

F. N. BURT COMPANY

LIMITED

Report of the Directors Presented to the Shareholders at
the Fifth Annual General Meeting of the Company,
Held on Monday, March 30th, 1914.

The Fifth Annual General Meeting of the Shareholders of F. N. Burt Company, Limited, was held at the Head Office of the Company, No. 53 King Street West, in the City of Toronto, on Monday, the 30th day of March, 1914, at the hour of twelve o'clock noon.

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

The Board of Directors presented the following report:—

The Directors present to the Shareholders their Fifth Annual Report with accompanying Statement of Assets and Liabilities as of December 31st, 1913.

The Balance at credit of Profit and Loss Account, December 31st, 1912, was \$137,874.67
Profits for the year were 217,302.56
\$355,177.23.

The Appropriations were as follows:—

Dividends on Preference Stock Nos. 14, 15 and 16, at the rate of 7% per annum	\$101,979.35	
Reserved for Preference Stock Dividend No. 17, payable January 2nd, 1914	34,536.25	\$136,515.60
Dividends on Common Stock Nos. 13, 14 and 15, at the rate of 6% per annum	33,750.00	
Reserved for Common Stock Dividend No. 16, payable January 2nd, 1914	11,250.00	45,000.00
Auditors' and Directors' Fees	3,026.45	
Transferred to Realty and Plant Reserve Account	25,000.00	209,542.05
Balance to carry forward to 1914	\$145,635.18	

Notwithstanding the fact that business conditions generally were not good in 1913, particularly during the latter part of the year, our business exceeded that of any previous year, and Net Profits were \$27,872.01 greater than those of 1912.

By Order of the Board,
S. J. MOORE, President.

STATEMENT OF ASSETS AND LIABILITIES, DECEMBER 31st, 1913.

Capital Stock:		Liabilities.
Preference Stock	\$1,975,200.00	
Common Stock	750,000.00	\$2,725,200.00
Mortgages Payable		31,000.00
Accounts and Bills Payable		221,847.71
Dividend on Preference Stock No. 17, payable 2nd January, 1914	\$ 34,536.25	
Dividend on Common Stock No. 16, payable 2nd January, 1914	11,250.00	
		45,786.25
Realty and Plant Reserve Account		100,000.00
Profit and Loss Account—Balance		145,635.18
		\$3,269,469.14

Assets.

Real Estate, Buildings, Plant, Machinery, Patents, Goodwill and Investments	\$2,423,596.83
Stock in Trade	387,552.25
Accounts and Bills Receivable ..	367,786.22
Cash at Bankers and on hand....	90,533.84
	<u>\$3,269,469.14</u>

Audited and found correct,

CLARKSON, GORDON & DILWORTH,
Auditors.

13th March, 1914

The following is an extract from the address of the President, Mr. S. J. Moore:—

"I have much pleasure in moving the adoption of the Report which has been presented. Net Profits of \$217,302.56, being an increase of \$27,872.01 over the preceding year's results, will, I believe, be considered as quite satisfactory for a year in which business conditions throughout the United States and Canada were very unsettled, and from the results of which most manufacturers are showing reduced earnings. The regular dividends of 7% on the Preference Stock and 6% on the Common Stock were paid, and after the transfer of \$25,000 to Real Estate and Plant Reserve Account, \$7,760.51 was added to the balance in Profit and Loss Account, which now stands at \$145,635.18.

"The Balance Sheet shows that the Company is in a strong and easy financial position. No large expenditures on Capital Account are contemplated in the near future.

"In pursuance of our policy as Paper Box Specialists, we continue to develop new machinery and methods of manufacture. During the year 1913 some important results were obtained in this regard, from which we should derive substantial benefits. More than 50% of our Plant and Machinery has been built and installed within the last four years. Our factories are up-to-date in every respect, and well equipped.

"The Company's manufacturing operations are carried on in two factories in Toronto, and three in Buffalo. In addition, we have in Buffalo a storage warehouse and packing-case plant, and a machine shop, where our principal machinery is built and repaired. Our plants comprise over 380,000 square feet of floor space.

"There is an increasing tendency to legislate in favor of shorter working hours and better protection for employees. The Law which was passed by the New York State Legislature in 1912, and which went into operation in October of that year, reducing the working hours of female labor, affected our costs quite considerably during the year 1913. In these matters all manufacturers are affected and consequently prices must advance to cover the increased cost of production. We are in a more favorable position than other concerns in the Paper Box trade because of the large factor which our automatic machinery has become in our business. As labor costs increase, our automatic machinery and other labor saving devices become more valuable.

"It has always been a part of the policy of this Company to provide the best possible conditions under which its employees work. Our factories are equipped with conveniences, and protection against fire, in every possible way, and in addition to this a Social Service Secretary is employed at Buffalo at the expense of the Company, whose whole time is devoted to looking after the welfare of female employees.

"Patent protection is secured in the United States, Canada, Great Britain and Europe on all the important improvements in machinery which we produce, and we are accumulating an increasingly valuable asset in this respect.

"We are steadily widening the scope of our business without departing from the policy which has established the business in its unique position in the paper box trade."

The following Board of Directors were elected: Messrs. S. J. Moore, A. E. Ames, F. N. Burt, Robert Kilgour, Charles H. Duell, W. Caryl Ely, James Ryrie and Alfred Jephcott.

Messrs. Clarkson, Gordon and Dilworth were appointed Auditors.

At a subsequent meeting of the Board Mr. S. J. Moore was elected President, and Messrs. A. E. Ames and F. N. Burt, Vice-Presidents of the Company.