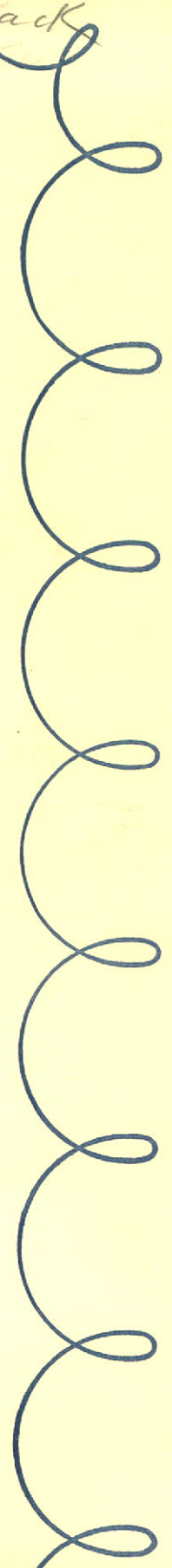


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51st Annual Report

For Year Ended December 31st
1962



Belding-Corticelli
Limited

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Belding-Corticelli *Limited*

Board of Directors

SEN. LOUIS P. BEAUBIEN	W. W. CLARKE	L. B. RAMSEY
H. H. BLAND	J. N. COLE	O. B. THORNTON
A. S. BRUNEAU, q.c.	J.-LOUIS LÉVESQUE	H. H. WARREN
	E. M. LITTLER	

Officers

H. H. WARREN President	N. A. SWART Secretary-Treasurer
H. H. BLAND Vice-President and General Manager	



Registrars
Montreal Trust Co.

Transfer Agents
The Royal Trust Co.



Two thousand five hundred shares of our preferred stock were purchased for redemption. These were cancelled as at December 31st, 1962, leaving 82,070 shares outstanding.

The option given to the officers of the Company to purchase 10,000 common shares was exercised and there are no further options outstanding.

INVESTMENTS. During the year your Company made an offer to the shareholders of the Butterfly Hosiery Company and purchased a majority of both the preferred and common stock of this Company. The operation was transferred to Montreal and the manufacturing plant at Drummondville, Que., was closed and the machinery sold. It is hoped that the building will be disposed of this year and the operation consolidated with that of your Company.

No provision has been made in the accounts for the operating loss of Butterfly Hosiery Company for the year 1962. It was thought advisable to leave this item in suspense until the final disposal of the Butterfly Hosiery assets when it is hoped that this loss will be eliminated.

PROPERTY AND EQUIPMENT. Additions during the year amounted to \$197,232.00 and included additional space in our Coaticook mill, new oil heating automatic boilers in both the St. Johns and Coaticook mills and some new machinery and equipment. The benefits from these changes should help increase our operating profits in the coming years.

The appraisal of the Company's plants and equipment on a fair replacement value basis was completed by management and they are now insured for \$6,615,000.00 which exceeds the book value by \$5,229,803.00.

FINANCIAL ACCOUNTS. Earned surplus was increased by \$58,363.00 and now amounts to \$2,135,984.00. Depreciation of \$111,713.00 was provided on properties and equipment, an increase of \$26,430.00 over the 1961 figure.

GENERAL. Your Chairman of the Board, Mr. L. B. Ramsey retired after over 31 years of service with the Company. Mr. Ramsey has consented to serve the Company on the Board of Directors and his long experience in managing the affairs of the Company will, therefore, still be available to Management.

We are looking forward to a further improvement during this coming year and your Directors wish to pay tribute to the fine spirit of loyalty and diligence displayed by our employees during the past year.

Submitted on behalf of the Directors.

President.

The Auditors' Report

22nd March 1963.

TO THE SHAREHOLDERS
BELDING-CORTICELLI LIMITED

We have examined the balance sheet of Belding-Corticelli Limited as at 31st December 1962 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 accordance with Section 118 of the Companies Act of Canada we report that no provision has been made in these accounts for the operating loss for the year of a subsidiary company which was acquired during 1962. The company's share of this loss (unaudited) amounted to \$121,900.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company the accompanying balance sheet and 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 1962 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

(Signed) Riddell, Stead, Graham & Hutchison
Auditors

630 DORCHESTER BLVD WEST
MONTREAL 2



Belding-Corticelli
Limited

For presentation to the Shareholders at the Annual General Meeting to be held at the Head Office, 1790 Canal St., (formerly 1455 Shearer Street), Montreal, on Monday, April 29th, 1963.

