

Canadian Cottons Limited

MONTREAL, CANADA

THIRD ANNUAL REPORT FOR YEAR ENDING 31st MARCH, 1913

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 20th MAY, 1913

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GEORGE CAVERHILL D. MORRICE, JR.
A. A. MORRICE A. O. DAWSON
 THEOPHILUS KING

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons

Limited

TO THE SHAREHOLDERS

YOUR Directors are pleased to present their Report for the year ending 31st March, 1913.

The price of Raw Cotton has ruled high, as compared with the previous year, in consequence of a decrease of 2,000,000 bales in the crop. We were fortunate in having a good quantity carried over from the previous season, and this fact, coupled with a generous demand for our products, enables us to make a showing even better than in the year 1911-12.

The Sales for the year were \$4,407,164.06, an increase of \$547,363.37 over the previous twelve months.

The Manufacturing Profits, together with the rentals realized from leased properties, and after making due allowance for depreciation, amount to \$648,516.68. After deducting Bond Interest, Dividends on Preferred Shares, and \$20,000.00 carried to Reserve for bad debts, there remains a balance of \$205,213.18, carried to credit of Profit and Loss Account, as compared with \$174,477.38 carried forward the previous year.

The question of a Dividend on the Common Stock has been favorably considered by your Directors, but to

keep pace with the growing demand for our products, a considerable expenditure for new Machinery will be necessary during the coming year. It has, therefore, been deemed advisable to defer definite action for the time being.

It will be noticed that the whole amount of the indebtedness to the Bank on General Loan Account is now less than the value of Raw Cotton on hand as shown in the Inventory.

The books and accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

D. MORRICE,

President.

Canadian Cottons, Limited

MANUFACTURING ACCOUNT

FOR YEAR ENDING 31ST MARCH, 1913

DR.	CR.
To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Maintenance, and Depreciation - - - - \$3,445,322.37	By Sales - - - - - \$4,407,164.06
	Add inventory of Cloth and Cotton in process of Manufacture, 1st April, 1913 - - - - 766,997.77
	<u>\$5,174,161.83</u>
To Balance	Less inventory of Cloth and Process on hand 1st April, 1912 - - - - - 1,247,336.62
Net Profits to Profit and Loss Account - - 481,502.84	<u>\$3,926,825.21</u>
<u>\$3,926,825.21</u>	

PROFIT AND LOSS ACCOUNT

31ST MARCH, 1913

To Bond Interest 5% - - \$207,500.00	By Balance brought forward 1st April, 1912 - \$600,760.06
" Dividend Preferred 6% - 215,797.50	
<u>\$423,297.50</u>	" Net Manufacturing Profits - - - - 481,502.84
Reserve for Bad Debts - - 20,000.00	
Balance forward - - 805,973.24	" Rentals, Mount Royal Spinning Mill, etc. - 167,007.84
<u>\$1,249,270.74</u>	<u>\$1,249,270.74</u>

Canadian Cottons, Limited

GENERAL STATEMENT

YEAR ENDING 31ST MARCH, 1913

ASSETS

Cash - - - - \$ 11,411.72
 Open Accounts and Bills Receivable
 net cash basis - - - 702,701.17

Inventory of

Cloth - - \$431,941.16
 Process and Yarns 350,208.66
 Raw Cotton - 550,190.15
 Supplies - - 156,390.79
 Insurance unearned 45,500.00

1,534,230.76

Total Current Assets \$2,248,343.65

Bonds, available against Liability - 796,300.00

Stocks in other Companies and
 advances including Discount on
 Bonds - - - - 463,800.00

PROPERTIES

Mills, Properties, Plants, Waterpowers, etc. - \$10,249,715.69
\$13,758,159.34

LIABILITIES

Bank Advances - - \$ 542,073.70
 " " on Bonds - - 396,298.71
 Open Accounts - - - 343,234.60
 Bond Interest accrued and Dividend
 payable April 4th - - - 106,172.50
 Bills Payable - - - - 148,406.59

Total Current Liability \$1,535,186.10

BONDS - - - - 5,000,000.00

CAPITAL

Preferred Authorized,
 \$4,500,000, Issued 3,661,500.00
 Common Authorized,
 \$3,500,000, Issued 2,715,500.00

\$6,377,000.00

Reserve for Bad Debts - - 40,000.00

SURPLUS

Balance at credit Profit and
 Loss Account - - - 805,973.24

\$13,758,159.34

Verified,
 ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

A. BRUCE, Secretary-Treasurer.

AUDITOR'S REPORT

Montreal, 6th May, 1913

MESSRS. THE PRESIDENT AND DIRECTORS
CANADIAN COTTONS, LIMITED,
MONTREAL.

Gentlemen,

I have audited the books and accounts of the Company for the past year ended the 31st March, 1913, and now certify that the Income and Profit and Loss Accounts, based in results upon the duly certified inventory presented to me, and the General Balance Sheet, all prepared from the books, certified to by me, are correct exhibits of the Company's operation for the year and of its position at its close.

Your obedient servant,

ARTHUR H. PLIMSOLL,
F.C.A. (Can.)

