of all, Canada is on the threshold of the greatest development in its history. There is every reason to believe that your Company will share in this growth and that there will be a substantial profit improvement in 1954.

To the Shareholders



PRESIDENT

Consolidated

(incorporated under The

BALANCE SHEET

December 31, 1953

Assets Current:

| | | | |
|--|--------------|----|------------|
| Cash on hand | | \$ | 2,300.00 |
| Accounts receivable | \$589,947.37 | | |
| Less allowance for doubtful accounts | 12,283.45 | | |
| | | | 577,663.92 |
| Inventories as determined and certified by the management, and valued at the lower of cost or market | | | 467,607.92 |
| Income taxes recoverable | | | 14,002.00 |
| Prepaid expenses and deposits | | | 95,879.31 |

\$1,157,453.15

Fixed—as appraised by the Canadian Appraisal Company at December 31, 1928, with subsequent additions at cost:

| | | |
|-------------------------------|----|--------------|
| Land | \$ | 41,006.96 |
| Buildings | \$ | 650,502.83 |
| Plant and equipment | | 1,573,706.61 |

\$2,224,209.44

| | |
|---|--------------|
| Less accumulated depreciation | 1,283,084.13 |
|---|--------------|

941,125.31

| | | |
|---|-----------|--------------|
| Foundry type, mono sorts and lino metal | 30,874.13 | 1,013,006.40 |
|---|-----------|--------------|

| | | |
|---------------------------------|--|------------|
| Circulation Structure | | 500,000.00 |
|---------------------------------|--|------------|

\$2,670,459.55

Auditors' report to the shareholders: We have examined the balance sheet of Consolidated Press Limited as at December 31, 1953, 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 we considered necessary in the circumstances.

Toronto, Canada,
March 26, 1954.

Press Limited

(Companies Act, Canada)

BALANCE SHEET

December 31st, 1953

Current:

| | |
|--|---------------|
| Bank advances | \$ 316,065.10 |
| Accounts payable and accrued charges | 552,389.12 |
| Dividends payable 2nd January, 1954 | 16,251.12 |

\$ 884,705.34

Prepaid Subscriptions 669,739.11

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 the class "A" shares have been paid to July 1, 1952. | | |
| Earned surplus | 383,938.75 | |
| | | 1,116,015.10 |

On behalf of the Board:

J. K. COOKE, Director

N. A. HYLAND, Director

\$2,670,459.55

Liabilities

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 December 31, 1953, 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.

CLARKSON, GORDON & Co.,
Chartered Accountants

Statements

Year Ended December 31st, 1953

Profit and Loss

| | |
|---|--------------|
| Profit from operations before depreciation and profit on disposal of fixed assets | \$ 53,347.63 |
| Add profit on disposal of fixed assets | 10,260.25 |
| | <hr/> |
| | \$ 63,607.88 |
| Deduct depreciation | 111,229.34 |
| | <hr/> |
| Loss for the year | \$ 47,621.46 |

Note:

The expenditures for the period include the following—

| | |
|--|-------------|
| Remuneration of executive officers | \$43,635.49 |
| Legal fees | 290.00 |

Earned Surplus

| | |
|--|--------------|
| Balance December 31st, 1952 | \$496,564.92 |
| Deduct: | |
| Four quarterly dividends of 16¼c per share on class "A" shares | \$65,004.71 |
| Loss for the year | 47,621.46 |
| | <hr/> |
| | \$112,626.17 |
| Balance December 31, 1953 | <hr/> |
| | \$383,938.75 |

Consolidated Press Limited

Printers and Publishers

HEAD OFFICE: 73 Richmond Street West, Toronto, Canada

Directors

J. K. Cooke
R. A. Daly
N. A. Hyland
J. R. Meggeson
E. R. Milling
W. P. Scott
W. Zimmerman

Officers

N. A. Hyland, Chairman of the Board
J. K. Cooke, President
H. E. Cooke, Vice-President
E. R. Milling, Vice-President
W. Zimmerman, Q.C., Secretary
N. M. Watt, C.A., Treasurer and Comptroller

Branches

NEW YORK, 331 Madison Avenue
MONTREAL, Birks Building

With Agents at

Vancouver
Calgary
Winnipeg
Hamilton
Halifax
Los Angeles
London, England

Publishers of

SATURDAY NIGHT
CANADIAN HOME JOURNAL
FARMER'S MAGAZINE
The Trader and Canadian Jeweller
Truck Transportation
The Canadian Cigar & 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

Consolidated Press Limited

Printers and Publishers

HEAD OFFICE: 73 Richmond St W, Toronto, 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