

STACK

# 47<sup>th</sup> Annual Report

For Year Ended December 31st  
1958



*Belding-Corticelli*  
Limited

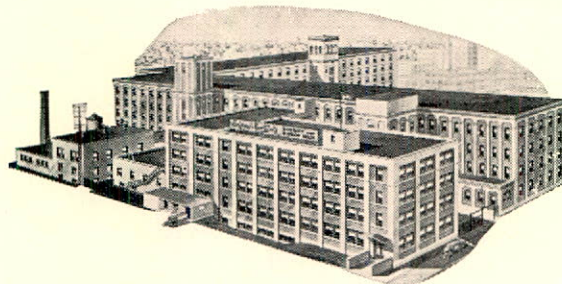
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# Belding-Corticelli *Limited*



BRAIDS — TAPES — ELASTICS — LACES  
COATICOOK, QUE.

COATICOOK, QUE. Plant Number 2  
WEAVING MILL



RIBBONS  
HOSIERY  
KNITWEAR

Head Office and Mills  
MONTREAL, QUE.

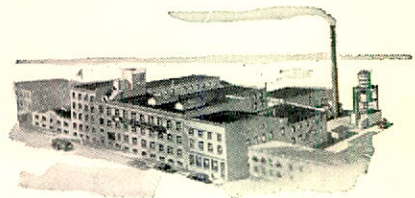
Sales Offices

MONTREAL    TORONTO    WINNIPEG    VANCOUVER



HOSIERY KNITTING  
GREENFIELD PARK, QUE. First Section

THREADS  
ST. JOHNS, QUE.





# *Belding-Corticelli* *Limited*

A N N U A L   R E P O R T   F O R   1 9 5 8

## *Board of Directors*

A. S. BRUNEAU, q.c.  
J. N. COLE  
J. D. JOHNSON

W. P. MacDOUGALL  
D. F. POLLOCK

L. B. RAMSEY  
O. B. THORNTON  
R. C. VAUGHAN

## *Officers*

L. B. RAMSEY  
President

J. N. COLE  
Vice-President

D. F. POLLOCK  
Secretary-Treasurer

H. H. BLAND  
General Manager

R. H. ALSTON  
Comptroller



**Registrars**  
Montreal Trust Co.

**Transfer Agents**  
The Royal Trust Co.



*Corticelli*  
MADE IN CANADA

*Belding-Corticelli*  
*Limited*

For presentation to the Shareholders at the Annual General Meeting to be held at the Head Office, 1455 Shearer Street, Montreal, on Wednesday, April 8th., 1959.

## 47th ANNUAL REPORT OF THE BOARD OF DIRECTORS

### TO THE SHAREHOLDERS

Your Directors submit the Forty-Seventh Annual Report and the Financial Statement covering the operations of your company for the twelve months ended December 31st, 1958, which has been certified by your Auditors, Messrs. Riddell, Stead, Graham & Hutchison.

**SALES AND EARNINGS.** There was little in the outlook for business in the early months of 1958 to afford us encouragement and our sales for the first six months were nearly 7% below the corresponding period in 1957. It is pleasant, however, to record the fact that sales for the last six months showed quite a substantial increase, and we ended the year with a reduction of only 4.2%.

Despite this drop in sales with stationary or lower selling prices, we have managed through economies in operation, brought about by purchase of new machinery, re-arrangement of equipment and development of improved methods in our mills, close control of personnel and other cost-saving steps wherever possible, to show an increased profit.

The Hosiery picture remained much the same as it was a year ago — very low prices and, in the case of Full-Fashioned, diminished demand. The introduction of darker colors may be of some help towards improving our sales in the coming year.

There was an increased demand for no-seam hosiery during the year and we will be in a position to offer adequate quantities of "seamless" of very excellent quality in 1959.

Our Thread, Ribbon and Elastic Divisions produced satisfactory results — despite strong import competition. Our Tape business was adversely affected by cheap imports and our Knitted Outerwear operations were disappointing. We have contracted with a leading Children's Knitwear Company in the United States to have access to all their styling, operating methods, etc., and we feel this, coupled with the purchase of two high-speed Circular Interlock Knitting Machines, will put us in a much better competitive position in that branch of our business.

Net Earnings for the year after all charges amounted to \$139,982. This compares with a figure of \$109,393 for 1957.

**DIVIDENDS.** Regular dividends at the rate of 7% were paid on Preferred Shares.

**FINANCIAL ACCOUNTS.** Working capital at \$2,004,530 was \$75,572 higher than at December 31st, 1957, and in fact the highest in our Company's history.





The Ratio of Current Assets to Current Liabilities was 7 to 1.

Our balance in bank at December 31st, 1958, was \$177,701 and Investments increased \$49,000 during the year.

