

Canadian Cottons Limited

MONTREAL, CANADA

THIRTEENTH ANNUAL REPORT FOR YEAR ENDING 31ST MARCH, 1923

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 21ST MAY, 1923

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W. J. MORRICE

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons Limited

To the Shareholders :

YOUR Directors submit herewith the Thirteenth Annual Report for the year ending March 31st, 1923.

There has been a steady demand for goods such as your Company produces, and the Mills have run throughout the year without interruption.

Competition from the Southern States has been extremely keen, particularly on heavy goods, while the fine lines made by your Mills have had to meet the very abnormal conditions prevailing in the Textile business of England. The margin of profit has thus been small, but the increased turnover, together with the excellent physical condition of the Mills, have enabled your Directors to present a report which it is hoped will be considered as satisfactory.

After making provision for Depreciation and Government Taxes, the Manufacturing Profits and Interest on Investments amount to \$703,192.00, and are disposed of as follows :

Bond Interest	- - - - -	\$162,046.00
Dividends on Preferred and Common Stock		436,930.00
Bad Debts written off	- - - - -	41,362.00
Carried to Profit and Loss Account	- -	62,854.00
		<hr/>
		\$703,192.00

The utmost harmony has prevailed between the Company and its Employees, and the Profit-Sharing Scheme inaugurated some years ago seems to be working out to the satisfaction of all concerned.

Little can be said as to the conditions facing your Company during the coming year. Until business improves in England, competition from that source is going to be extremely keen, and profits can only be made by observing the strictest economy, and by keeping the whole organization in a state of high efficiency.

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

Respectfully yours,

CHARLES R. HOSMER,

President.

Canadian Cottons, Limited

MANUFACTURING ACCOUNT

FOR YEAR ENDING 31ST MARCH, 1923

DR.	CR.
To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replacements, Maintenance, Depreciation and Government Taxes to date - - - - -	By Sales - - - - -
\$10,138,338.36	\$10,233,942.28
	Add Inventory of Cloth and Cotton in process of:
	Manufacture, 31st March, 1923: - - - - -
	1,458,917.90
	<u>\$11,692,860.18</u>
To Balance	Less inventory of Cloth and Process on hand
Net Profits to Profit and Loss Account - - - - -	31st March, 1922 - - - - -
604,141.66	950,380.16
<u>\$10,742,480.02</u>	<u>\$10,742,480.02</u>

PROFIT AND LOSS ACCOUNT

31ST MARCH, 1923

To Bond Interest on net amount outstanding - - - - -	\$162,046.32		
Four Dividends of 1½% each on Preferred Shares - - - - -	219,690.00		
Four Dividends of 2% each on Common Shares - - - - -	<u>217,240.00</u>		
	\$598,976.32		
Bad Debts - - - - -	41,362.25		
Balance forward - - - - -	62,854.06		
	<u>\$703,192.63</u>		
		By Net Manufacturing Profits - - - - -	\$604,141.66
		By Interest on Investments - - - - -	99,050.97
			<u>\$703,192.63</u>
		By Balance - - - - -	\$62,854.06
		Add Balance, 31st March, 1922 - - - - -	2,744,290.79
			<u>\$2,807,144.85</u>

Canadian Cottons, Limited

GENERAL STATEMENT

YEAR ENDING 31ST MARCH, 1923

ASSETS

Cash - - - -	\$ 110,779.78
Book Debts, net cash basis, Bills Receivable and Sundry Open Accounts - - - -	1,749,914.57
<u>Inventory of</u>	
Cloth -	\$1,201,854.79
Process and Yarns	269,533.93
Raw Cotton -	789,997.13
Supplies - -	154,625.60
Insurance unearned	80,450.00
	<u>2,496,461.45</u>
Investment Bonds - - -	1,575,000.00
Total Current Assets	\$5,932,155.80
Bonds in Treasury and for Sinking Fund - - - -	983,214.01
Stocks in other Companies - -	321,553.64
<u>PROPERTIES</u>	
Mills, Properties, Plants, Waterpowers, etc. -	10,055,813.57
	<u>\$17,292,737.02</u>

LIABILITIES

Bank Advances - - -	\$1,100,590.68
Open Accounts including Estimated Tax Reserve - - -	1,199,770.90
Bond Interest accrued and Divi- dends payable April 4th - -	149,212.50
Bills payable - - - -	226,086.42
Total Current Liability	\$2,675,660.50
<u>BONDS</u> - - - -	\$5,000,000.00
Less Redeemed - - -	617,068.33
	4,382,931.67
<u>CAPITAL</u>	
Preferred Authorized \$4,500,000.00 - - Issued	3,661,500.00
Common Authorized \$3,500,000.00 - - Issued	2,715,500.00
<u>RESERVES</u>	
Depreciation - - -	\$350,000.00
Bad Debts - - -	100,000.00
Special Replacements - -	600,000.00
	1,050,000.00
<u>SURPLUS</u>	
Balance at Credit of Profit and Loss, 31st March, 1923 -	2,807,144.85
<u>INDIRECT LIABILITIES</u>	<u>\$17,292,737.02</u>
Customers' paper under discount	\$766,586.49

Montreal, 7th May, 1923

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, 1923.

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 7th, 1923.

