

*Corp. Stock*

THE  
WABASSO  
COTTON CO.  
- LIMITED -



ANNUAL REPORT  
1946

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# The Wabasso Cotton Company

## LIMITED

### *Directors*

C. R. WHITEHEAD, *President*

NORMAN J. DAWES, *Vice-President*

WM. HARTY

HUGH MACKAY

HON. LUCIEN MORAUD, K.C.

W. TAYLOR-BAILEY

W. J. WHITEHEAD

### *Executive Committee*

NORMAN J. DAWES, *Chairman*

W. TAYLOR-BAILEY

C. R. WHITEHEAD

W. J. WHITEHEAD

W. J. WHITEHEAD . . . . . *Managing Director*

H. W. CAPEL, C.A. . . . . *Secretary-Treasurer*

### *Trustee for Bonds:*

NATIONAL TRUST COMPANY LIMITED, MONTREAL, P.Q.

### *Transfer Agents:*

CHARTERED TRUST & EXECUTOR COMPANY, MONTREAL, P.Q. AND TORONTO, ONT.

### *Registrars:*

CROWN TRUST COMPANY, MONTREAL, P.Q. AND TORONTO, ONT.

### *Bankers:*

BANQUE CANADIENNE NATIONALE

### *Head Office:*

THREE RIVERS, P.Q.



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THE WABASSO COTTON COMPANY LIMITED

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## Directors' Report to the Shareholders

GENTLEMEN :—

The financial position of your Company at 27th April, 1946 and the results from operations for the year ended that date are shown by the accompanying Balance Sheet, Profit and Loss and Surplus Accounts.

Profits for the year, including subsidy from the Commodity Prices Stabilization Corporation Limited, amounted to \$341,350.03 after providing for reserves for depreciation and Government taxes and compares with profits last year of \$336,657.05.

Whereas the future cannot be foreseen your Directors have, in their judgment, taken every precaution considered necessary to protect your interests.

Your Directors wish to express their appreciation of the loyal support and co-operative effort of the officers and employees in conducting the affairs of the Company.

Respectfully submitted on behalf of the Directors.

(Signed) C. R. WHITEHEAD,

President.

THREE RIVERS, QUE., 16th MAY, 1946.



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THE WABASSO COTTON COMPANY LIMITED

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RIDDELL, STEAD, GRAHAM & HUTCHISON  
CHARTERED ACCOUNTANTS

460 St. Francois Xavier St.  
Montreal 1.

15th May, 1946.

TO THE SHAREHOLDERS,  
THE WABASSO COTTON COMPANY, LIMITED,  
THREE RIVERS, QUE.

We have audited the books and accounts of The Wabasso Cotton Company, Limited for the year ended 27th April 1946.

In accordance with Section 114 of the Dominion Companies' Act, 1934, we report that the aggregate profits of Wholly Owned Subsidiary Companies have not been included in these accounts.

We have obtained all the information and explanations we have required and, in our opinion, the attached Balance Sheet and relative Profit and Loss and Surplus Accounts are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs and the results of the operations for the year, 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



# THE WABASSO COTTON

Balance

*As at 27th*

## Assets

### CURRENT ASSETS :—

Cash on Hand and in Bank . . . . .	\$ 32,822.02	
Dominion of Canada Bonds with interest accrued — less reserve . . . . .	2,431,338.36	
(Approximate Market Value \$2,777,713.36) . . . . .		
Accounts and Bills Receivable — less reserves . . . . .	704,516.60	
Inventories as determined and certified by the Management—		
Raw Cotton, partly manufactured and manufactured stock, at cost or		
market value, whichever was the lower — less reserves.		
Supplies and Chemicals at average cost and not over replacement value . .	362,407.54	\$3,531,084.52

FUNDS DEPOSITED WITH TRUSTEE FOR BONDHOLDERS . . . . .	40,250.00
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### PROPERTY :—

Real Estate, Buildings, Plant, Machinery, etc. at cost, less amounts written off	11,406,018.37	
LESS: Reserves for Depreciation and Obsolescence . . . . .	8,907,563.15	2,498,455.22