Depreciation on Property and Equipment was \$134,138 and the accumulated figure is now \$3,887,963 leaving net valuation of Capital Assets of \$1,296,572.

PROPERTY AND EQUIPMENT were as usual well maintained.

Purchase of new machinery amounted to \$100,197 against \$146,909 in 1957.

LABOUR RELATIONS. A two year contract was signed with the C.C.C.L. (National Catholic Syndicates) last April covering our Coaticook employees and a one year contract with Textile Workers Union of America covering Montreal Mills employees was signed on March 1st, 1958, and we negotiated a two year contract with the same Union covering St. Johns Mill dating from December 19th, 1957.

In addition to wage increases in all these contracts and in the case of Coaticook a reduction in working hours with the same take-home pay dating from April 1st, 1959, we agreed to contribute towards a Hospitalization Health and Accident Insurance. We have also recently increased substantially Life Insurance coverages in our Group Plan.

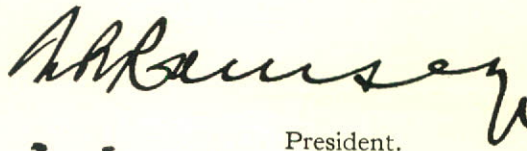
So-called "Fringe Benefits" are now a very large item in our costs, and place us at an additional disadvantage when attempting to meet competition from low-wage countries.

GENERAL. Many hours have been spent in preparing data to be used in a Brief covering the Narrow Fabrics Division of the Textile Industry to be presented to the Tariff Board sometime in 1959.

It is sincerely to be hoped that the time and money expended by the whole Industry in preparing and presenting our story to the Tariff Board will bear fruit, and the dismal picture of closing mills, part-time operations and consequent unemployment and hardship for our working population will be changed.

Your Directors again wish to pay tribute to the fine spirit of loyal co-operation displayed by our employees throughout our whole organization during 1958.

Submitted on behalf of the Directors,

  
President.



# Belding-Corticelli Limited

## Balance

AS AT 31st D

### ASSETS

	31st December <u>1958</u>	31st December <u>1957</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 177,701	\$ 59,096
Marketable investments — Government bonds at book value	25,000	25,064
(Market value 1958 — \$24,500) 1957 — \$24,475)		
Notes receivable — current portion	7,000	—
Accounts and bills receivable, less provision for doubtful accounts	692,113	653,749
Inventories of manufactured and partly manufactured products, raw materials, supplies, etc., quantities and condition determined by the management, valued at the lower of cost or market, less reserves	1,451,512	1,369,618
<i>Total current assets</i>	<u>2,353,326</u>	<u>2,107,527</u>
<b>OTHER INVESTMENTS</b>		
Notes receivable	49,000	—
Less: Current portion	7,000	—
	<u>42,000</u>	<u>—</u>
<b>GOODWILL AND TRADEMARKS</b>	<u>1</u>	<u>1</u>
<b>PROPERTY ACCOUNTS</b>		
Real estate, plant, machinery and equipment	5,184,535	5,105,951
Accumulated depreciation	3,887,963	3,773,744
	<u>1,296,572</u>	<u>1,332,207</u>
<b>DEFERRED CHARGES</b>		
Insurance, taxes, etc.	20,735	37,537
Coaticook power contract	40,312	42,562
	<u>61,047</u>	<u>80,099</u>
	<u>\$3,752,946</u>	<u>\$3,519,834</u>

APPROVED ON BEHALF OF THE BOARD:

L. B. RAMSEY, *Director.*

J. N. COLE, *Director.*



STATEMENT  
OF  
*Profit and Loss*

For the Year ended 31st December 1958

	Year ended 31st December <u>1958</u>	Year ended 31st December <u>1957</u>
Profit from operations before providing for the undernoted items	\$419,367	\$341,782
Profit on sale of investments	874	—
Income from investments	4,440	750
	\$424,681	\$342,532
Loss from sale of fixed assets	525	7,127
Depreciation	134,138	119,156
Pension fund contribution	31,778	37,662
Directors' remuneration	6,460	5,940
Executive remuneration	53,300	53,880
Legal expense	589	571
Provision for income taxes	57,909	8,803
	\$284,699	\$233,139
<i>Net Profit</i>	\$139,982	\$109,393

NOTE: The company intends to claim for income tax purposes capital cost allowance in excess of the amount of depreciation recorded in the accounts for 1958, resulting in a reduction of approximately \$24,000 in the amount of the provision for income taxes for the year. The accumulated amount by which income taxes have been so reduced in this and previous years is \$64,000. Conversely, income taxes may be increased in future years if the amount of capital cost allowance which may be claimed is less than the depreciation recorded.

