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THE
WABASSO
COTTON CO.
LIMITED



ANNUAL REPORT
1947

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McGILL UNIVERSITY

The Wabasso Cotton Company

LIMITED

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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

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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 AND GUARANTEE COMPANY, MONTREAL, P.Q. AND TORONTO, ONT.

Bankers:

BANQUE CANADIENNE NATIONALE

Head Office:

THREE RIVERS, P.Q.

THE WABASSO COTTON COMPANY LIMITED

Directors' Report to the Shareholders

GENTLEMEN :—

The financial position of the Company at 3rd May, 1947, 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 \$357,727.81 after providing for reserves for depreciation and Government taxes and compares with profits last year of \$341,350.03.

The plants are modern and efficiently operated and while the future cannot be foreseen the Directors have, in their judgement, taken every precaution considered necessary to ensure the progressive continuity of the Company's operations.

The 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., 28th MAY, 1947.

THE WABASSO COTTON COMPANY LIMITED

RIDDELL, STEAD, GRAHAM & HUTCHISON
CHARTERED ACCOUNTANTS

460 St. Francois Xavier St.
Montreal 1.

19th May, 1947.

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 3rd May 1947.

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, 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 3rd

Assets

CURRENT ASSETS :—

Cash on Hand and in Bank	\$ 27,851.66	
Dominion of Canada Bonds with interest accrued — less reserve	2,420,745.91	
(Approximate Market Value \$2,718,370.91)		
Accounts and Bills Receivable — less reserves	573,539.63	
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 .	1,383,350.85	\$4,405,488.05

FUNDS DEPOSITED WITH TRUSTEE FOR BONDHOLDERS 40,250.00

PROPERTY :—

Real Estate, Buildings, Plant, Machinery, etc. at cost, less amounts written off	12,114,382.80	
LESS: Depreciation and Obsolescence provided	9,421,309.49	2,693,073.31

INVESTMENTS :—

Wholly Owned Subsidiary Companies	222,160.26	
Bonds and Common Stocks of Canadian Companies with interest accrued . .	29,279.68	
(Approximate Market Value \$30,842.88)		251,439.94

DEFERRED ASSETS :—

Unexpired Insurance, Prepaid Taxes, etc.	88,989.68	
Refundable portion of Excess Profits Tax	56,261.58	145,251.26

7,535,502.56

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

N COMPANY LIMITED

Sheet

May, 1947

Liabilities

CURRENT LIABILITIES :—

Accounts and Bills Payable	\$ 311,225.61	
Bank and Call Loans — Secured	995,000.00	
Operating Expenses and Accrued Wages	238,569.73	
Provision for Municipal and other Taxes	351,328.27	
Bond Interest accrued	12,964.39	
4% First Mortgage Bonds due 1st February 1948	175,000.00	\$2,084,088.00

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 1948	1,400,000.00	
4½% Fifteen Year Bonds dated 1st February 1936		1,000,000.00

PROVISION 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 56,261.58

EARNED SURPLUS :—

General Reserve	500,000.00	
Balance as at 3rd May 1947	895,152.98	1,395,152.98

\$7,535,502.56

MONTREAL, 19th MAY, 1947.

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 3rd May 1947

Net Profit for the year ended 3rd May 1947 before providing for the undernoted items		\$1,296,551.20
Revenue from Investments		72,178.05
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		1,368,729.25
Depreciation on Property and Plant	\$ 572,636.62	
Bond Interest	58,224.67	
Directors' Fees	6,140.00	
Legal Fees	13,099.74	
Executive Salaries	39,663.10	
Provision for Government Taxes	321,237.31	1,011,001.44
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NET PROFIT FOR THE YEAR TRANSFERRED TO SURPLUS ACCOUNT		<u>\$ 357,727.81</u>

EARNED SURPLUS ACCOUNT

as at 3rd May 1947

Balance at credit 27th April 1946		\$ 773,855.13
DEDUCT :		
Sundry Adjustments affecting prior years		4,385.46
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		769,469.67
ADD :		
Net Profit for the year ended 3rd May 1947		357,727.81
Profit on Sale of Investments		47,567.50
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		1,174,764.98
DEDUCT :		
Dividends Paid		279,612.00
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		<u>\$ 895,152.98</u>

