

Table

50th Annual Report

For Year Ended December 31st
1961



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McGILL UNIVERSITY

Belding-Corticelli
Limited

Belding-Corticelli *Limited*

Board of Directors

H. H. BLAND
A. S. BRUNEAU, q.c.
W. W. CLARKE

J. N. COLE
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.



Our Government is now negotiating new quotas and it is our hope that adjustment will be made to take care of the over-shipments and a firmer policy put into effect to see that quotas established are adhered to.

Although we feel very strongly that imports of Braided Elastic should not exceed 25% of the total Canadian market, we can only present our problems to the Government Authorities. In the light of the overall Canadian economy they will make the ultimate decision. Dealing, as they are, with experienced traders, who will not hesitate to disrupt Canadian industries, we hope that the end result will be satisfactory to all concerned.

EARNINGS. Your Board is greatly pleased with the increase from \$35,733. to \$123,925. in operating profits before depreciation and other charges, which you will see on the Profit & Loss Statement. The 1961 net profit was \$16,669. before any payment of dividends.

In view of the shareholders equity in our Company this is far from satisfactory. For many years our labour costs and fringe benefits have continued to rise with very negligible equivalent increases in production. At the same time all our other costs of doing business have followed the same pattern.

We have made a number of price adjustments and added a number of new products which should materially increase our volume to a point where a reasonable profit on operations can be expected for the 1962 financial year.

DIVIDENDS. Regular dividends were paid on the 7% Preferred Shares and 17½¢ on the Company's Common Stock.

FINANCIAL ACCOUNTS. Earned surplus was decreased by \$57,335. and now amounts to \$2,077,621. Depreciation of \$85,283. was provided on properties and equipment, the net valuation of which is \$1,340,733. All properties and equipment have been re-appraised and at the present time are insured for \$5,290,000. on a conservative valuation basis.

PROPERTIES AND EQUIPMENT were kept in proper condition. Total capital expenditure amounted to \$248,557. including the balance of payment of the Needle Looms mentioned in our last report.

GENERAL. In October Mr. J. D. Johnson, a Director for over 21 years, tendered his resignation feeling that he should relinquish some of his many responsibilities. His advice and experience will be greatly missed by the Board.

The period of transition that this company has gone through in the past few years has materially affected our operating costs but your Management is looking forward with confidence to the future and I am sure you will be satisfied with the results that we expect to attain in 1962.

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

Submitted on behalf of the Directors.

NOTE: In January 1962 Mr. J. Louis Levesque and Senator Louis P. Beaubien were appointed to fill the vacancies on the Board. They both are prominent men who, taking an active interest in our company's affairs, will be a welcome addition to our Board.

President.

The Auditors' Report

24th March 1962

TO THE SHAREHOLDERS
BELDING-CORTICELLI LIMITED

We have examined the balance sheet of Belding-Corticelli Limited as at 31st December 1961 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 were prepared in conformity with generally accepted accounting principles applied on a basis consistent 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 1961 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 1414 PLACE D'ARMES
MONTREAL 1



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 Monday, April 30th, 1962.

50th ANNUAL REPORT OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS

Your Directors submit the Fiftieth Annual Report and the Financial Statements covering the operations of your company for the twelve months ended December 31st, 1961, which have been certified by your Auditors, Messrs. Riddell, Stead, Graham & Hutchison. 1961 was our Company's 50th year in business as a public corporation but the 85th year since its inception as a Canadian company. Great changes have taken place in the industry over the years but your Company has changed with the times and we are looking forward to a very bright future.

SALES. The sales for the first six months of 1961 were well below those of 1960 but every month since July has shown increases over the previous year's figures, so that our total sales of \$5,843,488. were less than 1% below our 1960 figure. The increase in our January 1962 sales of over 8% confirms our belief that we will show a substantial improvement in 1962.

During the year we concluded an agreement with Dollfus-Mieg Co. of France to become their sole Canadian distributors of their D.M.C. Embroidery and Crochet Cottons. As this only took effect October 1st, it will take a year or more before we can expect to see satisfactory sales of their products.

This fall we commenced production of Gotham Lingerie under contract with Chadbourn-Gotham Co. of the U.S.A. The merchandise is very attractive and the consumer acceptance was excellent during the limited time we were able to distribute. We should be able to fully assess the future for this division in 1962.

Our International Braid Division has continued to expand and results for 1961, which was our first full year's operation, were extremely satisfactory.

IMPORTS. An enlightened approach to Labour-Management Relations was incorporated in our Labour Contract that was negotiated during the year at Coaticook. It included the following clauses —

The Syndicate recognizes the import quota of Braided and Woven Elastics agreed to by the Federal Government is unrealistic, preventing the Company from creating economical work loads and securing a proper share of the Canadian market as well as contributing to unemployment in Canada.