STATEMENT  
OF  
*Surplus*

For the Year ended 31st December 1958

	Year ended 31st December <u>1958</u>	Year ended 31st December <u>1957</u>
Capital Surplus —		
Balance at beginning	\$ 74,000	\$ 74,000
Less: Amortization of Coaticook Power franchise previously charged to Earned Surplus	33,688	—
Balance at end	40,312	74,000
Earned Surplus —		
Balance at beginning	\$1,071,506	\$1,032,848
Net profit	139,982	109,393
Amortization of Coaticook Power franchise transferred to Capital Surplus	33,688	—
Transfer from pension fund reserve	24,847	—
	\$1,270,023	\$1,142,241
Dividends on —		
Preferred shares	\$59,199	\$59,199
Common shares	—	11,536
	59,199	70,735
<i>Balance at end</i>	\$1,210,824	\$1,071,506

# *The Auditors' Report*

5th March, 1959

TO THE PRESIDENT AND SHAREHOLDERS  
BELDING-CORTICELLI LIMITED,  
MONTREAL, QUEBEC.

We have examined the books and accounts of Belding-Corticelli Limited for the year ended 31st December 1958. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We have obtained all the information and explanations we have required and, in our opinion, the accompanying balance sheet and the related statements of profit and loss and surplus are properly drawn up so as to exhibit a true and correct view of the state of the company's affairs as at 31st December 1958 and the results of its operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the company.

