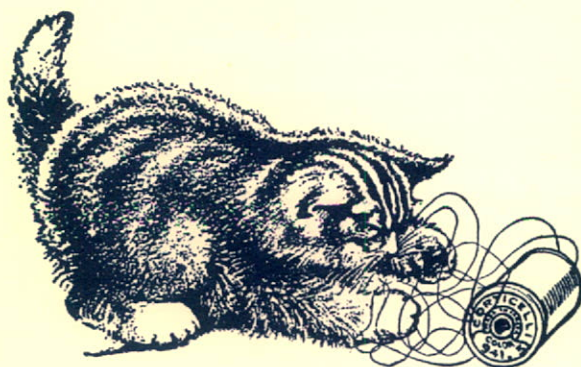


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49th
Annual Report

For Year Ended December 31st
1960



Belding-Corticelli
Limited

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Belding-Corticelli *Limited*

Board of Directors

H. H. BLAND

A. S. BRUNEAU, q.c.

W. W. CLARKE

J. N. COLE

J. D. JOHNSON

E. M. LITTLER

L. B. RAMSEY

O. B. THORNTON

H. H. WARREN

Officers

L. B. RAMSEY
Chairman of the Board

H. H. WARREN
President

H. H. BLAND
Vice-President
and General Manager

N. A. SWART
Secretary-Treasurer



Registrars
Montreal Trust Co.

Transfer Agents
The Royal Trust Co.



GENERAL. Early in the year your Company purchased from the Hamilton Cotton Co. the machinery and inventory of their Shoe Lace Division at Ste. Rose, Que., and, after enlarging the Shoe Lace Plant at Way's Mills to accommodate that machinery, we have been operating the business as a separate division.

Total cost in 1960 of the machinery, inventory, moving and constructing a substantial addition at Way's Mills, and sprinklerising the whole plant amounted to \$245,411. Sales of the new Division have been up to expectations.

An amount of \$7,351. was expended on the further expansion of our main warehouse at Shearer St. When completed our warehouse facilities will be entirely modern, giving better stock control and better customer service.

An amount of \$66,205. was written off to Bad Debts Accounts largely due to the failure of one of our large accounts.

In March, due to his retirement to North Hatley, Mr. D. F. Pollock resigned from the Board and Mr. H. H. Warren was elected in his place.

At a Special General Shareholders Meeting held immediately preceding the Annual General Meeting of Shareholders on April 7th, Special By-law No. 14 was passed increasing the number of Directors from 8 to 10 and the required quorum from 4 to 5, and Mr. W. W. Clarke and Mr. Edmund Littler were elected at the Annual Meeting to bring the membership of the Board up to the new required number.

Mr. Clarke, President of Warrendale Shirt Co., brings to our Company many years of experience in the Textile Industry and Mr. Littler, President of Walter M. Lowney Co. Ltd., a man of wide and successful business experience, will add additional strength to your Board.

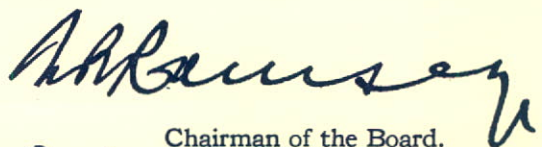
At a meeting held immediately after the Annual Meeting, Mr. H. H. Warren, who is well known in the Canadian Textile Industry, was elected Vice-President of your Company.

In December Mr. R. C. Vaughan, a Director of our Company for over 32 years, including a term of four years as Vice-President, tendered his resignation, feeling he should relinquish some of his many responsibilities. His wise counsel and vast experience will be greatly missed by the Board.

Mr. L. B. Ramsey resigned as President in December and at the same meeting was elected Chairman of the Board — Mr. Warren being elected President to succeed him and Mr. H. H. Bland, General Manager, was elected Vice-President and General Manager.

Your Directors wish to pay tribute as usual to the fine spirit of loyalty and diligence displayed by our employees during a difficult year.

Submitted on behalf of the Directors.


Chairman of the Board.

The Auditors' Report

17th March 1961

TO THE SHAREHOLDERS
BELDING-CORTICELLI LIMITED
MONTREAL, QUEBEC.

