

DOMINION
WOOLLENS
&
WORSTEDS
LIMITED



THIRTEENTH
ANNUAL REPORT
1941

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DOMINION WOOLLENS & WORSTEDS LIMITED

Notice is hereby given that the Annual General Meeting of Shareholders of Dominion Woollens & Worsteds, Limited, will be held at the Royal York Hotel, Toronto, Ont., in the Library, Mezzanine Floor, on Thursday, May 28, 1942, at 12 o'clock, noon, for the purposes following:—

- 1.—To receive the Report of the Directors.
- 2.—To receive and consider the Financial Statements of the Company.
- 3.—To elect Directors for the ensuing year.
- 4.—To transact such other business as may properly come before the meeting.

If you are unable to be present in person, will you kindly sign the accompanying proxy and return as soon as possible. A self-addressed stamped envelope is enclosed for your convenience.

By order,

F. C. COCKBURN,

Secretary.

TORONTO, ONT., May 13, 1942.

PROXY

The undersigned shareholder of Dominion Woollens & Worsteds, Limited, hereby appoints John W. Hobbs, Esq. and H. Barrett, Esq., or either of them as proxy for the undersigned to vote and to act for and on behalf of the undersigned at the Annual General Meeting of Shareholders, to be held on the 28th day of May, 1942, and at any adjournment thereof.

Dated at

this day of 1942.

.....
Witness:
.....

DOMINION WOOLLENS
& WORSTEDS,
LIMITED

THIRTEENTH ANNUAL REPORT

FOR YEAR ENDED
DECEMBER 31st, 1941

Presented to the Shareholders at the Annual
Meeting of the Company held
at Toronto on the
Twenty-eighth day of May,
1942



Executive Offices
80 Richmond Street West,
TORONTO, ONTARIO

Mills at
Hespeler, Ontario
Peterborough, Ontario
Orillia, Ontario

Sales Offices:
80 Richmond Street West Confederation Building
Toronto, Ont. Montreal, Que.

BOARD OF DIRECTORS

President:

John W. Hobbs

Vice-President and Managing Director:

Henry Barrett

C. M. Heddle

Major W. G. Hanson, M.C.
(On Active Service Overseas)

W. K. Trower

G. D. Perry

E. M. Saunders

Secretary-Treasurer and Controller:

F. C. Cockburn

Assistant Secretary-Treasurer:

S. W. Haufschild

Stock Transfer Agents:

National Trust Company, Limited
Toronto

Registrar of Transfers:

Royal Trust Company, Limited
Toronto

Bankers:

Imperial Bank of Canada

Auditors:

P. S. Ross & Sons
Chartered Accountants
Toronto

DOMINION WOOLLENS & WORSTEDS, LIMITED

Toronto, Ontario, May 11, 1942.

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

The Thirteenth Annual Report covering the year ended December 31, 1941, which embraces another very active period, is presented herewith.

The productive facilities of your Company were fully employed, although the volume of production was somewhat less owing to fluctuating demands from the Government for war services.

Orders now booked ensure full operation of your Company's plants well past the end of 1942.

Operating, maintenance, administration and selling expenses have been provided for in the usual manner.

Provision has been made for Dominion Income and Excess Profits Taxes in an amount considered adequate, although the tax in respect of the year 1940 has not been finally determined.

The large stocks of raw materials which were on hand at December 31, 1940, have been maintained to provide for the present high level of production.

DOMINION WOOLLENS & WORSTEDS, LIMITED

The inventory reserve set up as at December 31, 1940, has been carried forward to provide against future decline in values.

After allowance for depreciation, and making provision for taxes above referred to, the net profit for the year was \$219,344.37.

Expenditures on capital improvements amounted to \$124,670.42.

The books and accounts of your Company have been examined and the auditors' report is submitted herewith.

Respectfully submitted,

JOHN W. HOBBS,
President.

