

Canadian Cottons Limited

MONTREAL, CANADA

TWELFTH ANNUAL REPORT FOR YEAR ENDING 31st MARCH, 1922

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 22ND MAY, 1922

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GEORGE CAVERHILL SIR H. MONTAGU ALLAN
W. J. MORRICE

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons Limited

TO THE SHAREHOLDERS :

THE Directors herewith submit to the shareholders their Twelfth Annual Report for the year ending 31st March, 1922.

We look back on a year of unusual difficulties and of exceptional conditions. Not only had inventories to be written down, but, in addition, the Mills for the first full six months period had to operate on short time and at declining prices.

On the other hand, in consequence of an abnormally small cotton crop last season, the market made a very heavy advance. We were fortunate in having on hand at the time a fairly large supply of raw material, which, together with the benefits obtained from the increased plant and equipment installed in recent years, has enabled us to show what we consider satisfactory results.

After making provision for Depreciation and Government Taxes, the Profits and Interest on Investments amount to \$668,572.47 and are disposed of as follows:

Bond Interest and Exchange on Coupons	-	\$176,934.70
Dividends on Preferred and Common Stock		436,930.00
Bad Debts written off	- - - - -	30,491.00
Carried to Profit and Loss Account	- -	24,216.77
		<hr/>
		\$668,572.47

It would be difficult, as well as useless, to forecast the future, knowing that the prosperity of your business, like all other industries, is dependent upon improved conditions, and as the outlook is encouraging, your Directors are therefore hopeful of the future of your Company.

Your Directors desire to acknowledge the loyal and hearty co-operation of the staff and employees throughout a trying period.

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

Respectfully submitted,

CHARLES. R. HOSMER,

President.

Canadian Cottons. Limited

MANUFACTURING ACCOUNT

FOR YEAR ENDING 31st MARCH, 1922

DR.	CR.
To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replacements, Maintenance, Depreciation and Government Taxes to date. - - - - -	By Sales - - - - -
\$7,658,050.89	\$8,255,625.57
To Balance	Add inventory of Cloth and Cotton in process of Manufacture, 31st March, 1922 - - -
Net Profits to Profit and Loss Account - -	950,380.16
575,226.84	<u>\$9,206,005.73</u>
<u>\$8,233,277.73</u>	Less inventory of Cloth and Process on hand 31st March, 1921 - - - - -
	972,728.00
	<u>\$8,233,277.73</u>

PROFIT AND LOSS ACCOUNT

FOR YEAR ENDING 31st MARCH, 1922

To Bond Interest on net amount outstanding and exchange on Coupons - - - -	\$176,934.70		
Four Dividends of 1½% each on Preferred Shares - -	219,690.00		
Four Dividends of 2% each on Common Shares - -	<u>217,240.00</u>		
	\$613,864.70	By Net Manufacturing Profits - - - -	\$575,226.84
Bad Debts - - - -	30,491.00		
Balance forward - - -	24,216.77	By Interest on Investments - - - -	93,345.63
	<u>\$668,572.47</u>		<u>\$,668,572.47</u>

Canadian Cottons, Limited

GENERAL STATEMENT

YEAR ENDING 31st MARCH, 1922

<u>ASSETS</u>	<u>LIABILITIES</u>
Cash - - - - - \$ 138,263.88	Bank Advances - - - \$ 868,582.10
Book Debts, net cash basis, Bills Receivable and Sundry Open Accounts - - - - - 1,448,394.49	Open Accounts including Estimated Tax Reserve - - - - 1,039,577.48
<u>Inventory of</u>	Bond Interest accrued and Divi- dends payable April 4th - - 145,712.50
Cloth - - - \$713,715.12	Bills payable - - - - 230,445.51
Process and Yarns 236,665.04	Total Current Liability \$2,284,317.59
Raw Cotton - 696,444.12	<u>BONDS</u> - - - - - 5,000,000.00
Supplies - - 170,796.18	Less Redeemed - - - - 558,668.33
Insurance unearned 80,000.00	4,441,331.67
1,897,620.46	<u>CAPITAL</u>
Dominion War Loan Bonds - 122,000.00	Preferred Authorized, \$4,500,000.00 - - Issued 3,661,500.00
Total Current Assets \$3,606,278.83	Common Authorized, \$3,500,000.00 - - Issued 2,715,500.00
Bonds, in Treasury and for Sinking Fund - - - - - 1,001,685.98	Reserve for Bad Debts - - - 100,000.00
Stocks in other Companies - - - 309,778.52	Reserve for Special Replacements 600,000.00
Bonds, being proceeds of properties sold - - - - - 1,525,000.00	<u>SURPLUS</u>
<u>PROPERTIES</u>	Balance at Credit of Profit and Loss, 31st March, 1921 - 2,720,074.02
Mills, Properties, Plants, Waterpowers, etc. - 10,104,196.72	Balance of Profits to 31st March, 1922 24,216.77
<u>\$16,546,940.05</u>	2,744,290.79
	<u>INDIRECT LIABILITIES</u>
	Customers' paper under discount \$256,142.02
	<u>\$16,546,940.05</u>

Montreal, 5th May, 1922
Verified, ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

C. R. HOSMER }
A. O. DAWSON } Directors.

A. BRUCE,
Secretary-Treasurer.

AUDITOR'S CERTIFICATE

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending the 31st March, 1922.

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, May 5th, 1922.

CONNECTION COLLEGE

1888-89

MONTHLY REPORT

TWENTY
ANNUAL REPORT