The Company recognizes that imports of Braided and Woven Elastics at the quota level does not allow them to create economical work loads, and also recognizes that if the quotas were established at a level of a maximum of 25% of the Canadian usage they would be able to create more economical production runs and also create more employment, therefore:

The Company agrees and the Syndicate accepts, that if and when the Federal Government places a maximum quota of 25% of the Canadian usage on the imports of Braided and Woven Elastics it will grant an increase to all members of the Syndicate the sum of .05¢ per hour.

Unfortunately the hope for relief in imports did not materialize. The 1959 quota of 500,000 lbs. of Braided Elastic was exceeded by 25,000 lbs. New negotiations set the 1961 quota at 400,000 lbs. and we expected a substantial increase in our sales. Our production was increased but the additional sales did not materialize. We now find that again the quota has been exceeded and the total imports may exceed 600,000 lbs. shipped to Canada by Japan.



Belding-Corticelli Limited

(Incorporated under the

Balance

AS AT 31st D
(with comparative figures)

ASSETS

	<u>1961</u>	<u>1960</u>
CURRENT ASSETS		
Cash	\$ 6,556	\$ 7,745
Marketable securities, at cost (Approximate market value \$23,313 in 1961 and \$22,125 in 1960)	25,000	25,000
Accounts receivable — trade, less allowance for doubtful accounts	1,037,195	940,431
Accounts receivable — other	82,355	86,309
Inventories of manufactured and partly manufactured products, raw materials, supplies, etc. at the lower of cost or market value	2,254,054	2,158,614
<i>Total current assets</i>	<u>3,405,160</u>	<u>3,218,099</u>
OTHER INVESTMENTS — at cost	<u>50,443</u>	<u>37,728</u>
GOODWILL AND TRADEMARKS	<u>1</u>	<u>1</u>
PROPERTY ACCOUNTS		
Real estate, plant, machinery and equipment	4,488,496	4,306,117
Less: Accumulated depreciation	3,147,763	3,125,533
	<u>1,340,733</u>	<u>1,180,584</u>
DEFERRED CHARGES		
Insurance, taxes, etc.	35,425	54,025
Coaticook power contract	33,563	35,813
	<u>68,988</u>	<u>89,838</u>
	<u>\$4,865,325</u>	<u>\$4,526,250</u>

APPROVED ON BEHALF OF THE BOARD:

H. H. WARREN, *Director.*

H. H. BLAND, *Director.*



(Companies Act of Canada)

Sheet

DECEMBER 1961
(as at 31st December 1960)

LIABILITIES

	<u>1961</u>	<u>1960</u>
CURRENT LIABILITIES		
Bank loans and overdraft	\$ 794,630	\$ 350,896
Accounts payable and accrued liabilities	355,783	403,107
Dividend payable	14,800	14,800
<i>Total current liabilities</i>	<u>1,165,213</u>	<u>768,803</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>
 EARNED SURPLUS — per statement		
	2,077,621	2,134,956
	<u>\$4,865,325</u>	<u>\$4,526,250</u>

STATEMENT OF
Profit and Loss

For the Year ended 31st December 1961
(with comparative figures for 1960)

	<u>1961</u>	<u>1960</u>
Profit from operations before providing for the undernoted items	\$ 123,925	\$ 35,733
Income from investments	1,845	2,043
Profit on sale of land	—	121,022
Adjustments of prior years		
— overprovision for doubtful accounts	46,820	—
— pension fund surplus	25,251	—
— income taxes	—	31,348
	<u>197,841</u>	<u>190,146</u>
Depreciation	85,283	88,162
Pension fund contribution	29,287	27,039
Directors' remuneration	7,670	8,633
Executive remuneration	57,200	52,227
Legal expense	1,732	1,218
	<u>181,172</u>	<u>177,279</u>
Net profit	<u>\$ 16,669</u>	<u>\$ 12,867</u>

NOTE:

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 1961
(with comparative figures for 1960)

	<u>1961</u>	<u>1960</u>
Earned Surplus —		
Balance at beginning of year —	\$2,134,956	\$2,200,197
Add:		
Net profit for the year	16,669	12,867
Transferred from capital surplus	—	40,312
	<u>\$2,151,625</u>	<u>\$2,253,376</u>
Deduct:		
Dividends declared during the year —		
On preferred shares	59,199	59,199
On common shares	14,805	59,221
	<u>74,004</u>	<u>118,420</u>
Balance at end of year	<u>\$2,077,621</u>	<u>\$2,134,956</u>
Capital Surplus —		
Balance at beginning of year	—	40,312
Transferred to earned surplus	—	40,312
Balance at end of year	<u>—</u>	<u>—</u>

Belding-Corticelli Limited

TRADE NAMES and MARKS of DISTINCTION
DENOTE

QUALITY and SERVICE

FROM

COAST to COAST

Beldings
MADE IN CANADA



Corticelli
MADE IN CANADA

Christian Dior

EXOTIC

daisy
fresh

CORTY THE KITTEN

NYCORT



Corticelli



"NYCARA"



Belding-Corticelli Limited



Annual Report for 1961

Belding-Corticelli
Limited

