



Twenty-Ninth Annual Report

*For Year Ended
November 30th*

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Belding-Corticelli
Limited

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Belding-Corticelli Limited

Head Office and Mills



MONTREAL, QUE.



COATICOOK, QUE.



ST. JOHNS, QUE.

*Board of
Directors*

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President
W. P. MACDOUGALL

Directors
J. M. MACKIE
R. C. VAUGHAN
P. F. SISE
A. S. BRUNEAU, K.C.
J. D. JOHNSON
C. E. GRAVEL

Officers

□
□

President and Managing Director
W. P. MACDOUGALL

Vice-President
J. M. MACKIE

Treasurer
J. P. KENNEDY

Secretary
D. F. POLLOCK

Belding-Corticelli *Limited*

TWENTY-NINTH 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, Wednesday, February 5th, 1941, at 12 o'clock noon.

The Directors beg to submit herewith the 29th Annual Report and financial statements covering the operations of your Company for the year ended November 30th, 1940.

GROSS PROFIT. The statement shows that the revenue from all sources during the current year amounted to \$519,184.71, an increase of \$148,561.71 over last year.

NET PROFIT. The net revenue for the year, after charging Depreciation, Income Tax, Executive Salaries, etc., was \$135,049.61 compared with \$112,711.69 for 1939.

DIVIDENDS. During the year dividends were paid on the Preferred and Common Stocks amounting to \$90,551.00.

INCOME AND PROFITS TAX. We have set up a provisional reserve of \$120,000.00, and it is hoped when the several taxing authorities make their final reports that all of this amount will not be required.

Amounts reserved for Contingent liabilities no longer necessary have been transferred to Surplus Account, and after the payment of dividends, and adjustments applying to previous years, the Earned Surplus now stands at \$639,104.09.

INVENTORIES. Due to disturbed conditions and the uncertainty of deliveries, also the larger volume of business, it was considered advisable and necessary to carry larger stocks.

DIRECTORS. Mr. J. D. Johnson and Mr. C. E. Gravel were elected to the Board to fill the vacancies created by the passing of our late President, Mr. A. O. Dawson, and the resignation of Mr. W. A. Black.

BUILDINGS, PLANTS. Your Directors have, during the year, continued the policy of maintaining and improving both buildings and equipment.

RAW SILK. The Emergency Budget of December 2nd placed the importation of Raw Silk under license from Non-Sterling countries and on a decreasing scale, regulations governing this restriction are now being formulated and time will tell what effect this will have upon the full-fashioned hosiery industry which employs over 7,000 people and pays out annually in wages over eight million dollars.

NYLON HOSIERY. Early in the year, your Company placed the first order in Canada for Nylon yarn and are now making delivery of small quantities of this hosiery to the trade.

THE WORKERS AND STAFF. Your Directors desire to express their appreciation of the loyal and efficient service rendered by the workers and staff of the Company during the year.

AUDIT OF ACCOUNTS. Messrs. Riddell, Stead, Graham & Hutchison, Chartered Accountants, have certified the Balance Sheet and Profit and Loss Account, as per certificate herewith.

Respectfully submitted on behalf of the Board.

W. P. MACDOUGALL,
President

Belding-Corticelli Limited

BALANCE SHEET AS AT 30TH NOVEMBER, 1940

<u>ASSETS</u>	<u>LIABILITIES</u>
<u>CURRENT ASSETS</u>	
Cash on Hand and in Bank	\$ 64,968.00
Investments—Government Bonds, etc., at Book Value (Approximate Market Value \$145,000.00)	142,040.60
Accounts and Bills Receivable, less Reserve for Discount and Doubtful Accounts	597,966.67
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	683,716.01
Total Current Assets	\$1,488,691.28
<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	\$2,921,130.60
Additions during year (net)	16,929.84
	2,938,060.44
Reserve for Depreciation	1,639,797.55
	1,298,262.89
<u>DEFERRED CHARGES</u>	
Insurances, Taxes, etc.	15,172.55
	\$2,802,127.72
<u>CURRENT LIABILITIES</u>	
Accounts Payable, Trade Acceptances, etc.	\$ 151,106.38
Reserve for Federal, Provincial and Municipal Taxes	138,883.19
Accrued Charges, Wages, etc.	43,419.35
Dividend on Preferred Stock, payable 2nd January, 1941	15,142.75
Dividend on Common Stock, payable 2nd January, 1941	7,495.00
Total Current Liabilities	\$ 356,046.67
<u>RESERVES</u>	
Employees' Benefit Reserve	\$ 137,534.59
Contingent Reserves	44,642.37
Advertising Reserve	10,000.00
	192,176.96
<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
	\$2,500,000.00
	1,614,800.00
<u>EARNED SURPLUS</u>	
Balance as per attached statement	639,104.09
	\$2,802,127.72

MONTREAL, 16TH JANUARY, 1941.

Verified, as per our Report of this date.

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

W. P. MACDOUGALL, Director.

J. M. MACKIE, Director.

Belding-Corticelli *Limited*

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH NOVEMBER, 1940

PROFITS:

For the year ended 30th November, 1940, after deducting all Manufacturing, Selling and Administration Expenses, but before providing for Depreciation	\$ 509,309.54
Interest on Investments	7,405.17
Profit on Sale of Investments	2,470.00
	<hr/>
	\$ 519,184.71

DEDUCT:

Provision for Depreciation	\$ 171,217.53
Provision for Income Tax	120,000.00
Provision for Advertising	10,000.00
Employees' Benefit Reserve	33,000.00
Directors' Remuneration	8,109.69
Executive Remuneration	40,704.50
Legal Fees	1,103.38
	<hr/>
	384,135.10
<i>Net Profit transferred to Earned Surplus</i>	<hr/> <u>\$ 135,049.61</u>

EARNED SURPLUS

Balance at credit 1st December, 1939	\$ 553,887.95
Net Profit for the year ended 30th November, 1940	135,049.61
Net Adjustments applicable to prior years	40,717.53
	<hr/>
	\$ 729,655.09

DEDUCT:

Dividends on Preferred Stock for the year ended 30th November, 1940	\$ 60,571.00
Dividends on Common Stock for the year ended 30th November, 1940	29,980.00
	<hr/>
	90,551.00
<i>Balance as per Balance Sheet</i>	<hr/> <u>\$ 639,104.09</u>

RIDDELL, STEAD, GRAHAM & HUTCHISON

Chartered Accountants

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

16th January, 1941.

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, 1940, and find that the accompanying Balance Sheet and Profit and Loss Account have been correctly prepared therefrom.

The Investments of the Company have been verified by actual inspection of the Securities held or by Certificates 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 we have required and that, in our opinion, the Balance Sheet as at 30th November, 1940 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



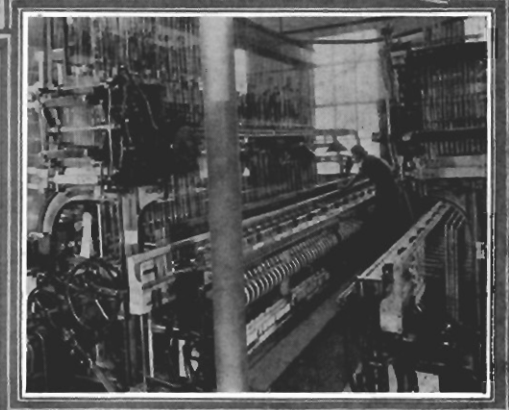
MAKING CONES OF HOSIERY YARN FOR KNITTING
BELDINGS, ALSO CORTICELLI SILK HOSIERY



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.