(Signed) Riddell, Stead, Graham & Hutchison,  
*Auditors*

460 ST. JOHN STREET  
P.O. BOX 2398 PLACE D'ARMES  
MONTREAL 1





# Sheet

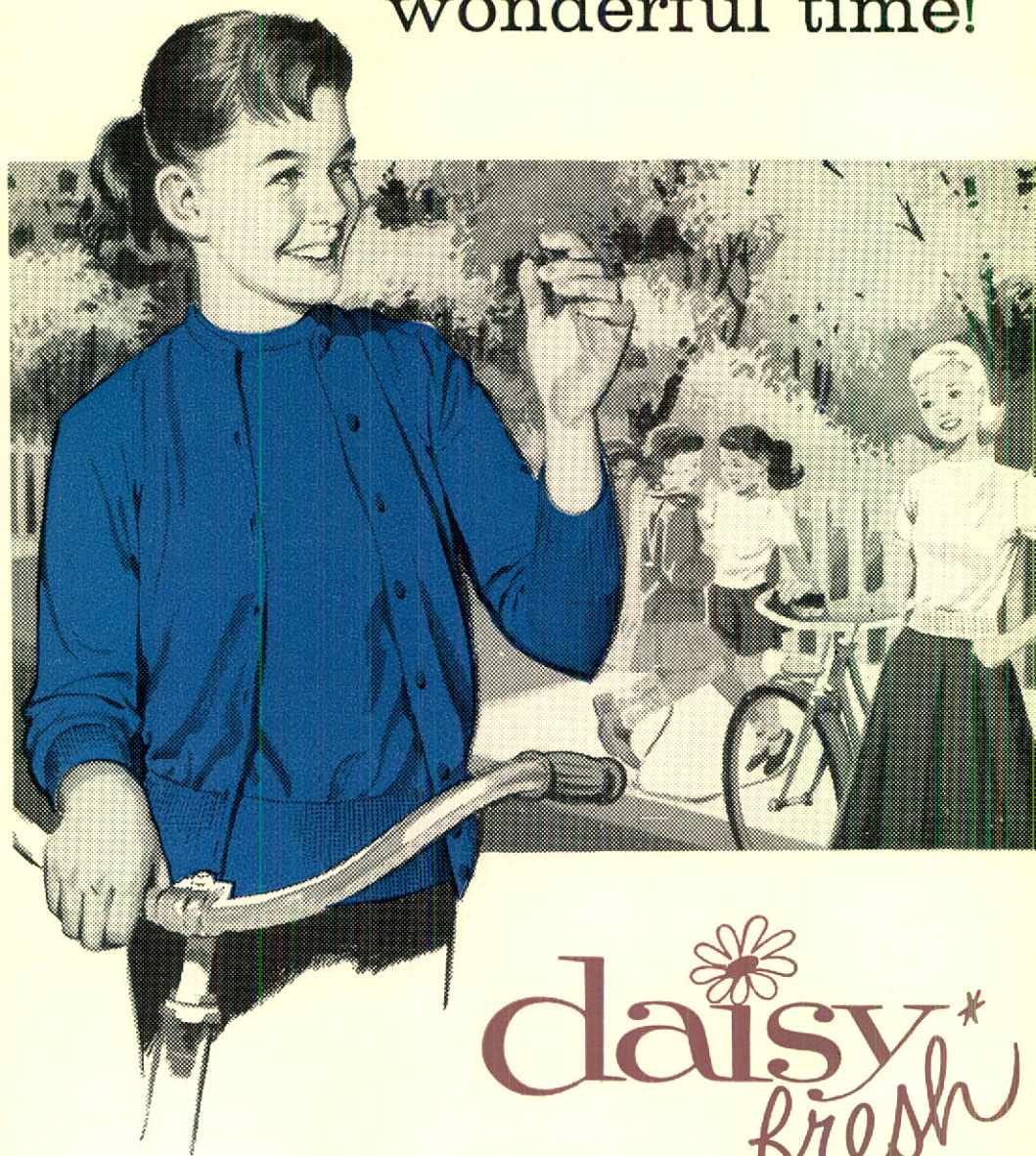
CEMBER 1958

## LIABILITIES

	31st December <u>1958</u>	31st December <u>1957</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 283,276	\$ 159,536
Provision for income taxes less instalments paid	50,720	4,233
Dividend payable	14,800	14,800
<i>Total current liabilities</i>	<u>348,796</u>	<u>178,569</u>
DUE TO PENSION FUND — PAST SERVICE	<u>17,002</u>	<u>41,848</u>
<b>RESERVES</b>		
Employees' benefit reserve	158,087	158,087
Contingent reserves	88,830	88,830
Plant improvement reserve	99,295	117,194
Special depreciation reserve	175,000	175,000
	<u>521,212</u>	<u>539,111</u>
<b>CAPITAL STOCK</b>		
Authorized —		
84,570 7% cumulative preferred shares of \$10.00 each	\$ 845,700	
<u>250,000</u> common shares of no par value	<u>—</u>	
Issued and fully paid —		
84,570 preferred shares	845,700	845,700
76,910 common shares	769,100	769,100
	<u>1,614,800</u>	<u>1,614,800</u>
CAPITAL SURPLUS	<u>40,312</u>	<u>74,000</u>
EARNED SURPLUS	<u>1,210,824</u>	<u>1,071,506</u>
	<u>\$3,752,946</u>	<u>\$3,519,834</u>



...having a  
wonderful time!



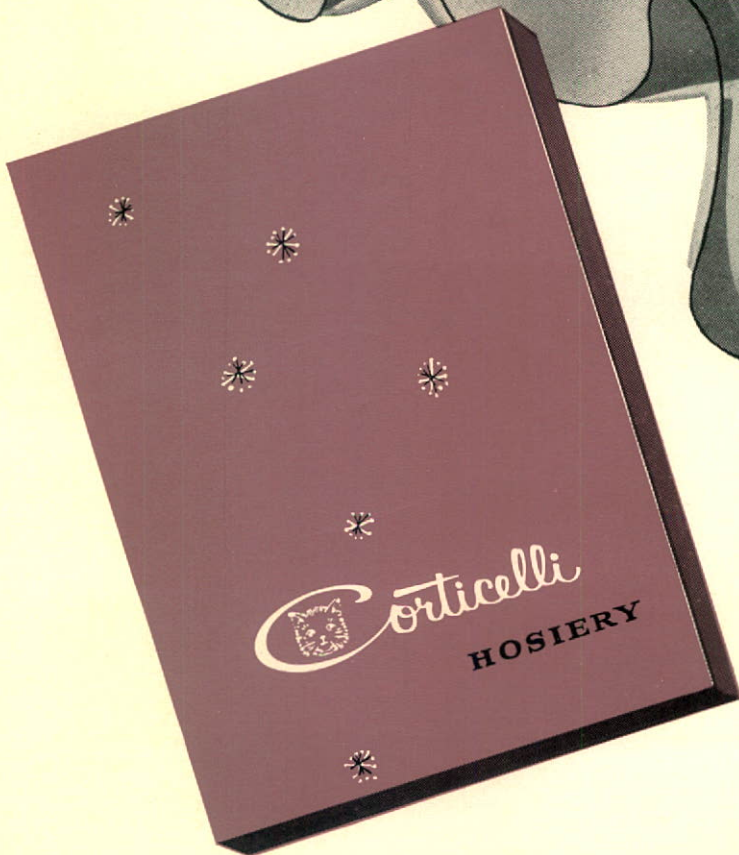
*daisy\**  
*fresh*  
CHILDREN'S  
**SWEATERS**  
by  Corticelli

PRETTY... EASY-TO-CARE-FOR CLASSICS  
AT THE RIGHT PRICE





Christian Dior  
PARIS NEW YORK





FOR STYLING... FOR COLOUR... FOR FIT

daisy\*  
fresh  
SWEATERS

by  Corticelli



LADIES' SWEATERS AT THE RIGHT PRICE!



# *Belding-Corticelli* Limited

TRADE NAMES and MARKS of DISTINCTION

DENOTE

**QUALITY and SERVICE**

FROM

**COAST to COAST**





*Annual Report for 1958*

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*Belding-Corticelli*  
*Limited*

