

Canadian Cottons

Limited

MONTREAL, CANADA

TWENTIETH ANNUAL REPORT

FOR YEAR ENDING 31ST MARCH, 1930

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 26TH, MAY, 1930

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Canadian Cottons, Limited

Operating

ONTARIO MILL, HAMILTON, ONT.
STORMONT MILL, CORNWALL, ONT.
DUNDAS MILL, CORNWALL, ONT.
CANADA MILL, CORNWALL, ONT.
ST. CROIX MILL, MILLTOWN, N.B.
GIBSON MILL, MARYSVILLE, N.B.

Subsidiary

CORNWALL AND YORK COTTON MILLS COMPANY, LIMITED
SAINT JOHN, N.B.

Operating

CORNWALL MILL YORK MILL

OFFICERS

| | |
|-------------------------|------------------------------------|
| A. O. DAWSON, LL.D. | <i>President and Man. Director</i> |
| HON. F. L. BEIQUE, K.C. | <i>Vice-President.</i> |
| R. G. TOLMIE | <i>General Manager</i> |
| HUGH M. WATSON | <i>Secretary</i> |
| K. L. HAMILTON | <i>Treasurer</i> |

DIRECTORS

SIR H. MONTAGU ALLAN, C.V.O.
HON. F. L. BEIQUE, K.C.
W. A. BLACK
GEORGE CAVERHILL
A. O. DAWSON, LL.D.
A. A. MORRICE
W. J. MORRICE

Canadian Cottons, Limited

To the Shareholders.

YOUR Directors present herewith Balance Sheet of your Company as at March 31st, 1930, together with Manufacturing Account and Profit and Loss Account for the year recently closed.

The period under review has been a difficult one. To meet prices being quoted by British and Foreign mills, desperately in need of business, your Company had to invoice many lines at, or below, cost. This competition was accentuated by a further reduction in wages in British mills during the year, a policy which your Directors are very loath to follow.

The Company is also now feeling the full effects of the reductions made in the duties on Cotton Goods at the 1928 session of the Dominion Parliament. The situation was fully explained to the Finance Minister and your Directors regret that in bringing down his recent Budget he did not see his way to give us some relief.

The Profits for the year, including Revenue from Investments, amounted to \$211,144.65, after making provision for Depreciation and Bad Debts, as compared with \$398,755.67 for the year ended March 31st, 1929.

Bond Interest absorbed \$139,472.31 of this Profit, leaving only \$71,672.34 to apply to Dividends on the Preferred and Common Stocks.

The Preferred Dividend, amounting to \$219,690.00, was paid and Dividends on the Common Stock for the first three-quarters of the year at the rate of 8% per annum, amounting to \$162,930.00, were also paid.

Therefore, it will be noticed that it was necessary to appropriate from Profit and Loss Account the sum of \$324,906.05 in excess of Earnings to cover the above Dividend payments, and had Dividends been paid for the full year, the excess payments in Dividends over Earnings would have amounted to \$379,216.05.

For the year that ended March 31st, 1929, Dividends

amounting to \$196,020.62 in excess of Earnings for that period were paid.

The payments of Dividends in the last two years in excess of Earnings depleted the Profit and Loss Account by the sum of \$520,926.67.

Your Directors will feel it their duty, though reluctantly, to withhold further Dividends on the Common Stock until there is a marked improvement in the business of the Company.

Your various plants have been well maintained and are operating efficiently and overhead expenses are being kept down to the minimum.

The Books and Accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

A. O. DAWSON,
President.

Montreal, May 26th, 1930.

Canadian C

MANUFACTU

FOR YEAR END

DR.

| | |
|--|----------------|
| To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replacements, Maintenance, Depreciation, and Government Taxes to date. | \$7,458,511.08 |
|--|----------------|

| | |
|--|-----------------------|
| To Balance | |
| Net Profits to Profit and Loss Account | 75,574.50 |
| | <u>\$7,534,085.58</u> |

PROFIT AND

31ST M

| | |
|---|---------------------|
| To Bond Interest on net amount outstanding | \$139,472.31 |
| Dividends on Preferred Shares \$219,690.00 | |
| Dividends on Common Shares 162,930.00 | |
| | <u>\$382,620.00</u> |
| Bad Debts. | 13,958.39 |
| | <u>\$536,050.70</u> |

tons, Limited

ING ACCOUNT

31ST MARCH, 1930

CR.

| | |
|---|------------------------------|
| By Sales..... | \$7,819,162.58 |
| Add Inventory of Cloth and Cotton in process of Manufacture, 31st March, 1930 | 1,130,876.50 |
| | <u>\$8,950,039.08</u> |
| Less Inventory of Cloth and Process on hand 31st March, 1929..... | 1,415,953.50 |
| | <u><u>\$7,534,085.58</u></u> |

