

BRUCK SILK MILLS LIMITED



# Financial Statement

31st October  
1933



*Mills at*  
COWANSVILLE, P.Q.

*Sales Offices at*

MONTREAL  
PURVIS HALL  
LIBRARIES

TORONTO      WINNIPEG  
VANCOUVER

JAN 19 1946

MCGILL UNIVERSITY







# BRUCK SILK MILLS LIMITED

*Throwsters - Weavers*

*Dyers - Finishers*

*Silk Printers*



*Mills at*

COWANSVILLE, P.Q.

*Sales Offices at*

MONTREAL

TORONTO

WINNIPEG

VANCOUVER



# Officers

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## *President and Treasurer*

I. I. BRUCK, Montreal

## *Secretary*

F. G. BUSH, Montreal

## *Assistant Secretary*

W. P. CREAGH, Montreal

## *Directors*

I. I. BRUCK	-	-	-	-	-	-	-	-	Montreal
F. G. BUSH	-	-	-	-	-	-	-	-	Montreal
WILLIAM M. CHADBOURNE	-	-	-	-	-	-	-	-	New York
W. R. G. HOLT	-	-	-	-	-	-	-	-	Montreal
L. S. LEE	-	-	-	-	-	-	-	-	Cowansville
LT.-COL. C. N. MONSARRAT	-	-	-	-	-	-	-	-	Montreal
D. W. PARTRIDGE	-	-	-	-	-	-	-	-	Montreal
WALLACE B. PHILLIPS	-	-	-	-	-	-	-	-	London, Eng.
M. L. WILLIAMS	-	-	-	-	-	-	-	-	Montreal

## *Bankers*

BANK OF MONTREAL  
NATIONAL CITY BANK OF NEW YORK

## *Auditors*

MACINTOSH, COLE & ROBERTSON, Montreal

## *Trustee and Transfer Agent*

MONTREAL TRUST COMPANY, Montreal

## *Registrar*

THE CANADIAN TRUST COMPANY, Montreal

## *Head Office*

460 St. Catherine St. West, Montreal

COWANSVILLE, QUE.,

November 24th, 1933.

TO THE SHAREHOLDERS,

BRUCK SILK MILLS LIMITED.

GENTLEMEN:—

Your Directors have pleasure in submitting the Balance Sheet and Profit and Loss Statements of your Company for the fiscal year ended October 31st, 1933, from which it will be evident to you that the results of the Company's operations for the past year are particularly satisfactory in view of the continuance of world-wide depressed business conditions. This gratifying result is attributed largely to the fact that conservative policies in regard to distribution of earnings have been adopted in past years and continue to be adopted; which policies have tended year by year to substantially improve the Company's ability to increase its business through the building up of substantial reserves as evidenced by increased working capital and plant capacity. It is particularly gratifying to report that your Company is now in better position to obtain business, both as to working capital and plant capacity, than at any time in its history and thus should be able to take full advantage of an upturn in general conditions.

PROFITS—Comparatively low prices for finished goods have prevailed over the period under review. Sales in yardage, however, show increases over the previous year. Despite low prices gross trading profit

amounted to \$477,831 as compared to \$306,496 for 1932—an increase of about 56%. After providing for selling, delivery, administration and other operating expenses the net operating profit available for interest and depreciation amounted to \$287,621 as compared with \$135,077 for the previous year—an increase of about 112%.

After deduction of \$33,034 for bond interest and amortization of bond discount and \$76,504 for depreciation, there remains a net profit of \$178,083 available for surplus and reserves, including income tax reserve, as compared with \$30,258 for the previous year—an increase of 488%. After making allowance for income tax and other reserves your Company's Profit and Loss Account now stands at the very substantial amount of \$552,375.

It is worthy of note that, of the \$178,083 of net profit after depreciation and all prior charges, approximately half of this amount may be attributed to operations covering the last four months of the fiscal year, which latter period more closely reflects the operating economies, increased plant capacity and electrical power improvements which were initiated earlier in the year. The rate of net earnings during these last four months has therefore been considerably in excess of that shown for the entire twelve months under review. While the outlook for the distant future is difficult to gauge under present business conditions, the immediate outlook in point of sales and earnings is distinctly encouraging.

