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THE  
WABASSO  
COTTON CO.  
- LIMITED -



ANNUAL REPORT  
1948

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# The Wabasso Cotton Company

## L I M I T E D

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### *Directors*

C. R. WHITEHEAD, *President*  
NORMAN J. DAWES, *Vice-President*  
HUGH MACKAY      HON. LUCIEN MORAUD, K.C.      W. TAYLOR-BAILEY  
O. B. THORNTON      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 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 the Company at 1st May 1948, and the results from the operations for the year ended that date are shown by the accompanying Balance Sheet, Profit and Loss and Surplus Accounts.

Profits for the year amounted to \$469,576.07 after providing for depreciation and Government taxes and compares with profits last year of \$357,727.81.

Again I have pleasure in informing you that your plants are constantly being kept up to date and are efficiently operated and while the future is still somewhat obscure, your Directors have, in their judgment, taken every precaution considered necessary to ensure the progressive continuity of the Company's operations.

The Directors announce with deep regret the death of their colleague, Mr. William Harty, O.B.E., who served faithfully as a Director for twenty-nine years. His unfailing support and sound advice will be greatly missed. Mr. O. B. Thornton, O.B.E., has been elected to fill the vacancy on the Board.

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., 11th JUNE, 1948.



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THE WABASSO COTTON COMPANY LIMITED

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RIDDELL, STEAD, GRAHAM & HUTCHISON  
CHARTERED ACCOUNTANTS

460 St. John St.  
Montreal 1.

8th June, 1948.

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 1st May, 1948.

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 1st*

## Assets

### CURRENT ASSETS :—

Cash on Hand and in Bank . . . . .	\$ 23,676.74	
Dominion of Canada and Provincial Bonds with interest accrued — less reserve . . . . .	2,325,782.53	
(Approximate Market Value \$2,594,532.53) . . . . .		
Accounts and Bills Receivable — less reserves . . . . .	785,294.78	
Inventory 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 . . . . .	1,085,315.59	\$4,220,069.64

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 . . . . .	12,606,907.62	
LESS: Depreciation and Obsolescence provided . . . . .	10,016,798.82	2,590,108.80

### INVESTMENTS :—

Wholly Owned Subsidiary Companies . . . . .	222,160.26	
Bonds and Common Stocks of Canadian Companies with interest accrued . . . . .	15,167.44	
(Approximate Market Value \$15,503.94) . . . . .		237,327.70

### DEFERRED ASSETS :—

Unexpired Insurance, Prepaid Taxes, etc. . . . .	74,572.81	
Refundable portion of Excess Profits Tax . . . . .	56,261.58	130,834.39

\$7,218,590.53

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



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Sheet  
May 1948

## Liabilities

### CURRENT LIABILITIES :—

Accounts and Bills Payable . . . . .	\$ 107,880.71	
Bank and Call Loans — secured . . . . .	595,000.00	
Operating Expenses and Accrued Wages . . . . .	373,123.45	
Provision for Municipal and other Taxes . . . . .	461,893.45	
Bond Interest Accrued . . . . .	11,095.89	
Provision for Bond Sinking Fund due 31st January, 1949 . . . . .	200,000.00	\$1,748,993.50

### FIRST MORTGAGE BONDS :—

AUTHORIZED . . . . . \$3,000,000.00

#### ISSUED: Series "A"

4½% Fifteen year Bonds dated 1st February, 1936 . . . . .	1,000,000.00	
LESS: Provision for Bond Sinking Fund due 31st January, 1949 . . . . .	200,000.00	800,000.00

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 1st May, 1948 . . . . .	1,113,335.45	1,613,335.45

\$7,218,590.53

MONTREAL, 8th JUNE, 1948.

Verified as per our report of this date.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,

CHARTERED ACCOUNTANTS,  
AUDITORS.

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THE WABASSO COTTON COMPANY LIMITED

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## Profit and Loss Account

*For the Year Ended 1st May, 1948*

Net Profit for the year ended 1st May, 1948 before providing for the undernoted items . . . . .		\$1,599,167.28
Revenue from Investments . . . . .		62,051.14
Profit on Sale of Investments . . . . .		1,289.20
		<hr/>
		1,662,507.62
Depreciation on Property and Plant . . . . .	\$ 659,439.49	
Bond Interest . . . . .	50,131.50	
Directors' Fees . . . . .	6,080.00	
Legal Fees . . . . .	20,736.37	
Executive Salaries . . . . .	43,794.19	
Provision for Government Taxes . . . . .	412,750.00	1,192,931.55
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Net Profit for the year transferred to Surplus Account . . . . .		<u>\$ 469,576.07</u>

### EARNED SURPLUS ACCOUNT

*as at 1st May, 1948*

Balance at credit 3rd May, 1947 . . . . .		\$ 895,152.98
ADD :		
Adjustment affecting prior years . . . . .	\$ 28,218.40	
Net Profit for the year ended 1st May, 1948 . . . . .	469,576.07	497,794.47
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		1,392,947.45
DEDUCT :		
Dividends paid . . . . .		279,612.00
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		<u>\$1,113,335.45</u>