We have examined the balance sheet of Belding-Corticelli Limited as at 31st December 1960 and the statements of profit and loss and surplus for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of profit and loss and surplus, together with the notes appearing thereon, were prepared in conformity with generally accepted accounting principles applied on a basis consistent, except as stated in Note 1, with that of the preceding year and 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 1960 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



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 Thursday, April 6th., 1961.

49th ANNUAL REPORT OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS

Your Directors submit the Forty-ninth Annual Report and the Financial Statement covering the operations of your company for the twelve months ended December 31st, 1960, which has been certified by your Auditors, Messrs. Riddell, Stead, Graham & Hutchison.

SALES AND EARNINGS. 1960 was a year of transition for our Company resulting in a small net profit on operations.

In last year's Annual Report we stated that "we have plans for consolidation of some of our manufacturing and other moves, which we are confident will eventually result in lower costs, but they will of necessity disrupt to some extent operations in the Mills affected in 1960".

Those "other changes" took place but the "disruption" was very costly being largely responsible for the difference between the 1959 and the 1960 results.

However, this transition has now been completed and with the elimination of hosiery and knitwear manufacturing losses we are anticipating reasonably good results for 1961, particularly (as we sincerely hope), if the high quotas on elastics from Japan are substantially reduced. We mentioned in last year's Report to Shareholders that we hoped Ottawa would negotiate a fair quota agreement with Japan on Braided Elastics. Unfortunately the agreed quota of 500,000 lbs. was, we contend, very far from fair, giving the Japanese more than 50% of the whole Canadian market. However, negotiations are now being conducted between Canadian and Japanese Government Officials, and we believe we have reasons to hope a much more realistic quota for Braided Elastics — which comprise a large percentage of our Coaticook production — will be agreed upon.

Despite the above handicaps, our sales were only 2% below those of 1959, making them the fifth highest in the 49 years of the Company's history. Net Profit for the year amounted to \$12,867.

DIVIDENDS. Regular dividends at the rate of 7% were paid on Preferred Shares and a Common Dividend of 40 cents per share was paid against 1959 operations and 30 cents per share for 1960.

FINANCIAL ACCOUNTS. Earned Surplus Account including Reserves stands at \$2,134,956. compared with \$2,240,509. in 1959.

Working Capital is \$2,449,296., the Ratio of Current Assets to Current Liabilities being 4 to 1.

Bank Loan and Overdraft amount to \$350,896.

Depreciation on Properties and Equipment was \$88,162., the net valuation of Capital Assets being \$1,180,584.

On the sale of our land at Greenfield Park a Capital Gain of \$121,022. resulted.

PROPERTY AND EQUIPMENT were as usual kept in excellent condition.

Purchase of new machinery amounted to \$55,127. We have also made a deposit of \$14,288. on 24 needle looms to be installed in our Coaticook Mills and which are expected to arrive during the month of March.



Belding-Corticelli Limited

(Incorporated under the laws of the Province of Ontario)

Balance Sheet

AS AT DECEMBER 31, 1960

(with comparative figures for 1959)

ASSETS

	31st December <u>1960</u>	31st December <u>1959</u>
CURRENT ASSETS		
Cash	\$ 7,745	\$ 92,601
Marketable securities, at cost (Approximate market value \$22,125 in 1960 and \$21,100 in 1959)	25,000	25,000
Notes receivable — current portion	—	8,000
Accounts receivable — trade, less allowance for doubtful accounts	940,431	839,538
Accounts receivable — other	86,309	—
Inventories of manufactured and partly manufactured products, raw materials, supplies, etc. at the lower of cost or market value	2,158,614	2,049,802
<i>Total current assets</i>	<u>3,218,099</u>	<u>3,014,941</u>
OTHER INVESTMENTS — at cost	<u>37,728</u>	<u>52,238</u>
GOODWILL AND TRADEMARKS	<u>1</u>	<u>1</u>
PROPERTY ACCOUNTS		
Real estate, plant, machinery and equipment	4,306,177	5,196,952
<i>Less: Accumulated depreciation</i>	3,125,533	3,975,338
	<u>1,180,584</u>	<u>1,221,614</u>
DEFERRED CHARGES		
Insurance, taxes, etc.	54,025	33,917
Coaticook power contract	35,813	38,062
	<u>89,838</u>	<u>71,979</u>
	<u>\$4,526,250</u>	<u>\$4,360,773</u>