STATEMENT

of

INCOME AND EXPENDITURE

For the year ended 31st December, 1941

Profit from Operations, after charges of \$43,216.86
for Remuneration of Executive Officers and
Solicitors' Fees and \$12,418.66 for Directors' Fees,
and before providing for the undernoted charges \$692,203.87

DEDUCT:

Provision for Depreciation	\$196,500.00	
Bond Interest	60,297.00	
Loss on Sale of Securities	1,062.50	257,859.50

Net Profit from Operations \$434,344.37

DEDUCT:

Provision for Dominion Income and Excess Profits Taxes		215,000.00
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Net Profit transferred to Earned Surplus \$219,344.37

DOMINION WOOLLENS & WORSTEDS, LIMITED

BALANCE
AS AT 31st

ASSETS

CURRENT:

Cash on Hand and in Banks	\$	15,640.30
Accounts Receivable		760,688.01
Inventories of Finished Goods, Goods in Process, Raw Materials and Supplies on Hand and in Transit, as determined and certified by the Management and valued at the lower of cost or market, less Reserve for Future Decline in Values		1,504,794.51
Unexpired Insurance		18,355.72
		\$2,299,478.54
Balances Receivable under Agreements of Sale		1,893.15
Investment in Company's own Bonds, par value \$168,650.00, at cost		139,962.49

FIXED:

At depreciated replacement values in 1928, as certified by the Canadian Appraisal Company Limited, comprising Land, Buildings, Houses, Plant and Equipment, less amounts written off, plus subsequent additions at cost		\$3,659,792.71
Less: Reserve for Depreciation		1,418,053.84
		2,241,738.87
Deferred Charges to Operations		934.47
		\$4,684,007.52

Toronto, Ont., 12th May, 1942.

DOMINION WOOLLENS & WORSTEDS, LIMITED, Toronto, Ontario.

We have conducted a balance sheet audit of the accounts of Dominion Woollens & Worsted, Limited as at 31st December, 1941, and have received all the information and explanations we have required.

The Board of Directors, by resolution, has made provision for depreciation in the amount of \$196,500.00 for the year ended 31st December, 1941.

Subject to the foregoing, in our opinion the above Balance Sheet, when read in conjunction with the report of the directors to the shareholders, dated 11th May, 1942, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1941, according to the best of our information and the explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS, Chartered Accountants.

DOMINION WOOLLENS & WORSTEDS, LIMITED

SHEET

DECEMBER, 1941

	LIABILITIES	
CURRENT:		
Bank Loan—Secured	\$ 588,000.00	
Accounts and Bills Payable	270,035.98	
Accrued Wages and Other Accrued Liabilities ...	18,087.38	
Sales Tax and National Defence Tax Payable ...	9,558.77	
Dividend Payable on Preferred Stock, 2nd January, 1942	38,106.00	
Bond Interest Payable, 2nd January, 1942	29,592.00	
Dominion Income and Excess Profits Taxes, estimated	215,114.73	
	\$1,168,494.86	
FIRST MORTGAGE SINKING FUND 6% BONDS, DUE 1953:		
Authorized and Issued	\$1,058,500.00	
Less: Redeemed under terms of Trust Deed	72,100.00	
	986,400.00	
Reserve for Bad Debts		51,351.24
CAPITAL AND SURPLUS:		
Preferred Stock, 6% Non-Cumulative, Participating		
Authorized: 63,510 shares of Par		
Value of \$20.00 each	\$1,270,200.00	
Issued: 63,510 shares, fully paid	\$1,270,200.00	
COMMON STOCK:		
Authorized: 155,000 shares of No Par Value		
Issued: 85,585 shares, fully paid	855,850.00	
	\$2,126,050.00	
Capital Surplus, Credit Balance	\$ 57,513.85	
Earned Surplus, Credit Balance	294,197.57	
	351,711.42	
		2,477,761.42
		\$4,684,007.52

Signed on behalf of the Board: { JOHN W. HOBBS, *Director.*
HENRY BARRETT, *Director.*

STATEMENT
of
SURPLUS ACCOUNTS

For the year ended 31st December, 1941

CAPITAL SURPLUS:

Balance at Credit, 1st January, 1941	\$	63,285.43
ADD:		
Profit on Redemption of Company's own Bonds		6,559.28
	\$	69,844.71
DEDUCT:		
Loss (after charging \$15,371.77 to Depreciation Reserve) on Real Estate and Equipment sold or scrapped		12,330.86
Balance at Credit, 31st December, 1941	\$	57,513.85

EARNED SURPLUS:

Balance at Credit, 1st January, 1941	\$	114,419.07
DEDUCT:		
Additional Income Taxes re Prior Years		1,459.87
	\$	112,959.20
ADD:		
Operating Profit for year ended 31st December, 1941, after provision for Dominion Income and Excess Profits Taxes	\$	219,344.37
LESS: Dividend at 3% declared on Preferred Stock, payable 2nd January, 1942, to Shareholders of Record, 15th December, 1941	38,106.00	181,238.37
Balance at Credit, 31st December, 1941		294,197.57
Total Surplus, 31st December, 1941	\$	351,711.42

