



Twenty-Eighth Annual Report

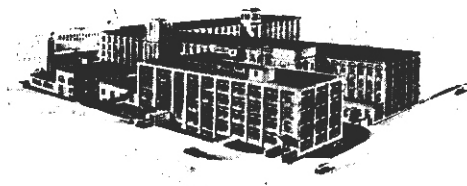
For Year Ended
November 30th

1939

Belding-Corticelli
Limited

Belding-Corticelli *Limited*

Head Office and Mills



MONTREAL, QUE.



COATICOOK, QUE.



ST. JOHNS, QUE.

*Board of
Directors*

□
□

President
*A. O. DAWSON

Directors
J. M. MACKIE
R. C. VAUGHAN
W. A. BLACK
P. F. SISE
A. S. BRUNEAU, K.C.
W. P. MACDOUGALL

LI

Officers

□
□

President
*A. O. DAWSON

*Vice-President and Managing
Director*
W. P. MACDOUGALL

Treasurer
J. P. KENNEDY

Secretary
D. F. POLLOCK

*Deceased January 10th, 1940.

Belding-Corticelli *Limited*

TWENTY-EIGHTH ANNUAL REPORT OF THE BOARD OF DIRECTORS

For presentation to the Shareholders at the Annual Meeting to be held at the Company's Offices, 1455 Shearer Street, Montreal, Thursday, February 8th, 1940, at 12 o'clock noon.

Your Directors are pleased to submit herewith the 28th Annual Report, together with the Balance Sheet and Profit and Loss Account covering the operations of your Company for the year ended November 30th, 1939.

Since the close of the year, your Company has suffered a severe loss through the death of our esteemed and beloved President, Mr. A. O. Dawson, who since 1915 has been the indefatigable President of this Company, and has left behind him a record which will be a source of inspiration to all of us.

On the Balance Sheet, our Auditors have made the necessary adjustments in the Property and Depreciation Accounts to make our books and appraisal figures agree,—these adjustments do not make any change in the net book values.

We have also created a Contingent Reserve Account, to which have been transferred a number of items for contingent liabilities, previously carried in Accounts Payable.

GROSS PROFIT. The statement shows gross profit from all sources during the current year amounting to \$370,623.00. The corresponding figure for last year was \$315,763.06.

NET PROFIT. The Net Profit for the year, after charging Depreciation on Properties and Investments, Income Tax, Executive Salaries, etc., was \$112,711.69 compared with \$97,803.73 for 1938.

DIVIDENDS. Dividends on Preferred and Common Stocks amounting to \$90,551.00 were declared and paid.

The Balance at credit of Profit and Loss Account now stands at \$553,887.95 as compared with \$531,727.26 at the end of November, 1938.

PLANT ADDITIONS AND BETTERMENTS. Your Directors have continued their policy of annual expenditures to maintain the manufacturing facilities at the highest state of efficiency, and somewhat similar expenditures should be made each year, so as to place your Company in a reasonable position to successfully meet competition.

RAW SILK. Unfortunately the exceedingly high price of raw silk, particularly during the latter part of the year, made it difficult to earn a profit in our Hosiery Mill.

THE STAFF. The Directors wish to put on record their appreciation of the staff for the excellent service they have rendered the Company during the year.

AUDIT OF ACCOUNTS. The Balance Sheet and Accounts have been certified by Messrs. Riddell, Stead, Graham & Hutchison, Chartered Accountants, as per their certificate herewith.

Respectfully submitted on behalf of the Board.

W. P. MACDOUGALL,
Vice-President.

Belding-Corticelli Limited

BALANCE SHEET AS AT 30TH NOVEMBER, 1939

<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash on Hand and in Bank	\$ 135,010.65
Investments—Government Bonds, etc., at Book Value (Approximate Market Value \$203,500.00)	203,290.12
Accounts and Bills Receivable, less Reserve for Discount and Doubtful Accounts	572,644.19
Inventories of Manufactured and Partly Manufactured Products, Raw Materials, Supplies, etc., quantities and condition determined by the Management, valued on a conservative basis and not over replacement value, less Reserves	351,289.74
<i>Total Current Assets</i>	<i>\$1,262,234.70</i>
<u>GOODWILL AND TRADE MARKS</u>	1.00
<u>PROPERTY ACCOUNTS:</u>	
Real Estate, Plant, Machinery, Equipment and Office Furniture, as at 30th November, 1939	\$2,977,478.12
Less: Adjustments in Book Values	173,468.81
	\$2,804,009.31
Additions during year (net)	117,121.29
	2,921,130.60
Reserve for Depreciation	\$1,755,488.63
Less: Adjustments	173,468.81
	1,582,019.82
	1,339,110.78
<u>DEFERRED CHARGES:</u>	
Insurance, Taxes, etc	11,805.42
	\$2,613,151.90

W. P. MACDOUGALL, Director.
J. M. MACKIE, Director.

<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES:</u>	
Accounts Payable, etc.	\$ 87,265.28
Reserve for Federal, Provincial and Municipal Taxes	63,039.83
Accrued Charges, Wages, etc.	59,129.06
Dividend on Preferred Stock, payable 2nd January, 1940	15,142.75
Dividend on Common Stock, payable 2nd January, 1940	7,495.00
<i>Total Current Liabilities</i>	<i>\$ 232,071.92</i>
<u>RESERVES:</u>	
Employees' Insurance Reserve	\$ 109,110.83
Contingent Reserves	103,281.20
	212,392.03
<u>CAPITAL STOCK:</u>	
7% Cumulative Preferred Shares of \$100 each. Authorized—16,500 shares. \$1,650,000.00 Issued — 8,653 shares. 865,300.00 Common Shares of \$100 each. Authorized— 8,500 shares. 850,000.00 Issued — 7,495 shares. 749,500.00	<div style="border-top: 1px solid black; border-bottom: 1px solid black;">2,500,000.00</div> <div style="border-top: 1px solid black; border-bottom: 1px solid black;">1,614,800.00</div>
	1,614,800.00
<u>EARNED SURPLUS:</u>	
Balance as per attached statement	553,887.95
	\$2,613,151.90

MONTREAL, 15TH JANUARY, 1940.