APPROVED ON BEHALF OF THE BOARD:

H. H. WARREN, *Director*.

H. H. BLAND, *Director*.



Companies Act of Canada)

Sheet

EMBER 1960
(as at 31st December 1959)

LIABILITIES

	31st December <u>1960</u>	31st December <u>1959</u>
CURRENT LIABILITIES		
Bank loans and overdraft	\$ 350,896	\$ 100,000
Accounts payable and accrued liabilities	403,107	373,017
Provision for income taxes less instalments paid	—	9,956
Dividend payable	14,800	14,800
<i>Total current liabilities</i>	<u>768,803</u>	<u>497,773</u>
 CAPITAL STOCK		
Authorized —		
84,570 7% cumulative preferred shares of \$10 each		
250,000 common shares of no par value		
Issued and fully paid —		
84,570 preferred shares	845,700	845,700
84,601 common shares	776,791	776,791
	<u>1,622,491</u>	<u>1,622,491</u>
 CAPITAL SURPLUS — per statement	 —	 <u>40,312</u>
 EARNED SURPLUS — per statement	 2,134,956	 2,200,197
	<u>\$4,526,250</u>	<u>\$4,360,773</u>

STATEMENT OF
Profit and Loss

For the Year ended 31st December 1960
(with comparative figures for 1959)

	Year ended 31st December <u>1960</u>	Year ended 31st December <u>1959</u>
Profit from operations before providing for the undernoted items (after transferring \$25,000 in 1959 from inventory reserve)	\$ 35,733	\$ 382,114
Income from investments	2,043	4,479
Profit on sale of depreciable fixed assets	—	1,155
Profit on sale of land	121,022	—
Adjustment of prior years' income taxes	31,348	—
	<u>\$ 190,146</u>	<u>\$ 387,748</u>
Depreciation	88,162	119,391
Pension fund contribution	27,039	31,591
Directors' remuneration	8,633	6,477
Executive remuneration	52,227	52,067
Legal expense	1,218	917
Provision for income taxes	—	41,306
	<u>\$ 177,279</u>	<u>\$ 251,749</u>
<i>Net profit</i>	<u>\$ 12,867</u>	<u>\$ 135,999</u>

NOTES:

1. During the year the company changed its method of accounting for the profits and losses on disposals of depreciable assets. As a result of the change, a charge of \$175,514 which previously would have been made against the year's operations, has been made against the accumulated depreciation accounts.
2. In prior years the company has claimed for tax purposes capital cost allowances in excess of the depreciation recorded in the accounts. The accumulated amount by which income taxes have been so reduced in prior years amounts to approximately \$84,000. This difference is applicable to those future periods in which the amounts that can be claimed for tax purposes may be less than the depreciation recorded in the accounts.

STATEMENT OF
Surplus

For the Year ended 31st December 1960
(with comparative figures for 1959)

	Year ended 31st December <u>1960</u>	Year ended 31st December <u>1959</u>
Capital Surplus —		
Balance at beginning of year	\$ 40,312	\$ 40,312
Transferred to earned surplus	40,312	—
Balance at end of year	<u>—</u>	<u>\$ 40,312</u>
Earned Surplus —		
Balance at beginning of year —		
Unappropriated	\$1,296,934	\$1,210,824
Appropriated	903,263	903,263
	<u>2,200,197</u>	<u>2,114,087</u>
Add:		
Net profit for the year	12,867	135,999
Transferred from capital surplus	40,312	—
Transferred from pension fund reserve	—	17,001
	<u>\$2,253,376</u>	<u>\$2,267,087</u>
Deduct:		
Dividends declared during the year —		
On preferred shares	59,199	59,199
On common shares	59,221	7,691
	<u>118,420</u>	<u>66,890</u>
Balance at end of year	<u>\$2,134,956</u>	<u>\$2,200,197</u>

Belding-Corticelli Limited

TRADE NAMES and MARKS of DISTINCTION
DENOTE

QUALITY and SERVICE

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COAST to COAST

Beldings
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Corticelli
MADE IN CANADA

Christian Dior

EXOTIC

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fresh

CORTY THE KITTEN

NYCORT



Corticelli



"NYCARA"



Belding-Corticelli Limited



Annual Report for 1960

Belding-Corticelli
Limited