LOSS ACCOUNT

CH, 1930

| | |
|-----------------------------------|----------------------------|
| By Net Manufacturing Profits..... | \$75,574.50 |
| Interest on Investments..... | 135,570.15 |
| Balance forward..... | 324,906.05 |
| | <u><u>\$536,050.70</u></u> |

Canadian Co

GENERAL

YEAR ENDING

ASSETS

| | | |
|--|--------------|----------------|
| Cash..... | \$124,154.00 | |
| Open Accounts (net cash basis), Bills Receivable and Call Loans..... | 2,694,424.00 | |
| | | \$2,818,578.00 |

INVENTORY OF

| | | |
|--|--------------|----------------|
| Raw Cotton..... | \$301,757.05 | |
| Cloth, Process and Yarn.. | 1,248,346.15 | |
| Supplies..... | 286,894.54 | |
| Insurance Unearned..... | 58,000.00 | |
| | | 1,894,997.74 |
| Investment Bonds..... | | 1,602,912.82 |
| | | |
| Total Current Assets | | \$6,316,488.56 |
| | | |
| Bonds in Treasury and for Sinking Fund..... | | 1,045,314.87 |
| | | |
| Stocks in other Companies.. | | 111,603.66 |

CAPITAL ASSETS

| | |
|--|-----------------|
| Mills, Plants, Properties, etc..... | 10,075,195.28 |
| | |
| | \$17,548,602.37 |

Montreal, 15th April, 1930.

Audited and verified, C. W. BAKER (of Baker, Birnie & Co.,
Chartered Accountants)

tons, Limited

STATEMENT

31ST MARCH, 1930

LIABILITIES

| | |
|-------------------------|----------------|
| Open Accounts including | |
| Tax Reserve..... | \$1,333,540.66 |
| Bond Interest and Divi- | |
| dends accrued..... | 94,902.50 |
| Total Current Liability | \$1,428,443.16 |

BONDS

| | | |
|--------------------|----------------|--------------|
| Bonds..... | \$5,000,000.00 | |
| Less Redeemed..... | 985,860.00 | |
| | | 4,014,140.00 |

CAPITAL

| | | |
|----------------------|--------|--------------|
| Preferred Authorized | | |
| \$4,500,000.00 | Issued | 3,661,500.00 |
| Common Authorized | | |
| \$3,500,000.00 | Issued | 2,715,500.00 |

RESERVES

| | | |
|-----------------------------|--------------|-----------------|
| Depreciation..... | 2,800,000.00 | |
| Bad Debts..... | 100,000.00 | |
| Special Replacements... | 600,000.00 | |
| | | 3,500,000.00 |
| Surplus at Credit of Profit | | |
| and Loss Account..... | | 2,229,019.21 |
| | | \$17,548,602.37 |

A. O. DAWSON }
F. L. BEIQUE } *Directors*

HUGH M. WATSON,
Secretary

*To the Shareholders,
Canadian Cottons, Limited.*

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending 31st March, 1930.

I have obtained all the information and explanations required, and now certify that, in my opinion, the foregoing statements and balance sheet, based upon the certified inventories presented, are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as shown by the books of the Company.

C. W. BAKER,
(of Baker, Birnie & Co., Chartered Accountants.)

Montreal, Que., April 15th, 1930.

Canadian Cottons, Limited

Manufacture

| | |
|-----------------------|-------------------------|
| DENIMS | COTTON TWEEDS |
| COTTONADES | COTTON SUITINGS |
| CASSIMERES | PANTINGS |
| AUTOMOBILE FABRICS | TICKINGS |
| AWNING FABRICS | |
| SHIRTINGS | NURSES CLOTHS |
| GALATEAS | RIPPLETTES |
| DRESS GINGHAMS | ARTIFICIAL SILK FABRICS |
| CHAMBRAYS | DRESS GOODS |
| APRON GINGHAMS | |
| FLANNELS | COLOURED FLANNELETTES |
| BLEACHED FLANNELETTES | NAPPED DOMETS |
| NAPPED SHAKERS | EIDERDOWNS |
| TIE LININGS | SILENCE CLOTHS |
| NAPPED SHEETINGS | |

COTTON BLANKETS

YARNS—UNBLEACHED, BLEACHED AND COLOURED
HOSIERY YARNS
WARP YARNS
TWINES

EXCLUSIVE SPINNING RIGHTS IN CANADA FOR
VISTRA FIBRE — SASE YARNS.

