

Canadian Cottons

Limited

MONTREAL, CANADA

TWENTY-FIRST ANNUAL REPORT

FOR YEAR ENDING 31ST MARCH, 1931

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, MAY, 4TH, 1931

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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>General Manager</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 beg to submit their Twenty-first Annual Report of the operations of the Company for the fiscal year ended March 31st, 1931.

The Sales for the year amounted to \$6,431,171.63, a decrease of \$1,387,990.95 as compared with the year ended March 31st, 1930, or equal to nearly 18%. Of this amount 15% was due to the lower prices at which goods were sold and 3% to the lower sales volume. This reduction in values resulted in a heavy loss on Inventories and had a marked bearing on the figures now submitted to you.

It will be noticed that the net Manufacturing Profits before making any provision for either Bond Interest or Dividends shows only 1.7% on the volume of Sales, a very modest profit and quite inadequate for the work performed and the service rendered the consuming public.

In view of the great period of depression through which the whole world has been passing, your Directors feel that the financial statement herewith presented will be regarded as satisfactory.

While it gave reason for great regret that Dividends on the Common Shares of the Company had to be temporarily withdrawn, yet your strong quick position has been maintained and your Mills are well equipped to take care of the increased business that will sooner or later again be available.

The Profits for the year, including revenue from investments, amounted to \$268,636.22 after making provision for Depreciation, as compared with \$211,144.65 for the year ended March 31st, 1930.

Bond Interest and Bad Debts absorbed \$163,485.21 of this Profit, leaving \$105,151.01 to be applied to Dividends.

The Preferred Dividend amounting to \$219,690.00 was paid, which necessitated drawing on the Profit and Loss Account to the extent of \$114,538.99.

Your Directors are looking into the future with considerable confidence, believing that the resources of your Company are such that it will emerge from this period of depression, physically and financially prepared to maintain the enviable position that it has held for many years with the consumers of Cotton Goods in this Country.

Your Directors wish to record their appreciation of the loyal service of the Officers and Employees of the Company throughout a very difficult period.

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 4th, 1931.

Canadian Cottons, Limited

MANUFACTURING ACCOUNT

FOR YEAR ENDING 31ST MARCH, 1931

DR.		CR.	
To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replacements, Maintenance, Depreciation, and Government Taxes to date.	\$6,592,126.37	By Sales.	\$6,431,171.63
		Add Inventory of Cloth and Cotton in pro- cess of Manufacture, 31st March, 1931	1,401,239.18
			<u>\$7,832,410.81</u>
To Balance		-Less Inventory of Cloth and Process on hand 31st March, 1930.	1,130,876.50
Net Profits to Profit and Loss Account	109,407.94		
	<u>\$6,701,534.31</u>		<u>\$6,701,534.31</u>

PROFIT AND LOSS ACCOUNT

31ST MARCH, 1931

To Bond Interest on net amount outstanding	\$137,723.14	By Net Manufacturing Profits.	\$109,407.94
Dividends on Preferred Shares	\$219,690.00	Interest on Investments.	159,228.28
Bad Debts.	\$25,762.07	Balance forward.	114,538.99
	<u>\$383,175.21</u>		<u>\$383,175.21</u>

Canadian Cottons, Limited

GENERAL STATEMENT

YEAR ENDING 31ST MARCH, 1931

<u>ASSETS</u>		<u>LIABILITIES</u>	
Cash.....	\$194,981.27	Open Accounts including	
Open Accounts (net cash		Tax Reserve.....	\$942,711.36
basis), Bills Receivable		Bond Interest and Divi-	
and Call Loans.....	2,285,512.52	dends accrued.....	89,922.50
	<u>\$2,480,493.79</u>	Total Current Liability	<u>\$1,032,633.86</u>
 <i><u>INVENTORY OF</u></i>		 <i><u>BONDS</u></i>	
Raw Cotton.....	\$341,925.71	Bonds.....	\$5,000,000.00
Cloth, Process and Yarn..	1,457,948.39	Less Redeemed.....	1,039,860.00
Supplies.....	220,802.13		<u>3,960,140.00</u>
Insurance Unearned.....	51,500.00	 <i><u>CAPITAL</u></i>	
	<u>2,072,176.23</u>	Preferred Authorized	
Investment Bonds.....	1,563,197.50	\$4,500,000.00	Issued 3,661,500.00
	<u>\$6,115,867.52</u>	Common Authorized	
Total Current Assets		\$3,500,000.00	Issued 2,715,500.00
Bonds in Treasury and for		 <i><u>RESERVES</u></i>	
Sinking Fund.....	1,046,344.17	Depreciation.....	3,150,000.00
Stocks in other Companies..	100,984.02	Bad Debts.....	100,000.00
		Special Replacements...	600,000.00
 <i><u>CAPITAL ASSETS</u></i>			<u>3,850,000.00</u>
Mills, Plants, Properties,		Surplus at Credit of Profit	
etc.....	10,071,058.37	and Loss Account.....	2,114,480.22
	<u>\$17,334,254.08</u>		<u>\$17,334,254.08</u>

Montreal, 16th April, 1931.

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, 1931.

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 16th, 1931.

Canadian Cottons, Limited

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	

COTTON BLANKETS

YARNS—UNBLEACHED, BLEACHED AND COLOURED
HOSIERY YARNS
WARP YARNS

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

