

DOMINION
WOOLLENS
&
WORSTEDS
LIMITED



FIFTEENTH
ANNUAL REPORT
1943

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DOMINION WOOLLENS
& WORSTEDS,
LIMITED

FIFTEENTH ANNUAL REPORT

FOR YEAR ENDED
31st DECEMBER, 1943

Presented to the Shareholders at the Annual
Meeting of the Company held
at Toronto on the
Eighth day of June,
1944



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

Chairman of the Board:

John W. Hobbs

President:

Henry Barrett

Vice-President:

J. A. Gairdner

C. M. Heddle

G. D. Perry

F. C. Cockburn

H. B. Bonner

General Manager:

H. B. Bonner

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 22, 1944

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

The Fifteenth Annual Report for the year ended December 31, 1943, is presented herewith. Due to labour shortages at all your plants, the dollar value of production declined 15% from the high figure obtained in 1942.

The relationship between production for the armed services and for the civilian trade remained the same as for 1942, approximately two-thirds for the former and one-third for the latter.

The cost of maintenance for the year was unusually high, as we took the opportunity when materials were available to re-condition plant and equipment which had been operating four years under extreme pressure. All other expenses have been provided for in the usual manner.

Expenditure on capital improvements amounted to \$102,546.39.

Inventories show a substantial decline from the high level of December 31, 1942, and are carried at the lower of cost or market, less the reserve set up in accordance with the Excess Profits Tax Act.

Provision has been made for depreciation and for Dominion Income and Excess Profits Taxes in amounts considered adequate, although the taxes in respect of the years subsequent to 1939 have not been finally determined.

After provision for depreciation and for taxes above referred to, the net profit for the year was \$147,386.70.

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

Respectfully submitted,

J. W. HOBBS,
Chairman of the Board.

STATEMENT

of

INCOME AND EXPENDITURE

For the year ended 31st December, 1943

Profit from Operations, after charges of \$61,517.60 for Remuneration of Executive Officers and Salaried Directors and Solicitors' Fees, and \$11,499.96 for Directors' Fees, and before providing for the under-noted charges\$590,927.70

DEDUCT:

Provision for Depreciation	\$150,000.00	
Bond Interest	55,566.00	
Loss on Sale of Securities	1,975.00	
		<u>207,541.00</u>

Net Profit from Operations\$383,386.70

DEDUCT:

Provision for Dominion Income and Excess Profits Taxes (without deduction for Refundable Portion of Excess Profits Tax)	236,000.00	
		<u>236,000.00</u>

Net Profit transferred to Earned Surplus\$147,386.70

This is the Statement of Income and Expenditure of Dominion Woollens & Worstedes, Limited for the year ended 31st December, 1943, referred to in our Report of even date.

P. S. ROSS & SONS, Chartered Accountants.

TORONTO, Ont., 23rd May, 1944.

DOMINION WOOLLENS & WORSTEDS, LIMITED

**BALANCE
AS AT 31st**

ASSETS

CURRENT:

Cash on Hand and in Banks	\$ 58,172.73	
Accounts Receivable	469,599.92	
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 in accordance with the Excess Profits Tax Act	1,437,691.30	
Dominion of Canada Bonds (Market Value \$348,762.50) at Cost	350,000.00	
	2,315,463.95	

Investment in Company's own Bonds, Par Value \$135,200.00, at cost		117,865.56
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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		\$3,817,402.63
Less: Reserve for Depreciation	1,784,081.62	
	2,033,321.01	

Unexpired Insurance and Other Deferred Charges to Operations		13,848.48
		\$4,480,499.00

DOMINION WOOLLENS & WORSTEDS, LIMITED, Toronto, Ontario.

We have examined the above Balance Sheet of Dominion Woollens & Worstedes, Limited as at 31st December, 1943, and the related Statements of Surplus and of Income and Expenditure for the year ended on that date. In connection therewith we made a general review of the accounting methods of the company and examined or tested accounting records and other supporting evidence to the extent that we deemed appropriate without making a detailed audit of the transactions. We 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 \$150,000.00 for the year ended 31st December, 1943.

