

Canadian Cottons Limited

MONTREAL, CANADA

NINTH ANNUAL REPORT FOR YEAR ENDING 31ST MARCH, 1919

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 13TH MAY, 1919.

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W. J. MORRICE

A. O. DAWSON, *Managing Director*
A. BRUCE, *Secretary-Treasurer*

Canadian Cottons Limited

TO THE SHAREHOLDERS:

YOUR Directors are pleased to submit to the Shareholders their Annual Report of the operations of the Company for the year ending 31st March, 1919.

Manufacturing Profits and Rentals amount to \$1,163,103.82, after making allowance for depreciation and Dominion War Tax, as compared with \$836,125.99 for the previous year.

Bond Interest and Dividends on Preferred and Common Shares were paid amounting to \$382,620, and \$15,000 was added to the Reserve for bad debts, also the sum of \$200,000 has been appropriated for special renewals and replacements, leaving a balance of \$355,783.82 to carry to the Credit of Profit and Loss Account.

The statement shows a substantial reduction in Current Liabilities, the surplus of liquid Assets over Current Liability now amounting to \$2,001,381.

Your Directors are pleased to state that the relations between the Company and its employees have been extremely satisfactory during the year, and they take this opportunity to record their appreciation of the service thus rendered.

Prior to the signing of the Armistice, a portion of the mills product was devoted to Government requirements. These Government orders of necessity were cancelled, but

the demand from the home trade was sufficient to keep all the looms fully occupied.

The outlook for the coming year is hopeful, as, in addition to a steady demand from the home trade, it is expected that generous orders will be available from our allies overseas.

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

Respectfully submitted,

CHAS. R. HOSMER,

President.

Canadian Cottons, Limited

MANUFACTURING ACCOUNT

FOR YEAR ENDING 31st MARCH, 1919

DR.	CR.
To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Maintenance, proportion deferred charges and War Taxes to date - - - - - \$9,291,197.06	By Sales - - - - - \$10,828,326.63
	Add inventory of Cloth and Cotton in process of Manufacture, 31st March, 1919 - - - 565,571.90
	<u>\$11,393,898.53</u>
To Balance	Less inventory of Cloth and Process on hand 31st March, 1918 - - - - - 737,597.65
Net Profits to Profit and Loss Account - - 1,365,103.82	<u>\$10,656,300.88</u>
<u>\$10,656,300.88</u>	

PROFIT AND LOSS ACCOUNT

FOR YEAR ENDING 31st MARCH, 1919

To Bond Interest 5% - - \$209,700.00	
Four Dividends of 1½% each on Preferred Shares - - 219,690.00	
Four Dividends of 1½% each on Common Shares - - - 162,930.00	
	\$592,320.00
Reserve for Bad Debts - - 15,000.00	
Reserve for Special Replacements 200,000.00	
Depreciation on Plant - - 400,000.00	
Balance forward - - - 355,783.82	
<u>\$1,563,103.82</u>	
	By Net Manufacturing Profits - - - - \$1,365,103.82
	By Rental, Mount Royal Spinning Mill, - - 198,000.00
	<u>\$1,563,103.82</u>

Canadian Cottons, Limited

GENERAL STATEMENT

YEAR ENDING 31st MARCH, 1919

<u>ASSETS</u>		<u>LIABILITIES</u>	
Cash - - - - -	\$76,058.08	Bank Advances - - -	\$150,000.00
Book Debts, net cash basis, Bills Receivable and Sundry Open Accounts - - - - -	-1,693,794.28	Open Accounts including Estimated Tax Reserve - - - -	624,198.32
<u>Inventory of</u>		Bond Interest accrued and Divi- dends payable April 4th - -	148,155.00
Cloth - - -	\$359,568.88	Bills payable - - - -	419,196.16
Process and Yarns	221,768.89	Total Current Liability	\$1,341,549.48
Raw Cotton -	473,021.51	<u>BONDS</u> - - - - -	5,000,000.00
Supplies - -	227,048.61	Less redeemed - - -	374,000.00
Insurance unearned	66,670.00		4,626,000.00
	1,348,077.89	<u>CAPITAL</u>	
Victory War Loan Bonds -	225,000.00	Preferred Authorized,	
Total Current Assets	\$3,342,930.25	\$4,500,000.00 - - Issued	3,661,500.00
Bonds, available against Liability -	432,000.00	Common Authorized,	
Bonds available for Sinking Fund -	214,547.47	\$3,500,000.00 - - Issued	2,715,500.00
Stocks in other Companies and advances, including Discount on Bonds - - - - -	208,800.00	Reserve for Bad Debts - - -	90,000.00
<u>PROPERTIES</u>		Reserve for Special Replacements	200,000.00
Mills, Properties, Plants, Waterpowers, etc. -	\$10,665,165.07	<u>SURPLUS</u>	
	\$14,863,442.79	Balance at Credit of Profit and Loss, 31st March, 1918 -	1,873,109.49
		Balance of Profits to 31st March, 1919	355,783.82
			2,228,893.31
		<u>INDIRECT LIABILITIES</u>	\$14,863,442.79
		Customers' paper under discount	\$180,568.41

Montreal, 29th April, 1919

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

W. J. MORRICE }
A. O. DAWSON } Directors.

AUDITOR'S CERTIFICATE

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending the 31st of March, 1919.

I have obtained all the information and explanations required, and now certify that in my opinion the foregoing statements and balance sheet are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as then shown by the books of the Company.

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

Montreal, April 29th, 1919.