### INVESTMENTS :—

Wholly Owned Subsidiary Companies . . . . .	222,160.26	
Bonds and Common Stocks of Canadian Companies with interest accrued . .	37,712.55	
(Approximate Market Value \$40,055.75) . . . . .		259,872.81

### DEFERRED ASSETS :—

Unexpired Insurance, Prepaid Taxes, etc. . . . .	60,572.82	
Refundable portion of Excess Profits Tax . . . . .	84,652.82	145,225.64

\$6,474,888.19

(Signed). { C. R. WHITEHEAD, Director  
NORMAN J. DAWES, Director



# N COMPANY LIMITED

## Sheet

April, 1946

### Liabilities

#### CURRENT LIABILITIES :—

Accounts and Bills Payable . . . . .	\$ 256,559.47	
Bank Loans secured by Dominion of Canada Bonds . . . . .	40,000.00	
Operating Expenses and Accrued Wages . . . . .	112,919.06	
Provision for Municipal and other Taxes . . . . .	343,161.99	
Bond Interest accrued . . . . .	13,739.72	
4% First Mortgage Bonds due 1st February 1947 . . . . .	175,000.00	\$ 941,380.24

#### FIRST MORTGAGE BONDS :—

AUTHORIZED . . . . . \$4,400,000.00

##### ISSUED: Series "A"

4% Serial Bonds dated 1st February 1936 — maturing

\$175,000.00 in each of the fifth to twelfth years . . \$1,400,000.00

LESS: Bonds matured and Bonds maturing

1st February 1947 . . . . . 1,225,000.00 175,000.00

4½% Fifteen Year Bonds dated 1st February 1936 . . . . . 1,000,000.00 1,175,000.00

RESERVE FOR RESEARCH, PLANT IMPROVEMENTS AND CONTINGENCIES . . . . . 1,000,000.00

#### CAPITAL STOCK :—

##### AUTHORIZED:—

105,000 Shares of No Par Value.

##### ISSUED:—

69,903 Shares fully paid . . . . . 2,000,000.00

REFUNDABLE PORTION OF EXCESS PROFITS TAX . . . . . 84,652.82

#### EARNED SURPLUS :—

General Reserve . . . . . 500,000.00

Balance as at 27th April 1946 . . . . . 773,855.13 1,273,855.13

\$6,474,888.19

MONTREAL, 15th MAY, 1946.

Verified as per our Report of this date.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,

CHARTERED ACCOUNTANTS,

AUDITORS.



# THE WABASSO COTTON COMPANY LIMITED

## Profit and Loss Account

*For the Year Ended 27th April, 1946*

Net Profit for the year ended 27th April 1946 before providing for the undernoted items . . . . .		\$1,285,682.70
Revenue from Investments . . . . .		85,537.95
Net Profit on Sale of Investments and Disposal of other Assets . . . . .		11,559.33
		<hr/>
		1,382,779.98
Depreciation on Property and Plant . . . . .	\$ 590,261.96	
Bond Interest . . . . .	64,189.03	
Directors' Fees . . . . .	6,200.00	
Legal Fees . . . . .	6,822.80	
Executive Salaries . . . . .	38,956.16	
Provision for Government Taxes . . . . .	335,000.00	1,041,429.95
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NET PROFIT FOR THE YEAR TRANSFERRED TO SURPLUS ACCOUNT . . . . .		<u>\$ 341,350.03</u>

## EARNED SURPLUS ACCOUNT

*as at 27th April, 1946*

Balance at credit 28th April 1945 . . . . .		\$ 708,117.14
ADD :		
Sundry Adjustments affecting prior years . . . . .	\$ 3,999.96	
Net Profit for the year ended 27th April 1946 . . . . .	341,350.03	345,349.99
		<hr/>
		1,053,467.13
DEDUCT :		
Dividends Paid . . . . .		279,612.00
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		<u>\$ 773,855.13</u>















