

Canadian Cottons

Limited

MONTREAL, CANADA

NINETEENTH ANNUAL REPORT

FOR YEAR ENDING 31ST MARCH, 1929

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 13TH, MAY, 1929

PURVIS HALL
LIBRARIES

DEC 21 1945

MCGILL UNIVERSITY

Canadian Cottons, Limited

Operating

ONTARIO MILL, HAMILTON, ONT.
STORMONT MILL, CORNWALL, ONT.
DUNDAS MILL, CORNWALL, ONT.
CANADA MILL, CORNWALL, ONT.
ST. CROIX MILL, MILLTOWN, N.B.
GIBSON MILL, MARYSVILLE, N.B.

Subsidiary

CORNWALL AND YORK COTTON MILLS COMPANY, LIMITED,
SAINT JOHN, N.B.

Operating

CORNWALL MILL YORK MILL

OFFICERS

A. O. DAWSON, LL.D.	. . . . .	<i>President and Man. Director</i>
HON. F. L. BEIQUE, K.C.	. . . . .	<i>Vice-President</i>
R. G. TOLMIE	. . . . .	<i>Ass't. to President</i>
HUGH M. WATSON	. . . . .	<i>Secretary</i>
K. L. HAMILTON	. . . . .	<i>Treasurer</i>

DIRECTORS

SIR H. MONTAGU ALLAN, C.V.O.
HON. F. L. BEIQUE, K.C.
W. A. BLACK
GEORGE CAVERHILL
A. O. DAWSON, LL.D.
A. A. MORRICE
W. J. MORRICE

Canadian Cottons, Limited

To the Shareholders of

Canadian Cottons, Limited.

YOUR Directors submit herewith Balance Sheet of your Company as at March 31st, 1929, together with Manufacturing Account and Profit and Loss Account for the Financial Year recently closed.

The reduction in the Customs duties made last year, coincident with a period of serious depression in the textile trade of the world, intensified competition from Mills in countries where smaller wages are paid, and where living conditions are far below the Canadian standard, or from other countries having other economic advantages. This compelled your Company to name prices and to invoice the product of the Mills in many instances below the cost of production. Had your Mills curtailed production because of this competition it would have been a very serious thing for the operatives and the increased cost of the smaller output would have been as great as the loss made by selling many lines at or below cost.

While shipments for the year were \$57,973.40 in excess of the previous year, yet as a result of the conditions referred to, your Company has had a very lean year, as the statements herewith indicate.

After spending, as in the past, what was necessary to maintain the plant and machinery in first class condition and making provision for depreciation, the Manufacturing Profits and interest on investments amount to \$398,755.67, as compared with \$601,119.86 for the previous year.

After providing for Bond Interest, Bad Debts and Dividends on Preferred Shares, there was left for the Common Shares an amount of only \$21,219.38.

The payment of the usual dividends, amounting in all to \$436,930.00, necessitated encroaching on Profit and

Loss Surplus to the extent of \$196,020.62, leaving a balance of \$2,553,925.26 to the credit of this account.

Your Directors regret having thus had to draw upon the accumulated profits to pay dividends to the Common Shareholders, more particularly remembering that dividends were withheld from them for a number of years.

Your Directors propose to again draw the attention of the Government to the unfortunate position in which the Canadian Cotton Manufacturers find themselves, sincerely hoping that a remedy may be found to meet existing conditions.

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

Respectfully submitted,

A. O. DAWSON,

Montreal, 13th May, 1929.

President.