**WORKING CAPITAL POSITION AND INVENTORIES**—As at 31st October last, Current Assets stood at \$471,902 which figure includes \$97,400 of Trade Accounts Receivable and \$314,106 of Inventory. These figures reflect values which the Directors believe to be



conservative. Inventories have been valued at cost or market, whichever was the lower. In many instances cost was below market value.

Current Liabilities amount to only \$51,182 of which nearly half is for Income Tax Reserve.

Working Capital therefore stands at \$420,720 with a current ratio of 9.22 to 1 as compared to \$333,733 and a current ratio of 4.46 to 1 as at the close of the previous year. The increase of \$86,987 in working capital is noteworthy.

DIVIDEND—Your Directors at a Meeting on November 24th, 1933, declared a Dividend of 25c a Share on the Capital Stock payable January 15th, 1934, to Shareholders of record on the Company's Books as of December 15th, 1933. This Declaration was in recognition of the large improvement in the Company's business in the final four months of the fiscal year.

PLANT AND EQUIPMENT—Additions and extensions to plant amounting to \$113,000 have been financed out of earnings during the past year. These include a new weaving plant and a new steam power plant complete with electrical generating equipment. The Company's new steam power plant has surpassed expectations in performance and your Directors have decided to further improve the Company's independent supply of electrical power by the construction of an addition to the boiler house and an extension of boiler capacity. A new fuel contract has also been arranged which is expected to effect a saving of about \$25,000 annually. In order to meet increasing demands for the Company's products your Directors have also decided

to construct an addition to the present weaving plant comprising 10,800 square feet, which is now under construction. The operating schedule for the plant was increased last August from 2 shifts to 3 shifts daily which capacity operation is now being maintained.

DEPRECIATION RESERVES—During the past year the sum of \$76,504 was written off out of earnings representing a further increase over the charge-off in previous years. Total depreciation reserve now stands at \$439,603.

LIFE INSURANCE—Since the close of the fiscal year, \$100,000 of additional life insurance has been taken out in your Company's favour on the life of the President, Mr. I. I. Bruck, making a total of \$325,000 now being carried.

NEW DIRECTORS—Due to the general expansion in your Company's business including very promising possibilities of export sales, it was considered advisable to elect to your Board Mr. William M. Chadbourne of New York, Mr. W. R. G. Holt of Montreal, and Mr. Wallace B. Phillips of London, England, to fill vacancies.

CONCLUSION—Your Directors feel that the conservative policy of solid retrenchment adopted under present trying business conditions has justified and will continue to justify itself and that its results will materially reflect themselves in increased profits upon resumption of improved general conditions.

Your Directors appreciate the loyal co-operation of your entire staff organization during a difficult period of operation.

Your Directors are pleased that operations have justified a substantial increase in staff during the year, which to this extent has relieved unemployment in the locality of your Company's plant and also that the general schedule of wages for weavers in your plant has been twice voluntarily increased by your management during the year under review.

Submitted on behalf of the Board.

I. I. BRUCK,  
President.

## BRUCK SILK M

*Balance Sheet as at*

## ASSETS

## CURRENT ASSETS:—

Cash on Hand and in Banks.....	\$ 26,545.06	
Cash Surrender Value of \$225,000.00 Life Assurance.....	28,562.44	
Deposit with Insurance Underwriters.....	5,287.93	
Trade Accounts Receivable—Less Reserve for Doubtful Accounts.....	97,400.06	
Inventories.....	314,106.43	
		<u>\$471,901.92</u>

Investments at Cost.....	2,280.00
Cash in Sinking Fund.....	304.75

## DEFERRED CHARGES:—

Prepaid Insurance, etc.....	\$1,697.74	
Discount on Bonds.....	4,917.25	
		<u>6,614.99</u>

## PLANT INVESTMENT:—

Land, Buildings, Plant, Machinery, Furniture, etc.....	\$1,377,320.48	
LESS:—Reserve for Depreciation.....	439,603.51	
		<u>937,716.97</u>
		<u><u>\$1,418,818.63</u></u>

Signed on behalf of the Board:

(Signed)	ISAAC I. BRUCK	} DIRECTORS.
(Signed)	L. S. LEE	

MONTREAL,—16TH NOVEMBER, 1933.