51st ANNUAL REPORT OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS

Your Directors submit the Fifty-first Annual Report and the Financial Statements covering the operations of your Company for the twelve months ended December 31st, 1962, which have been certified by your Auditors, Messrs. Riddell, Stead, Graham & Hutchison. There has been some improvement in general in the textile industry operations during the past year in which your Company has participated to a modest extent.

SALES. 1962 sales of \$6,319,657.00 show an increase of 8% over 1961 and the first two months of 1963 show this trend continuing.

The arrangements with Dollfus-Mieg Co. of France have been extended to include their printed tapestries and with the addition of Chinese needlepoint tapestries we are looking forward to an increased volume in this division.

The contract with Chadbourn-Gotham Co. of the U.S.A., for Gotham Lingerie and with Christian Dior for hosiery were both terminated at the end of the year. Sales of these products did not develop to a large enough volume to warrant continuation.

IMPORTS. As we mentioned in last year's report, our feelings that Japan would over-ship their quota of 400,000 lbs. of braided elastics by 50% was confirmed when the Canadian Government released the figures they compiled on imports. After negotiations between the Japanese and our Government, the 1962 quota was again set at 400,000 lbs. but we are sorry to report to you that this quota has again been over-shipped.

On behalf of the industry, Mr. L. B. Ramsey has attended conferences with the Canadian Government officers who are now convinced that new systems have to be devised to see that further quotas allocated to Japan in negotiations are adhered to. We now hope that 1963 will see a reduction in these imports and that our industry will no longer lose more than 50% of the Canadian market to Japanese imports. While it still seems to us that a 25% quota would be a reasonable generous concession to the Japanese Trade, Canadian Manufacturers can at least plan for the future on a much sounder basis if the quotas negotiated by the respective Governments are adhered to in fact.

EARNINGS. Net profit before payment of dividends amounts to \$127,703.00 which, while better than the year 1961, is viewed by your Directors as an insufficient ratio to the substantial capital investment represented in the Company. All efforts will continue to be made for improved earnings in 1963.

The demands from union representatives for increased wages, fringe benefits and more paid holidays still continue. On these issues we went through a long strike at our Ways' Mill shoe lace plant and we hope that in future negotiations we can develop a formula that will enable both the investors and the workers to share alike in the prosperity of the Company.

DIVIDENDS AND CAPITAL STOCK. Regular dividends of 70¢ were paid on our preferred stock. A stock dividend of one share for 20 was declared on the common stock of the Company payable the first of February 1963.



Corticelli
MADE IN CANADA

Belding-Corticelli
Limited

(Incorporated under the

Balance

AS AT 31st D

(with comparative figures)

ASSETS

	<u>1962</u>	<u>1961</u>
CURRENT ASSETS		
Cash	\$ 5,169	\$ 6,556
Marketable securities, at cost (Approximate market value \$23,125 in 1962 and \$23,313 in 1961)	25,000	25,000
Accounts receivable — trade, less allowance for doubtful accounts	1,052,972	1,037,195
Accounts receivable — other	83,845	82,355
Inventories of manufactured and partly manufactured products, raw materials, supplies, etc., at the lower of cost or market value	2,260,750	2,254,054
Prepaid insurance, taxes, etc	37,141	35,425
<i>Total current assets</i>	<u>3,464,877</u>	<u>3,440,585</u>
INVESTMENTS — at cost		
Subsidiary company		
Preferred shares	17,800	—
Common shares	246,163	—
Other	7,471	50,443
	<u>271,434</u>	<u>50,443</u>
PROPERTY ACCOUNTS — at cost		
Land, buildings, machinery and equipment	4,476,340	4,488,496
Less: Accumulated depreciation	3,059,502	3,147,763
	<u>1,416,838</u>	<u>1,340,733</u>
OTHER ASSETS		
Due from Officers re purchase of shares under stock option	97,000	—
Coaticook power contract	31,313	33,563
Goodwill and trademarks	1	1
	<u>128,314</u>	<u>33,564</u>
	<u>\$5,281,463</u>	<u>\$4,865,325</u>