Canadian Cottons, Limited

MANUFACTURING ACCOUNT

FOR YEAR ENDING 31ST MARCH, 1929

DR.	CR.
To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replacements, Maintenance, Depreciation, and Government Taxes to date.	By Sales.
\$9,006,101.32	\$9,129,943.37
To Balance	Add Inventory of Cloth and Cotton in pro- cess of Manufacture, 31st March, 1929
Net Profits to Profit and Loss Account	1,415,953.50
255,946.71	<u>\$10,545,896.87</u>
<u>\$9,262,048.03</u>	Less Inventory of Cloth and Process on hand 31st March, 1928.
	1,283,848.84
	<u>\$9,262,048.03</u>

PROFIT AND LOSS ACCOUNT

31ST MARCH, 1929

To Bond Interest on net amount outstanding.	\$143,716.52	By Net Manufacturing Profits.	255,946.71
Dividends on Preferred Shares \$219,690.00		Interest on Bonds (A/c Sale Mount Royal Mill), etc.	142,808.96
Dividends on Common Shares 217,240.00		Balance forward.	196,020.62
<u>\$436,930.00</u>			
Bad Debts.	14,129.77		
<u>\$594,776.29</u>			<u>\$594,776.29</u>

Canadian Cottons, Limited

GENERAL STATEMENT

YEAR ENDING 31ST MARCH, 1929

ASSETS

Cash.....	\$ 67,993.25	
Open Accounts (net cash basis), Bills Receivable and Call Loans.....	2,205,390.85	
		\$ 2,273,384.10

INVENTORY OF

Raw Cotton.....	\$743,621.84	
Cloth, Process and Yarn..	1,560,266.41	
Supplies.....	376,375.19	
Insurance Unearned.....	66,000.00	
		2,746,263.44
Investment Bonds.....	1,660,418.32	
		\$6,680,065.86
Bonds in Treasury and for Sinking Fund.....	1,038,053.01	
Stocks in other Companies..	125,411.00	

CAPITAL ASSETS

Mills, Plants, Properties, etc.....	10,026,922.36	
		\$17,870,452.23

LIABILITIES

Open Accounts including Tax Reserve.....	\$1,466,755.25	
Bond Interest and Dividends accrued.....	149,212.50	
Bank Advances.....	109,419.21	
		\$1,725,386.96

BONDS

Bonds.....	\$5,000,000.00	
Less Redeemed.....	935,859.99	
		4,064,140.01

CAPITAL

Preferred Authorized	\$4,500,000.00		
		Issued	3,661,500.00
Common Authorized	\$3,500,000.00		
		Issued	2,715,500.00

RESERVES

Depreciation.....	2,450,000.00	
Bad Debts.....	100,000.00	
Special Replacements...	600,000.00	
		3,150,000.00

Surplus at Credit of Profit and Loss Account.....	2,553,925.26	
		\$17,870,452.23

Montreal, 19th April, 1929.
Audited and verified, C. W. BAKER (of Baker, Birnie & Co.,
Chartered Accountants)

A. O. DAWSON	}	HUGH M. WATSON,
F. L. BEIQUE	Directors	Secretary

*To the Shareholders,
Canadian Cottons, Limited.*

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending 31st March, 1929.

I have obtained all the information and explanations required, and now certify that, in my opinion, the foregoing statements and balance sheet, based upon the certified inventories presented, 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 shown by the books of the Company.

C. W. BAKER,
(of Baker, Birnie & Co., Chartered Accountants.)

Montreal, Que., April 19th, 1929.

Canadian Cottons, Limited

Manufacture

DENIMS
COTTONADES
CASSIMERES
AUTOMOBILE FABRICS
AWNING FABRICS

COTTON TWEEDS
COTTON SUITINGS
PANTINGS
TICKINGS

SHIRTINGS
GALATEAS
DRESS GINGHAMS
CHAMBRAYS
APRON GINGHAMS

NURSES CLOTHS
RIPPLETTES
ARTIFICIAL SILK FABRICS
DRESS GOODS

FLANNELS
BLEACHED FLANNELETTES
NAPPED SHAKERS
TIE LININGS
NAPPED SHEETINGS

COLOURED FLANNELETTES
NAPPED DOMETS
EIDERDOWNS
SILENCE CLOTHS

COTTON BLANKETS

YARNS—UNBLEACHED, BLEACHED AND COLOURED
HOSIERY YARNS
WARP YARNS
TWINES

EXCLUSIVE SPINNING RIGHTS IN CANADA FOR
VISTRA FIBRE — SASE YARNS.

