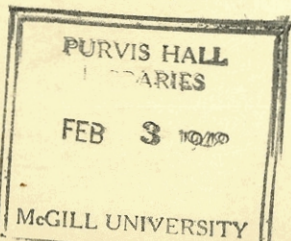


Thirty-Sixth Annual Report

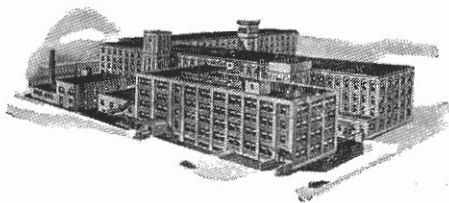
*For Year Ended
November 30th
1 9 4 7*

*Belding-Corticelli
Limited*

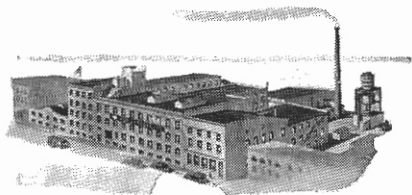


Belding-Corticelli *Limited*

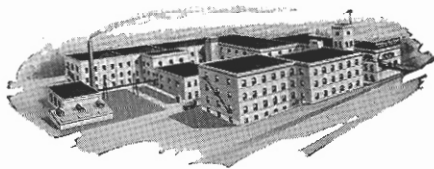
Head Office and Mills



MONTREAL, QUE.



ST. JOHNS, QUE.



COATICOOK, QUE.

*Board of
Directors*



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

General Manager
W. G. HICKS

Treasurer
L. B. RAMSEY

Secretary
D. F. POLLOCK



Belding-Corticelli Limited

THIRTY-SIXTH ANNUAL REPORT OF THE BOARD OF DIRECTORS

*For presentation to the Shareholders at the Annual General Meeting to be held at
the Head Office, 1455 Shearer Street, Montreal, on Wednesday,
February 18th, 1948, at 12 o'clock noon.*

Your Directors submit herewith the Thirty-sixth Annual Report and Financial Statements covering the operations of your Company for the year ended November 30th, 1947.

We are pleased to inform you that your Company is now commencing its 72nd year in business in Canada, one of its predecessors having started operations in 1876.

SALES were the largest in the history of the Company, the volume being greater than in any of the years 1940 to 1945, when each year included considerable war business.

NET PROFIT for the year was \$148,774.74, after providing for full Depreciation, Income and Excess profits taxes, Pension Fund, etc., also an amount of \$150,000.00 to Inventory reserve, as a protection against possible future decline in prices.

RETIREMENT PLAN—The balance due for Past Service amounting to \$168,581.22 has been charged against Surplus Account.

DIVIDENDS—An extra 1% Common stock dividend amounting to \$7,495.00 was paid out of the profits of the year 1946. During the year Dividends on the Preferred and Common stocks totalled \$113,036.00.

PROPERTIES—Following your Directors usual policy, the programme of replacements and modernization continued, with new machinery and equipment, etc., amounting to \$204,110.04 being put into operation.

CUSTOMS TARIFFS—Reductions in the Canadian rates following the International Trade Conference at Geneva are not likely to immediately affect your Company's business while high prices prevail abroad; however, when competition is keen these reductions may be serious.

The narrowing of the British Preferences may adversely affect the volume of Export trade your Company has enjoyed in Empire countries for many years.

EMPLOYEE RELATIONS—It is with satisfaction that we are able to report that they have been maintained on a fair and sound basis in all your plants. During the year labor agreements have been entered into covering the employees of your St. Johns and Coaticook Mills.

Once more your Directors are pleased to express their thanks and appreciation to the entire staff for their splendid service during the year.

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

Respectfully submitted on behalf of the Board,

W. P. MACDOUGALL,
President.

Belding-Corticelli *Limited*

BALANCE SHEET AS AT 30TH NOVEMBER, 1947

<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash on hand and in bank	\$	51,812.13
Investments—Government Bonds, etc., at book value plus accrued interest (Approximate market value \$111,864.00)		110,138.66
Accounts and Bills Receivable, less reserve for doubtful accounts		806,618.38
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 (including reserve permitted by the Excess Profits Tax Act)		1,072,957.50
<i>Total Current Assets</i>		<u>\$2,041,526.67</u>
 <u>GOODWILL AND TRADE MARKS</u>		 1.00
 <u>PROPERTY ACCOUNTS</u>		
Real Estate, Plant, Machinery, Equipment and Office Furniture as at 30th November 1946	\$3,476,474.74	
Additions during year—Net	204,110.04	
	<u>\$3,680,584.78</u>	
Reserve for Depreciation	2,583,875.85	1,096,708.93
 <u>DEFERRED CHARGES</u>		
Insurance, Taxes, etc.	\$ 11,582.88	
Balance Coaticook Power Contract	65,250.00	76,832.88
 <u>REFUNDABLE PORTION OF EXCESS PROFITS TAX</u>		
		114,474.17
		<u>\$3,329,543.65</u>