We have audited the Books and Accounts of Bruck Silk Mills, Limited, and explanations we have required, we certify that in our opinion the above Balance Sheet fairly represents the state of the Company's affairs, according to the best of our information and the



# MILLS LIMITED

31st October, 1933

## LIABILITIES

### CURRENT LIABILITIES:—

Accounts payable.....	\$29,208.21	
Reserve for Income Tax year 1933.....	21,973.75	
	<hr/>	\$51,181.96

### FUNDED DEBT:—

#### 6½% FIRST MORTGAGE BONDS:—

AUTHORIZED.....	\$1,000,000.00	
ISSUED.....	\$550,000.00	
LESS:—Redeemed and Cancelled.....	86,400.00	
	<hr/>	463,600.00

### CAPITAL:—

#### NO PAR VALUE COMMON STOCK:—

Authorized and Issued... 100,000 Shares	\$337,500.00
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RESERVE FOR CONTINGENCIES.....	14,161.65
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### PROFIT AND LOSS ACCOUNT:—

Balance at credit, 31st October, 1933.....	\$52,375.02	
	<hr/>	904,036.67
		<hr/>
		\$1,418,818.63

### CONTINGENT LIABILITY:—

Trade Paper under discount with Bank.....	\$90,589.38
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for the year ended 31st October, 1933. Having obtained all the information  
Balance Sheet is properly drawn up so as to exhibit a true and correct view of the  
explanations given to us, and as shown by the Books of the Company.

(Signed) MACINTOSH, COLE & ROBERTSON,  
Chartered Accountants.

# BRUCK SILK

## *Trading and Profit and Loss State*

GROSS PROFIT FROM TRADING.....

DEDUCT:—

Selling, Delivery, Administration and other Expenses....

DEDUCT:—

Bond Interest.....

Bond Discount Amortized.....

DEPRECIATION:—

Plant, Machinery and Equipment.....

Buildings.....

Furniture and Fixtures.....

ADD:—

Dividend received on Investment.....

DEDUCT:—

Reserve for 1933 Income Tax.....

PROFIT FOR YEAR.....

Balance at Credit, 31st October, 1932.....

LESS:—

Reserve for Doubtful Accounts.....

Old Buildings and Plant written off.....

Additional Income Tax for 1932.....

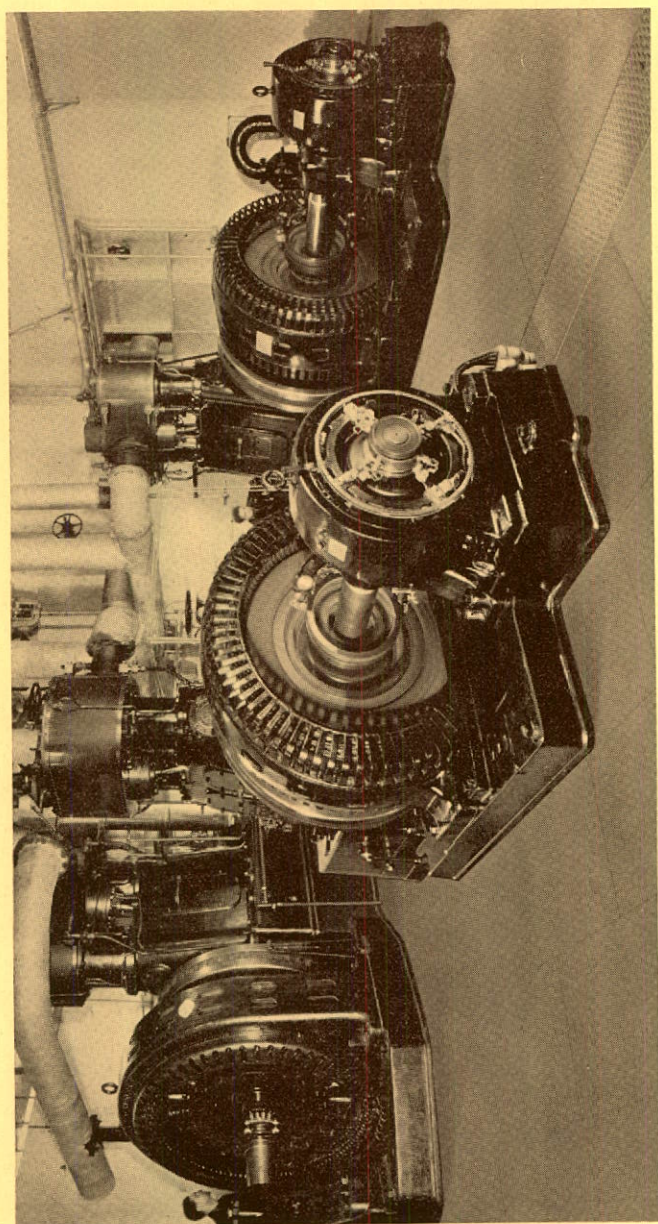
BALANCE AT CREDIT, 31ST OCTOBER, 1933.....

