

# Canadian Cottons Limited

MONTREAL, CANADA

## TWENTIETH ANNUAL REPORT

FOR YEAR ENDING 31ST MARCH, 1930

PRESENTED TO THE SHAREHOLDERS  
AT THE ANNUAL MEETING OF THE COMPANY  
HELD AT MONTREAL, THE 26TH, MAY, 1930

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# Canadian Cottons, Limited

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## *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

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## 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>General Manager</i>
HUGH M. WATSON	<i>Secretary</i>
K. L. HAMILTON	<i>Treasurer</i>

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## 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.*

**Y**OUR Directors present herewith Balance Sheet of your Company as at March 31st, 1930, together with Manufacturing Account and Profit and Loss Account for the year recently closed.

The period under review has been a difficult one. To meet prices being quoted by British and Foreign mills, desperately in need of business, your Company had to invoice many lines at, or below, cost. This competition was accentuated by a further reduction in wages in British mills during the year, a policy which your Directors are very loath to follow.

The Company is also now feeling the full effects of the reductions made in the duties on Cotton Goods at the 1928 session of the Dominion Parliament. The situation was fully explained to the Finance Minister and your Directors regret that in bringing down his recent Budget he did not see his way to give us some relief.

The Profits for the year, including Revenue from Investments, amounted to \$211,144.65, after making provision for Depreciation and Bad Debts, as compared with \$398,755.67 for the year ended March 31st, 1929.

Bond Interest absorbed \$139,472.31 of this Profit, leaving only \$71,672.34 to apply to Dividends on the Preferred and Common Stocks.

The Preferred Dividend, amounting to \$219,690.00, was paid and Dividends on the Common Stock for the first three-quarters of the year at the rate of 8% per annum, amounting to \$162,930.00, were also paid.

Therefore, it will be noticed that it was necessary to appropriate from Profit and Loss Account the sum of \$324,906.05 in excess of Earnings to cover the above Dividend payments, and had Dividends been paid for the full year, the excess payments in Dividends over Earnings would have amounted to \$379,216.05.

For the year that ended March 31st, 1929, Dividends

amounting to \$196,020.62 in excess of Earnings for that period were paid.

The payments of Dividends in the last two years in excess of Earnings depleted the Profit and Loss Account by the sum of \$520,926.67.

Your Directors will feel it their duty, though reluctantly, to withhold further Dividends on the Common Stock until there is a marked improvement in the business of the Company.

Your various plants have been well maintained and are operating efficiently and overhead expenses are being kept down to the minimum.

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

Respectfully submitted,

A. O. DAWSON,  
*President.*

Montreal, May 26th, 1930.

# Canadian Cottons, Limited

## MANUFACTURING ACCOUNT

FOR YEAR ENDING 31ST MARCH, 1930

DR.		CR.	
To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replacements, Maintenance, Depreciation, and Government Taxes to date.....	\$7,458,511.08	By Sales.....	\$7,819,162.58
		Add Inventory of Cloth and Cotton in pro- cess of Manufacture, 31st March, 1930	1,130,876.50
			\$8,950,039.08
To Balance		Less Inventory of Cloth and Process on hand 31st March, 1929.....	1,415,953.50
Net Profits to Profit and Loss Account	75,574.50		
	\$7,534,085.58		\$7,534,085.58

## PROFIT AND LOSS ACCOUNT

31ST MARCH, 1930

To Bond Interest on net amount outstanding.....	\$139,472.31	By Net Manufacturing Profits.....	\$75,574.50
Dividends on Preferred Shares	\$219,690.00	Interest on Investments.....	135,570.15
Dividends on Common Shares	162,930.00	Balance forward.....	324,906.05
	\$382,620.00		
Bad Debts.....	13,958.39		
	\$536,050.70		\$536,050.70

# Canadian Cottons, Limited

## GENERAL STATEMENT

YEAR ENDING 31ST MARCH, 1930

### ASSETS

Cash.....	\$124,154.00	
Open Accounts (net cash basis), Bills Receivable and Call Loans.....	2,694,424.00	
		\$2,818,578.00

### INVENTORY OF

Raw Cotton.....	\$301,757.05	
Cloth, Process and Yarn..	1,248,346.15	
Supplies.....	286,894.54	
Insurance Unearned.....	58,000.00	
		1,894,997.74

Investment Bonds.....	1,602,912.82	
		\$6,316,488.56

Bonds in Treasury and for Sinking Fund.....	1,045,314.87	
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Stocks in other Companies..	111,603.66	
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### CAPITAL ASSETS

Mills, Plants, Properties, etc.....	10,075,195.28	
		\$17,548,602.37

### LIABILITIES

Open Accounts including Tax Reserve.....	\$1,333,540.66	
Bond Interest and Dividends accrued.....	94,902.50	
		\$1,428,443.16

### BONDS

Bonds.....	\$5,000,000.00	
Less Redeemed.....	985,860.00	
		4,014,140.00

### CAPITAL

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

### RESERVES

Depreciation.....	2,800,000.00	
Bad Debts.....	100,000.00	
Special Replacements...	600,000.00	
		3,500,000.00

Surplus at Credit of Profit and Loss Account.....	2,229,019.21	
		\$17,548,602.37

Montreal, 15th April, 1930.  
Audited and verified, C. W. BAKER (of Baker, Birnie & Co.,  
Chartered Accountants)

A. O. DAWSON }  
F. L. BEIQUE } *Directors*

HUGH M. WATSON,  
*Secretary*

*To the Shareholders,*

*Canadian Cottons, Limited.*

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending 31st March, 1930.

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 15th, 1930.

# Canadian Cottons, Limited

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## *Manufacture*

DENIMS	COTTON TWEEDS
COTTONADES	COTTON SUITINGS
CASSIMERES	PANTINGS
AUTOMOBILE FABRICS	TICKINGS
AWNING FABRICS	
SHIRTINGS	NURSES CLOTHS
GALATEAS	RIPPLETTES
DRESS GINGHAMS	ARTIFICIAL SILK FABRICS
CHAMBRAYS	DRESS GOODS
APRON GINGHAMS	
FLANNELS	COLOURED FLANNELETTES
BLEACHED FLANNELETTES	NAPPED DOMETS
NAPPED SHAKERS	EIDERDOWNS
TIE LININGS	SILENCE CLOTHS
NAPPED SHEETINGS	

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COTTON BLANKETS

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

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



