

Canadian Cottons

Limited

MONTREAL, CANADA

FOURTEENTH ANNUAL REPORT

FOR YEAR ENDING 31st MARCH, 1924

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 12TH MAY, 1924

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A. A. MORRICE

GEORGE CAVERHILL

SIR H. MONTAGU ALLAN

W. J. MORRICE

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons Limited

To the Shareholders:

YOUR Directors, in presenting the Fourteenth Annual Report for the year ending March 31st, 1924, regret being compelled to show a smaller surplus to the credit of Profit and Loss than at March 31st, 1923.

This is due to the serious loss suffered by the Company at the St. Croix Mill, Milltown, N.B., through the flood conditions that existed in the Province of New Brunswick early in May, 1923, at which time some 128 bridges were carried away. The St. Croix River overflowed its banks and washed away the entire supply of coal at this mill. The pressure of water broke down the bulkheads, swept through the finishing room, dyehouse and weave-shed, leaving ruin in its wake. The St. Croix River on this occasion showed a record for height not reached in the last hundred years.

In restoring conditions to normal a sum of \$136,183.78 was expended, and, in making repairs, every effort has been put forth to strengthen the defences so as to guard against similar loss in future.

Added to this disaster, the business suffered from a depression that continued throughout the year. To prevent an undue accumulation of goods, much short time had to be resorted to.

The Manufacturing and Profit and Loss Accounts reveal the following results from the year's operations.

After making provision for depreciation and Government taxes, the Manufacturing Profits and interest from

investments amount to \$621,379.63, and are disposed of as follows :

Bond Interest - - - - -	\$160,167.21
Dividends on Preferred and Common Stocks	436,930.00
Bad Debts written off - - - - -	15,006.77
Carried to credit of Profit and Loss Account	<u>9,275.65</u>
	\$621,379.63

The balance at the credit of Profit and Loss Account, after provision has been made for the flood loss, stands at \$2,680,236.72.

It is difficult to forecast business conditions for the coming year. At the moment curtailment is general among the Textile Mills throughout the world; and in all probability this will continue for some time to come.

Your Directors hope, however, that the last half of the financial year 1924-25 will show a decided improvement, particularly if a fair cotton crop is harvested which can be sold at reasonable figures. Stocks throughout the whole-sale and retail are steadily diminishing, and further supplies will surely be needed before many months have passed.

It is expected also that some Government action will shortly be taken to overcome the disability to which Canadian manufacturers are now subject through the discount on foreign exchange; such a movement would certainly tend to increase the demand for domestic goods.

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, 1924

DR.	CR.
To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replacements, Maintenance, Depreciation, and Government Taxes to date - - - - -	By Sales - - - - -
\$9,212,865.00	\$9,677,510.84
To Balance	Add Inventory of Cloth and Cotton in process of Manufacture, 31st March, 1924 - - - -
Net Profits to Profit and Loss Account - -	1,520,161.96
525,889.90	<u>\$11,197,672.80</u>
<u>\$9,738,754.90</u>	Less Inventory of Cloth and Process on hand 31st March, 1923 - - - - -
	1,458,917.90
	<u>\$9,738,754.90</u>

PROFIT AND LOSS ACCOUNT

31ST MARCH, 1924

To Bond Interest on net amount outstanding - - - -	\$160,167.21	By Net Manufacturing Profits - - - -	\$525,889.90
Four Dividends of 1½% each on Preferred Shares - -	219,690.00	By Interest on Investments - - - -	95,489.73
Four Dividends of 2% each on Common Shares - -	<u>217,240.00</u>		
	\$597,097.21		
Bad Debts - - - -	15,006.77		
Balance forward - - - -	9,275.65		
	<u>\$621,379.63</u>		
		By Balance forward - - - -	\$9,275.65
		Add Balance, 31st March, 1923 - - - -	\$2,807,144.85
		Less Loss St. Croix Flood - - - -	<u>136,183.78</u>
			2,670,961.07
			<u>\$2,680,236.72</u>

Canadian Cottons, Limited

GENERAL STATEMENT

YEAR ENDING 31st MARCH, 1924

<u>ASSETS</u>	<u>LIABILITIES</u>
Cash - - - - - \$ 105,655.62	Bank Advances - - - \$595,717.17
Book Debts, net cash basis, Bills Receivable and Sundry Open Accounts - - - - - 1,291,328.38	Open Accounts including Estimated Tax Reserve - - - - 954,949.72
<u>Inventory of</u>	Bond Interest accrued and Divi- dends payable April 4th - - 149,212.50
Cloth - \$1,286,077.30	Bills payable - - - - 127,068.50
Process and Yarns 246,198.74	Total Current Liability \$1,826,947.59
Raw Cotton - 682,198.55	<u>BONDS</u> - - - - \$5,000,000.00
Supplies - - 146,952.27	Less Redeemed - - 675,468.33
Insurance unearned 82,000.00	4,324,531.67
2,443,426.86	<u>CAPITAL</u>
Investment Bonds - - - - 1,500,000.00	Preferred Authorized
Total Current Assets \$5,340,410.86	\$4,500,000.00 - - Issued 3,661,500.00
Bonds in Treasury and for Sinking Fund - - - - - 967,022.12	Common Authorized
Stocks in other Companies - - 278,127.43	\$3,500,000.00 - - Issued 2,715,500.00
<u>PROPERTIES</u>	<u>RESERVES</u>
Mills, Properties, Plants, Waterpowers, etc. - 10,023,155.57	Depreciation - - - - \$700,000.00
\$16,608,715.98	Bad Debts - - - - 100,000.00
	Special Replacements - - 600,000.00
	1,400,000.00
	<u>SURPLUS</u>
	Balance at Credit of Profit and Loss, 31st March, 1924 - 2,680,236.72
	<u>INDIRECT LIABILITIES</u> \$16,608,715.98
	Customers' paper under discount \$419,124.22

Montreal, 30th April, 1924
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, 1924.

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, 30th April, 1924.