APPROVED ON BEHALF OF THE BOARD:

H. H. WARREN, *Director.*

H. H. BLAND, *Director.*



Companies Act of Canada)

Sheet

CEMBER 1962
(as at 31st December 1961)

LIABILITIES

	<u>1962</u>	<u>1961</u>
CURRENT LIABILITIES		
Bank indebtedness	\$ 985,000	\$ 794,630
Accounts payable and accrued liabilities	389,192	355,783
Dividend payable	14,362	14,800
Due to subsidiary company	54,704	—
<i>Total current liabilities</i>	<u>1,443,258</u>	<u>1,165,213</u>
CAPITAL STOCK		
Authorized —		
84,570 7% cumulative preferred shares of \$10 each, of which 2,500 were purchased for cancellation during 1962, subject to confirmation by Supplementary Letters Patent		
250,000 common shares of no par value		
Issued and fully paid —		
Preferred —		
82,070 shares (84,570 in 1961)	<u>820,700</u>	<u>845,700</u>
Common —		
84,601 shares — Balance at beginning of year	776,791	776,791
Issued during year —		
10,000 shares — under stock option	100,000	—
4,730 shares — as stock dividend, payable 1st February 1963	4,730	—
<u>99,331 shares — Balance at end of year</u>	<u>881,521</u>	<u>776,791</u>
EARNED SURPLUS — per statement		
	<u>2,135,984</u>	<u>2,077,621</u>
	<u>\$5,281,463</u>	<u>\$4,865,325</u>

STATEMENT OF
Profit and Loss

For the Year ended 31st December 1962
(with comparative figures for 1961)

	<u>1962</u>	<u>1961</u>
Profit from operations before providing for the undernoted items	\$ 261,440	\$ 123,925
Income from investments	1,072	1,845
Profit on sale of land	73,841	—
Adjustments of prior years'		
— overprovision for doubtful accounts	—	46,820
— pension fund surplus	—	25,251
	<u>336,353</u>	<u>197,841</u>
Depreciation	111,713	85,283
Pension fund contribution	29,190	29,287
Directors' remuneration	3,200	7,670
Executive remuneration	63,050	57,200
Legal expense	1,497	1,732
	<u>208,650</u>	<u>181,172</u>
<i>Net profit</i>	<u>\$ 127,703</u>	<u>\$ 16,669</u>

NOTE:

Income taxes of approximately \$18,000, otherwise exigible on the net profit for the year have been eliminated as a result of the Company's intention to claim for tax purposes capital cost allowances in excess of the depreciation recorded in the accounts, and by virtue of the loss carry-forward provisions of the Income Tax Act. The accumulated amount by which income taxes have been, or will be, reduced by claiming capital cost allowance in excess of the depreciation recorded in the accounts to date is approximately \$201,000. 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 1962
(with comparative figures for 1961)

	<u>1962</u>	<u>1961</u>
Earned Surplus —		
Balance at beginning of year	\$2,077,621	\$2,134,956
Add:		
Net profit for the year	127,703	16,669
	<u>\$2,205,324</u>	<u>\$2,151,625</u>
Deduct:		
Dividends declared during the year —		
On preferred shares	58,761	59,199
On common shares	4,730	14,805
	<u>63,491</u>	<u>74,004</u>
Premium paid on preferred shares purchased for cancellation	5,849	—
	<u>69,340</u>	<u>74,004</u>
Balance at end of year, including \$25,000, in 1962 designated as Capital Surplus in accordance with Section 61 of the Companies Act of Canada	<u>\$2,135,984</u>	<u>\$2,077,621</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

EXOTIC

daisy
fresh

CORTY THE KITTEN

NYCORT



Corticelli



"NYCARA"



Belding-Corticelli
Limited



Annual Report for 1962

Belding-Corticelli
Limited