Verified, as per our Report of this date.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,

Chartered Accountants, Auditors.

Belding-Corticelli *Limited*

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH NOVEMBER, 1939

PROFITS:

For the year ended 30th November, 1939, after deducting all Manufacturing, Selling and Administration Expenses, but before providing for Depreciation.....	\$ 363,877.97
Interest on Investments.....	6,010.03
Profit on Sale of Investments.....	735.00
	\$ 370,623.00

DEDUCT:

Provision for Depreciation.....	\$ 160,490.12
Provision for Income Tax.....	44,000.00
Provision for Depreciation in Market Values of Investments.....	8,500.00
Directors' Remuneration.....	6,980.00
Executive Remuneration.....	35,385.00
Legal Fees.....	2,556.19
	257,911.31
<i>Net Profit transferred to Earned Surplus.....</i>	\$ 112,711.69

EARNED SURPLUS

Balance at credit 1st December, 1938.....	\$ 531,727.26
Net Profit for the year ended 30th November, 1939.....	112,711.69
	\$ 644,438.95

DEDUCT:

Dividends on Preferred Stock for the year ended 30th November, 1939.....	\$ 60,571.00
Dividends on Common Stock for the year ended 30th November, 1939.....	29,980.00
	90,551.00
<i>Balance as per Balance Sheet.....</i>	\$ 553,887.95

RIDDELL, STEAD, GRAHAM & HUTCHISON

Chartered Accountants

460 ST. FRANCOIS XAVIER ST.
P.O. BOX 2398 PLACE D'ARMES
MONTREAL

15th January, 1940.

TO THE PRESIDENT AND SHAREHOLDERS
OF BELDING-CORTICELLI LIMITED,
MONTREAL, QUE.

We have examined and audited the Books and Accounts of Belding-Corticelli Limited for the year ended 30th November, 1939, and find that the accompanying Balance Sheet and Profit & Loss Account have been correctly prepared therefrom.

The Investments of the Company have been verified by actual inspection of the Securities held or by Certificate from the Depository.

The Inventories of Stock on hand, as certified by responsible Officials of the Company, have been valued on a conservative basis.

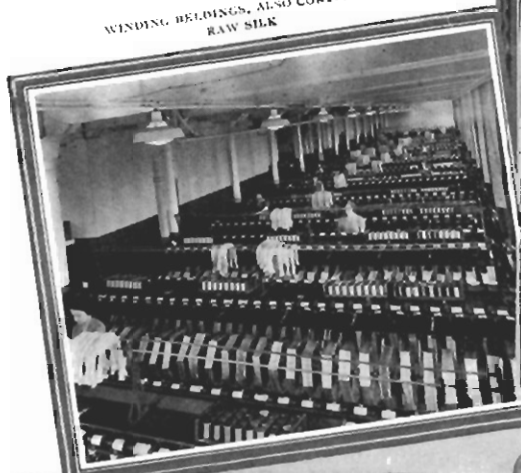
We report that we have obtained all the information and explanations that we have required and that, in our opinion, the Balance Sheet as at 30th November, 1939, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information, the explanations given to us and as shown by the Books of the Company.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,
Auditors.

SCENES TAKEN IN BELDING-CORTICELLI LIMITED PLANTS

HIGH SPEED TWISTERS MAKING HIGH TWIST YARNS FOR
BELDINGS AND CORTICELLI SILK HOSIERY

WINDING BELDINGS, ALSO CORTICELLI
RAW SILK



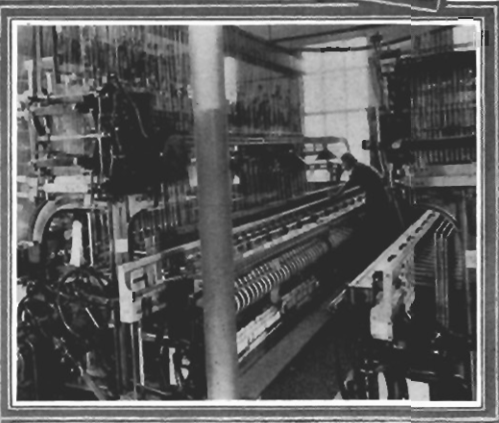
MAKING CONES OF HOSIERY YARN FOR KNITTING
BELDINGS, ALSO CORTICELLI SILK HOSIERY



KNITTING BELDINGS AND CORTICELLI FULL FASHIONED
HOSIERY IN A CONTINUOUS OPERATION FROM WELT TO TOE



MAKING WARPS FOR BELDINGS RIBBONS ON NEW HIGH SPEED WARPERS



WEAVING BELDINGS RIBBONS ON
HIGH SPEED LOOMS

Head Office
MONTREAL, P.Q.



Branches
TORONTO, ONT.
WINNIPEG, MAN.
VANCOUVER, B.C.



Mills
MONTREAL, P.Q.
ST. JOHNS, P.Q.
COATICOOK, P.Q.