

F. N. BURT COMPANY, LIMITED

**Report of the Second Annual General Meeting of the Shareholders of F. N. Burt Company, Limited,
Held at the Head Office of the Company in Toronto on Friday, March 3rd, 1911, at 12 o'clock Noon**

The President, Mr. S. J. Moore, occupied the chair.

The Directors presented the following Report:—

The Directors present to the Shareholders their Second Report, with the accompanying Statement of Assets and Liabilities, showing the result of the operations of the Company for the year ended December 31, 1910:

The Balance at credit of Profit and Loss Account, December 31, 1909, was	\$ 63,588.28
Amount voted by the Shareholders to the Managing Director.....	7,500.00
Balance brought down	\$ 56,088.28
Profits for the year	160,901.44
Profits from Pacific-Burt Transaction	22,500.00
	<u>183,401.44</u>
	\$239,489.72

The appropriations were as follows:—

Dividends on Preferred Stock Nos. 2, 3 and 4, at the rate of 7% per annum	\$ 39,375.00
Dividends on Common Stock Nos. 1, 2 and 3, at rate of 4% per annum	22,500.00
Reserved for Preferred Stock Dividend No. 5, payable January 3, 1911	13,125.00
Reserved for Common Stock Dividend No. 4, at the rate of 6% per annum, payable January 3, 1911	11,250.00
Auditors' and Directors' Fees	3,187.50
Transferred to Realty and Plant Reserve Account	25,000.00
	<u>114,437.50</u>
Balance to carry forward	\$125,052.22

Important enlargements to the Company's factories at Buffalo have been undertaken during the year.

Your Directors have also acquired the business of the Dominion Paper Box Company, Limited, of Toronto, on satisfactory terms.

In order to provide for these important extensions it is proposed to increase the Preferred Capital of the Company by \$750,000, and a special meeting of Shareholders has been called to authorize such increase.

Respectfully submitted,

S. J. MOORE,

President.

STATEMENT OF ASSETS AND LIABILITIES DECEMBER 31st, 1910.

Liabilities.	
Capital Stock:	
Preference Stock.. \$750,000.00	
Common Stock... 750,000.00	
	<u>\$1,500,000.00</u>
Mortgages payable ..	47,000.00
Accounts and Bills payable	171,237.74
Dividend on Preference Stock No. 5, payable 3rd January, 1911	13,125.00
Dividend on Common Stock No. 4, payable 3rd January, 1911	11,250.00
	<u>24,375.00</u>
Realty and Plant Reserve Account..	25,000.00
Profit and Loss Account, balance carried forward	125,052.22
	<u>\$1,892,664.96</u>

Assets.

Real Estate, Buildings, Plant, Machinery, Patents, Good-Will and Investments	\$1,453,969.48
Stock in Trade	226,334.19
Accounts and Bills Receivable...	148,809.17
Cash at Bankers and in hand..	63,552.12
	<u>\$1,892,664.96</u>

Audited and found correct,
CLARKSON & CROSS,

Toronto, 28th February, 1911.

Auditors.

The President, Mr. S. J. Moore, spoke as follows:—

"I have very much pleasure in moving the adoption of the Report which has just been read. It speaks for a year in which much progress has been made besides that represented by the Net Profits reported. A large amount of constructive work has been done which future years will derive benefit from.

PROFITS.—These (including the profit realized on the Pacific-Burt transaction) amount to \$183,401.44, and are equal to 12% upon the total Capital of the Company. They are also equal to 17% upon the Common Stock, after provision has been made for the Preferred.

DIVIDENDS.—Seven per cent. has been paid on the Preferred Stock during the year, and for the first three-quarters of the year dividends were paid on the Common Stock at the rate of 4%. The rate was increased in the fourth quarter to 6%. The distribution in dividends was \$86,250, or less than one-half of the total earnings, and the remainder, amounting to \$97,151.34, has been retained in the business. After transferring \$25,000 to Realty and Plant Reserve Account, the Profit and Loss Account is increased to \$125,052.22.

BUFFALO FACTORIES.—The shipments from these factories made new records for every month of the year 1910, and the increase over 1909 exceeded 15%. Because of the crowded condition of all these factories, and the amount of desirable business offered to us, and also because of the belief that we could count upon this increase being permanent, we entered upon a policy of expansion which we have every reason to expect will be fully justified. Large additions to two of our factories have been in progress for some time, and by the first of July we should have these completed and new machinery installed therein.

While we shall get some benefit from the enlargements during this year, it will be next year before we get the full benefits therefrom.

EUROPE.—A careful study of the condition of trade in our lines in Europe was made early in 1910 by our Managing Director, Mr. Burt, who visited Great Britain, Germany, France, Holland and Belgium. From his report it was evident that there is a field awaiting development, although the conditions of trade indicated that we should have to do considerable preliminary work before receiving returns from that territory. A leading manufacturer of paper boxes in Great Britain visited our factories in Buffalo last year, and within the last few weeks has urged very strongly that we at once introduce our special machinery into that country, as the situation appears to be very favorable at the moment owing to special conditions which have arisen. Unfortunately we are not in a position to take advantage of this opportunity for the reason that it will be many months before we shall have built a sufficient quantity of our special machines to fully equip our enlarged Buffalo factories. It seems quite likely that when we are ready to enter the European market we shall be able to make some arrangements that will be satisfactory and ultimately profitable to the Company.

PACIFIC COAST TERRITORY.—In view of the many demands made upon our managerial staff, and upon capital for the development of business at Buffalo, it appeared wise to take advantage of a favorable opportunity of establishing a connection with a business already well organized and profitably conducted in California. The Pacific-Burt Company, Limited, have become our exclusive Licensees for the territory west of and including Denver, Colorado. They have issued to us securities, the value of which appears in our Profit and Loss Account at \$22,500, and are to pay us additional considerations. By this arrangement we insure good management and direct oversight of our interests, and avoid the furnishing of capital necessary for the establishment of the business in that territory.