Subject to the foregoing, in our opinion, the above Balance Sheet and related Statements of Surplus and of Income and Expenditure when read in conjunction with the report of the Directors to the Shareholders dated 22nd May, 1944, are properly drawn up so as to exhibit a true and correct view of the affairs of the company at 31st December, 1943, and the result of its operations for the year ended on that date, 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.

TORONTO, Ont., 23rd May, 1944.

DOMINION WOOLLENS & WORSTEDS, LIMITED

SHEET

DECEMBER, 1943

LIABILITIES

CURRENT:

Accounts and Bills Payable	\$	276,475.30
Accrued Wages and other Accrued Liabilities		30,900.88
Sales Tax Payable		2,441.30
Dividend Payable on Preferred Stock, 3rd January, 1944		38,106.00
Bond Interest Payable, 3rd January, 1944		27,159.00
Dominion Government — Amount Refundable pursuant to terms of Ceiling Price Contracts:		
1943 Accounts	\$	437,395.03
1942 Accounts (after deduc- tion of related Income and Excess Profits Taxes Re- coverable)	7,975.55	
		445,370.58
Dominion Income and Excess Profits Taxes, estimated, less Instalments paid on Account ..	5,725.21	
		\$ 826,178.27
FIRST MORTGAGE SINKING FUND 6% BONDS, DUE 1953:		
Authorized and Issued	\$1,058,500.00	
Less: Redeemed under Terms of Trust Deed	153,200.00	
		905,300.00
RESERVE FOR BAD DEBTS		51,351.24
RESERVE FOR CONTINGENCIES		200,000.00
CAPITAL AND SURPLUS:		
Preferred Stock, 6% Non-Cumu- lative, 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	\$ 51,112.47	
Earned Surplus	320,507.02	
		371,619.49
		2,497,669.49
		\$4,480,499.00

NOTE: No amount has been set up in the Company's accounts and financial statements with respect to the Refundable Portion of the Dominion Excess Profits Tax.

Signed on behalf of the Board: { HENRY BARRETT, *Director*.
J. A. GAIRDNER, *Director*.

DOMINION WOOLLENS & WORSTEDS, LIMITED

STATEMENT
of
SURPLUS ACCOUNTS

For the year ended 31st December, 1943

CAPITAL SURPLUS:

Balance at Credit, 1st January, 1943 \$ 64,192.68

ADD:

Profit on Redemption of Company's own
Bonds 5,333.12

\$ 69,525.80

DEDUCT:

Loss (after charging \$29,146.52 to Depreci-
ation Reserve) on Land, Buildings and
Equipment sold or scrapped 18,413.33

Balance at Credit, 31st December, 1943 \$ 51,112.47

EARNED SURPLUS:

Balance at Credit, 1st January, 1943 \$ 219,201.87

DEDUCT:

Adjustment of prior year re-
funds on Ceiling Price War
Contracts \$ 78,455.82

LESS: Dominion Income and
Excess Profits Taxes re-
coverable in respect there-
of 70,480.27 7,975.55

ADD: \$ 211,226.32

Operating Profit for year ended
31st December, 1943, after
Provision for Dominion In-
come and Excess Profits
Taxes \$147,386.70

LESS: Dividend at 3% de-
clared on Preferred Stock,
payable 3rd January, 1944
to Shareholders of Record
15th December, 1943 38,106.00 109,280.70

Balance at Credit, 31st December, 1943 320,507.02

Total Surplus, 31st December, 1943 \$ 371,619.49

This is the Statement of Surplus Accounts of Dominion Woollens & Worsteds, Limited for the year ended 31st December, 1943, referred to in our Report of even date.

P. S. ROSS & SONS, Chartered Accountants.

TORONTO, Ont., 23rd May, 1944.