W. P. MacDOUGALL, Director.
R. C. VAUGHAN, Director.

<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable		\$294,506.41
Sales Taxes, Payroll Tax Deductions, etc.		41,145.89
Reserve for Government Taxes, subject to final determination by taxing authorities after prepayment of \$110,000.00		85,721.57
Due to Pension Fund		7,601.87
Accrued Charges—Commissions, Wages, etc.		87,141.45
Dividend on Preferred Stock, payable 2nd January, 1948	\$ 15,142.75	
Dividend on Common Stock payable 2nd January, 1948	18,737.50	33,880.25
<i>Total Current Liabilities</i>		<u>\$ 549,997.44</u>
 <u>BALANCE DUE TO PENSION FUND—PAST SERVICE</u>		 168,581.22
 <u>RESERVES</u>		
Employees' Benefit Reserve	\$ 183,086.85	
Contingent Reserves	49,101.63	
Advertising Reserve	10,000.00	
Plant Improvement Reserve	75,000.00	317,188.48
 <u>CAPITAL STOCK</u>		
7% Cumulative Preferred Shares of \$100.00 each:		
Authorized—16,500 Shares. \$1,650,000.00		
Issued — 8,653 Shares.	\$ 865,300.00	
Common Shares of \$100.00 each:		
Authorized— 8,500 Shares. 850,000.00		
Issued — 7,495 Shares.	749,500.00	1,614,800.00
	<u>\$2,500,000.00</u>	
 <u>CAPITAL SURPLUS</u>		 74,000.00
 <u>EARNED SURPLUS</u>		
Balance as per statement attached		490,502.34
 <u>DEFERRED SURPLUS</u>		
Refundable portion of Excess Profits Tax		114,474.17
		<u>\$3,329,543.65</u>

MONTREAL, 20TH JANUARY, 1948.

Verified subject to 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, 1947

PROFITS

For the year ended 30th November, 1947, after deducting all Manufacturing, Selling and Administration Expenses, but before providing for Depreciation, etc.	\$ 744,165.63
Income from Investments	8,454.84
Profit from Sale of Investments, etc.	16,897.64
	769,518.11

DEDUCT:

Provision for Depreciation	\$ 196,634.25	
Provision for Income and Excess Profits Taxes	155,167.54	
Provision for Provincial Income Taxes	25,945.24	
Pension Fund Contribution	19,036.34	
Directors' Remuneration	7,300.00	
Executive Remuneration	63,750.00	
Legal Fees	2,910.00	
Inventory Reduction Reserve	150,000.00	620,743.37
<i>Net Profit transferred to Earned Surplus</i>		\$ 148,774.74

EARNED SURPLUS

Balance at Credit, 30th November, 1946	\$ 657,914.75
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ADD:

Machinery depreciation overprovided in 1946	2,433.61
	660,348.36

DEDUCT:

Balance Pension Fund Contribution for Past Service	\$ 168,581.22	
Additional provision for 1946 Income and Excess Profits Taxes	24,239.19	
Inventory adjustment 1946	5,269.35	198,089.76
		462,258.60

Net Profit for the year ended 30th November, 1947	\$ 148,774.74
	611,033.34

DEDUCT:

1% Extra Common Dividend for 1946, paid March 1st, 1947		7,495.00
Dividends for the year ended 30th Novem- ber, 1947		
on Preferred Stock	\$ 60,571.00	
on Common Stock	52,465.00	113,036.00
<i>Balance, as per Balance Sheet</i>		\$ 490,502.34

RIDDELL, STEAD, GRAHAM & HUTCHISON

Chartered Accountants

460 ST. FRANCOIS XAVIER ST.
P.O. BOX 2398 PLACE D'ARMES
MONTREAL, 1

20th January, 1948.

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

We have examined the books and accounts of Belding-Corticelli Limited for the year ended 30th November, 1947, 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 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.

Renegotiation of all War Contracts has now been completed and the net result is a reduction in the Refundable Portion of the Excess Profits Tax of \$6,309.97, leaving a balance due in this account of \$114,474.17.

Income Tax returns have been checked by the Taxing Authorities up to 30th November 1946, but final assessments have not yet been received. We are satisfied adequate provision has been made to cover this liability.

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, 1947, 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.

"Choice of the Discriminating"



Corticelli
MADE IN CANADA

full-fashioned
HOSIERY



Belding-Corticelli
Limited

Head Office

MONTREAL, P.Q.



Branches

TORONTO, ONT.

WINNIPEG, MAN.

VANCOUVER, B.C.



Mills

MONTREAL, P.Q.

ST. JOHNS, P.Q.

COATICOOK, P.Q.