# MILLS LIMITED

ment for year ended 31st October, 1933

.....	\$477,831.47		
.....	190,210.16		
	<hr/>		\$287,621.31
.....	\$31,034.25		
.....	2,000.00		
.....	\$67,792.95		
.....	7,527.72		
.....	1,183.25	76,503.92	109,538.17
	<hr/>	<hr/>	<hr/>
			\$178,083.14
.....			44.00
			<hr/>
			\$178,127.14
.....			21,973.75
			<hr/>
.....			\$156,153.39
.....	\$411,970.01		
.....	\$10,000.00		
.....	5,606.95		
.....	141.43	15,748.38	396,221.63
	<hr/>	<hr/>	<hr/>
.....			\$552,375.02
			<hr/> <hr/>



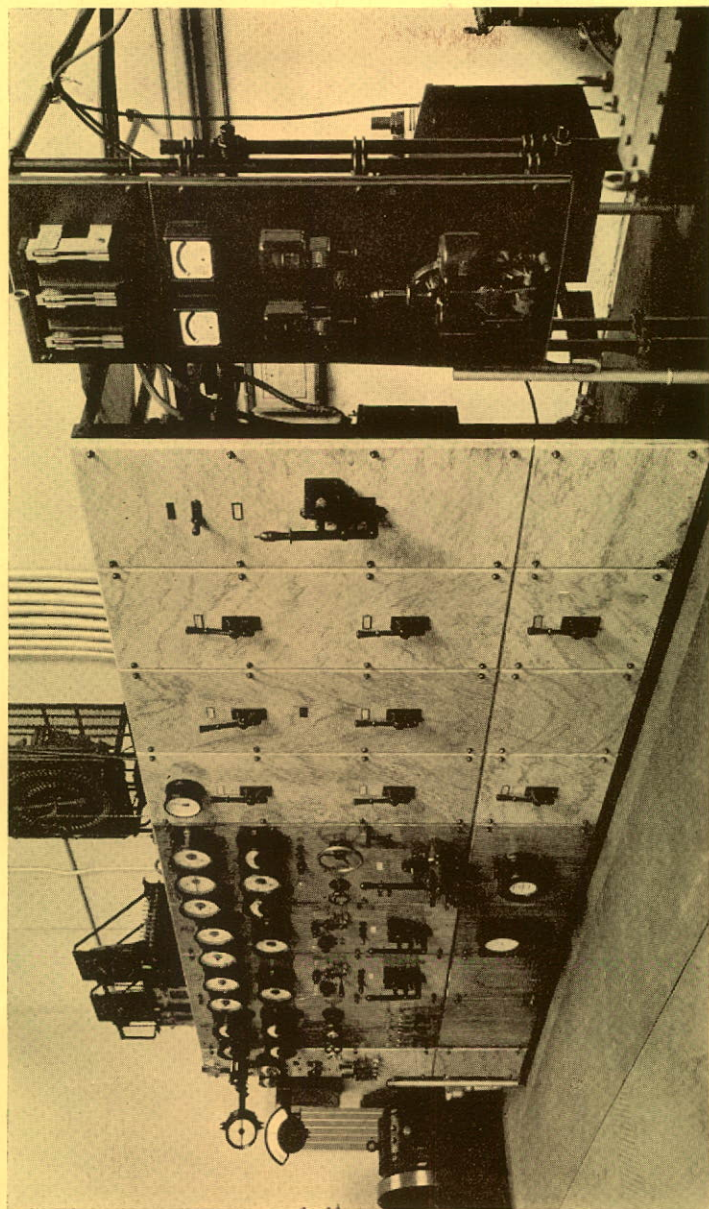


GENERATING ROOM

1933

BRUCK SILK MILLS LIMITED

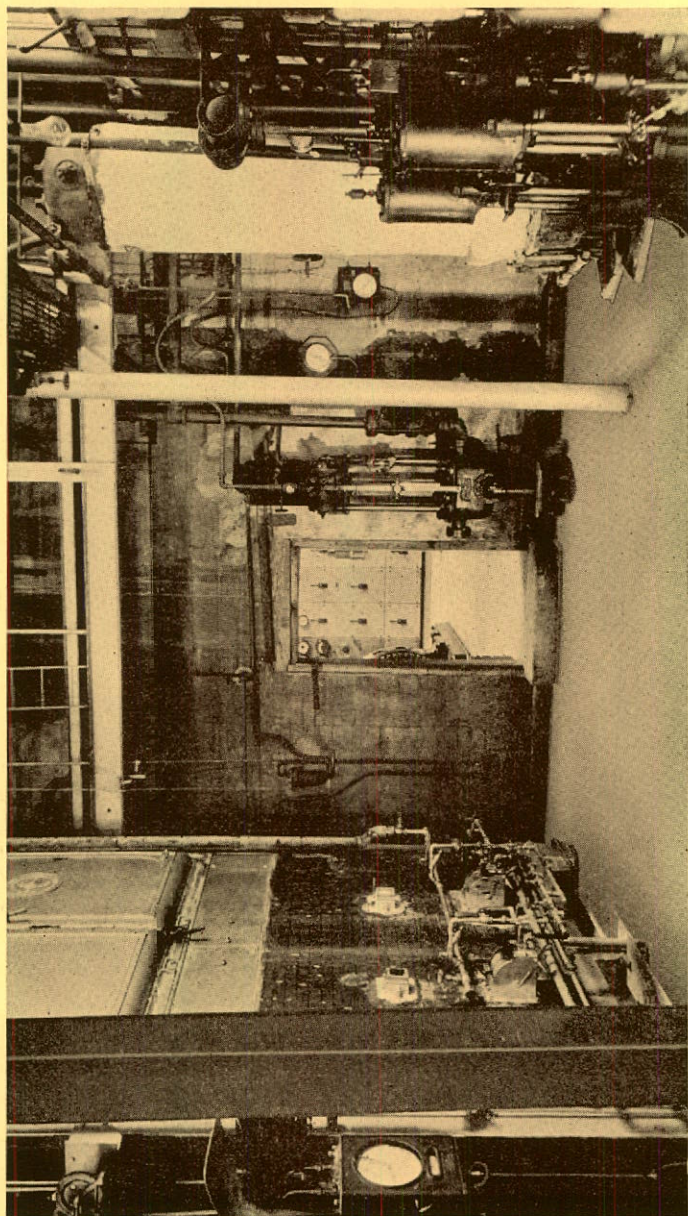




BRUCK SILK MILLS LIMITED

1933

GENERATING ROOM



BRUCK SILK MILLS LIMITED

1933

NEW BOILER HOUSE





BRUCK SILK MILLS LIMITED

1933

NEW WEAVE ROOMS











