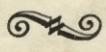
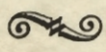


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TWELFTH
ANNUAL REPORT
of
Canadian Wirebound Boxes
LIMITED
TORONTO . . . CANADA



Year Ended April 30th, 1940



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Canadian Wirebound Boxes

LIMITED

DIRECTORS

A. K. Cameron	H. M. Millar
A. M. Dunn	Stuart B. Playfair
H. A. Greene	H. L. Trapp
E. G. McMillan	D. L. White, Jr.

OFFICERS

D. L. White, Jr.	Chairman Board of Directors
A. M. Dunn	President and Managing Director
H. A. Greene	Vice-President
J. P. Berney	Secretary-Treasurer

TRANSFER AGENT AND REGISTRAR OF TRANSFERS

at Toronto

Chartered Trust and Executor Company

To the Shareholders,

CANADIAN WIREBOUND BOXES, LIMITED.

The Board of Directors submits herewith the Twelfth Annual Report of the Company, together with the financial statement for the year ended April 30th, 1940 with which has been consolidated the first annual financial statement of its subsidiary, Eastisle Realties Ltd. as certified to by your auditors.

The net earnings for the year, before depreciation and income taxes, amounted to \$204,249.22; after providing for depreciation of \$62,167.35 and Federal and Provincial income taxes of \$22,465.00, a net profit of \$119,616.87 is shown. This profit has been transferred to Earned Surplus Account and after making provision for dividends, transfer to Special Surplus Account as required, and sundry adjustments, there remains a balance of \$200,667.21 to be carried forward as earned surplus.

The working capital of the Company now stands at \$327,696.59 as compared with \$253,443.43 on April 30th, 1939. The increase in working capital is accounted for as follows:

Increases:

Net Earnings for the year (before depreciation and income taxes)	\$204,249.22
Sundry Adjustments	2,228.69
Eastisle Realties Ltd.:	
Advances to the above company to April 30th, 1939	\$149,287.51
First Mortgage monies advanced to the above company by Canada Life Assurance Company	\$137,500.00
<u>Less</u> Repaid to April 30th, 1940	5,775.98
	<u>131,724.02</u>
	\$281,011.53
<u>Deduct</u> Cost of Land and Buildings, Montreal	251,893.80
	<u>29,117.73</u>
	\$235,595.64

Decreases:

Dividend on Class "A" shares at cumulative yearly rate of \$1.50 per share	\$ 76,877.62
Purchase of 449 Class "A" shares	10,331.87
Purchase of Machinery and Equipment, and adjustment of Cash Surrender Value Life Insurance	39,445.99
Loss re Bonds adjusted to market value	125.00
Provision for Federal and Provincial Income Taxes, current period, and adjustments affecting prior periods	23,796.81
Sundry Investment and Advances	10,765.19
	<hr/>
	161,342.48
Net Increase in Working Capital	\$ 74,253.16
	<hr/> <hr/>

Under authority granted the Company, 449 shares of Class "A" stock were purchased during the year, thereby reducing to 50,915 the number of such shares outstanding at April 30th, 1940.

The book value of patents, leases, etc., has been reduced to \$638,287.08 by the transfer of \$1,342.13 arising from the purchase of Class "A" shares and \$179.37 written off to operations.

On behalf of the Directors and myself, I wish to express appreciation of the splendid services rendered by the executives and employees during the year..

A. M. DUNN,
President.

July 15th, 1940.

CANADIAN WIREBOUND BOXES, LIMITED

AND ITS SUBSIDIARY

EASTISLE REALTIES LTD.

CONSOLIDATED BALANCE SHEET

(April 30th, 1940)

ASSETS

Current Assets:

Cash on hand and in banks.....	57,207.13	
Dominion of Canada Bonds—3¼% 1948-52 (at market value).....	14,875.00	
Accounts Receivable, less Reserve for Bad Debts	190,491.44	
Inventory, Merchandise and Supplies, at the lower of cost or market, as certified by the management	199,772.13	
Prepaid Expenses and Accrued Revenue.....	18,945.63	
		481,291.33

Cash Surrender Value of Life Insurance..... 2,500.00

Sundry Investment and Advances..... 23,814.36

Fixed Assets:

Land, Buildings and Equipment, at depreci- ated appraisal values as of April 14th, 1928, plus subsequent additions at cost	1,345,141.85	
<u>Less Reserve for Depreciation</u>	498,221.45	
		846,920.40
<u>Patents, Leases, etc.</u>		638,287.08

\$1,992,813.17

LIABILITIES

Current Liabilities:

Accounts and Bills Payable.....	85,270.52	
Sundry Creditors	23,817.60	
Accrued Expenses	22,206.62	
Provision for Federal and Provincial Taxes	22,300.00	
		153,594.74

Mortgage Payable 131,724.02

Capital and Surplus:

Class A Stock (no par value):		
Authorized, 150,000 shares:		
Originally Issued	90,000 shares	} 1,363,790.00
Redeemed and Cancelled, 39,085 shares	39,085 shares	
Outstanding	50,915 shares	
Class B Stock (no par value):		
Authorized and Issued	40,000 shares	
Consolidated Earned Surplus	200,667.21	
Special Surplus	143,037.20	
		1,707,494.41

\$1,992,813.17

Contingent Liability—Not determinable pending result of litigation.

Note—Arrears of dividends on Class A Shares to April 30th, 1940 amounted to \$2.25 per share.

CANADIAN WIREBOUND BOXES, LIMITED

AND ITS SUBSIDIARY EASTISLE REALTIES LTD.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Year ended April 30th, 1940)

Net Profit, before depreciation and income taxes.....	204,249.22
Deduct Provision for Depreciation	62,167.35
Net Profit, before Income Taxes	142,081.87
Deduct Provision for Federal and Provincial Income Taxes	22,465.00
Net Profit for year	<u>\$119,616.87</u>

CONSOLIDATED EARNED SURPLUS ACCOUNT

(Year ended April 30th, 1940)

Earned Surplus, April 30th, 1939	174,517.86
Add Net Profit for year	119,616.87
	<u>\$294,134.73</u>

Deduct:

Dividends on Class A Shares	76,877.62
Transfer to Special Surplus Account	11,447.45
Loss on Sales of Machinery	3,685.64
Additional Federal and Provincial Income Taxes for prior periods	1,331.81
Reduction of Bonds to market value	125.00
	<u>93,467.52</u>

Earned Surplus, April 30th, 1940	<u>\$200,667.21</u>
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SPECIAL SURPLUS ACCOUNT

(Year ended April 30th, 1940)

Special Surplus, April 30th, 1939	131,589.75
Add Transfer from Earned Surplus Account	11,447.45
Special Surplus, April 30th, 1940	<u>\$143,037.20</u>



AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the books and accounts of Canadian Wirebound Boxes, Limited for the year ended April 30th, 1940, and its subsidiary, Eastisle Realities Ltd. for the period from January 21st, 1939 to April 30th, 1940. All our requirements, as auditors, have been complied with and we report that, in our opinion, the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs at April 30th, 1940 according to the best of our information and the explanations given us, and as shown by the books.

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Toronto, July 15th, 1940. Chartered Accountants.

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MONTREAL, QUE.
6259 NOTRE DAME ST. EAST

