

DOMINION  
WOOLLENS  
— AND —  
WORSTEDS  
LIMITED



FIFTH  
ANNUAL REPORT  
1933

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DOMINION WOOLLENS  
AND WORSTEDS  
LIMITED

FIFTH ANNUAL REPORT  
FOR YEAR ENDED JUNE 30TH,  
1933

Presented to the Shareholders at the Annual  
Meeting of the Company held  
at Toronto on the  
Twentieth day of September,  
1933



*Executive Offices*  
TORONTO, ONTARIO

*Mills at*  
Hespeler, Ontario  
Peterborough, Ontario  
Milton, Ontario  
Orillia, Ontario

*Sales Offices:*

159 Bay Street,  
Toronto, Ont.

Confederation Building  
Montreal, Que.

BOARD OF DIRECTORS

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*President:*

A. O. Dawson

*Vice-President:*

W. K. Trower

Wm. Hanson  
C. M. Heddle  
Geo. B. Woods

G. D. Perry  
E. M. Saunders

*Managing-Director:*

Henry Barrett

*Secretary-Treasurer:*

F. C. Cockburn

*Stock Transfer Agents:*

National Trust Company, Limited  
Toronto

*Registrar of Transfers:*

Royal Trust Company, Limited  
Toronto

*Bankers:*

The Bank of Montreal

*Auditors:*

P. S. Ross & Sons  
Chartered Accountants

Toronto, Ont.

DOMINION WOOLLENS & WORSTEDS, LIMITED

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Toronto, Ontario, September 20th, 1933.

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

Your Directors submit herewith their Fifth Annual Report, which covers the operations of the Company for the fiscal year ended June 30th, 1933.

The figures for the year under review indicate that slow but steady progress has been made by your Company, notwithstanding the decline in commodity prices which continued for the greater part of the year.

The net loss for the year, after providing for bond interest (payment of which has been deferred) and all expenses and bad debts, but before depreciation, amounts to \$117,944.03, against a net loss of \$179,471.93 for the previous year.

The various plants of your Company have been maintained in an excellent state of repair, and such capital expenditures as were required to ensure efficiency of operation have been made.

For the greater portion of the year being reviewed, the depreciated value of the pound sterling permitted the importation of large quantities of goods that otherwise would have been made in the mills of your Company.

Your Directors are satisfied, however, that your Company has obtained its fair proportion of the business secured by the Canadian mills.

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DOMINION WOOLLENS & WORSTEDS, LIMITED

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It will undoubtedly interest you to know:

That your Company gave regular employment to some 1,300 men and women during the year.

That they expended in Canada for wages, taxes, freight, insurance, and for wool and other purchases of a miscellaneous character ..... \$1,975,627.81

And in Great Britain and other Empire countries, for machinery, raw wool, and semi-manufactured wool products, and other miscellaneous purchases..... 544,142.02

The "Compromise or Arrangement" as passed at the special meeting of the shareholders held on December 19, 1932, duly approved at a subsequent meeting of bondholders and confirmed by Supplementary Letters Patent of the Dominion of Canada under date of February 10, 1933, has been given effect to as at June 30, 1933, and the Property and Capital Accounts adjusted as shown on the attached statement.

Your Directors wish to thank the staff and employees for the enthusiastic and efficient services rendered during the year.

It is with the deepest regret that we have to record the death of Mr. W. A. Mackenzie, a director of your company since inception, and a valued colleague who was untiring in his efforts to further its interests.

The vacancies on the Board have been filled by the appointment of Mr. G. B. Woods and Mr. E. M. Saunders, both of Toronto.

The Profit and Loss Account, together with the Balance Sheet, herewith submitted, provides full information regarding the year's operations of your Company.

The books and accounts of the Company have been duly audited, and the auditors' report is submitted herewith.

Respectfully submitted,

A. O. DAWSON, *President.*

CONDENSED STATEMENT  
*of*  
PROFIT AND LOSS ACCOUNT

For Year Ended 30th June, 1933

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Profit from operations, after providing for all repairs and renewals, but before providing for Bond Interest, Bad Debts and Depreciation.....		\$ 44,948.09
DEDUCT:		
Bond Interest, payment deferred.....	\$127,020.00	
Interest on deferred Bond Interest.....	2,540.40	
Bad Debts.....	33,331.72	
		<hr/>
		162,892.12
Net Loss for Year, before Depreciation.....		<hr/>
		\$117,944.03

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DOMINION WOOLLENS & WORSTEDS, LIMITED

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BALANCE

As at 30th

AFTER GIVING EFFECT TO THE "COMPROMISE OR ARRAN  
ON 19th DECEMBER, 1932, DULY APPROVED AT A SUB  
FIRMED BY SUPPLEMENTARY LETTERS PATENT  
10th FEBRU

ASSETS

CURRENT:

Cash on hand and in banks.....	\$	13,491.01	
Accounts Receivable.....		236,170.27	
Inventories of Finished Goods, Goods in Process, Raw Materials and Supplies.....		921,432.07	
Unexpired Insurance, Prepaid Taxes, etc.....		20,629.49	
		\$1,191,722.84	
Mortgages Receivable.....	\$	4,572.45	
Balances due under Agreements of Sale— Re Houses.....		6,411.70	
		10,984.15	

FIXED:

At depreciated replacement values as certified by the Canadian Ap- praisal Co. Ltd., comprising Land, Buildings, Houses, Plant and Equipment, Water Power Lease, etc., with subsequent additions to date at cost.....	\$	4,515,756.36	
Less Depreciation and Property Reserves.....		1,408,070.39	
		3,107,685.97	

Goodwill.....		1.00	
		\$4,310,393.96	

Toronto, Ont., 28th August, 1933.

DOMINION WOOLLENS & WORSTEDS, LIMITED, TORONTO.

We have examined the books and accounts of Dominion Woollens & Worsted, Limited, for the year ended 30th June, 1933, and have received all the information and explanations which we have required.

The "Compromise or Arrangement" as passed at the meeting of Shareholders on 19th December, 1932, duly approved at a subsequent meeting of Bondholders and confirmed by Supplementary Letters Patent of the Dominion of Canada under date of 10th February, 1933, has been given effect to as at 30th June, 1933, and Capital, Surplus and Reserve Accounts adjusted as shown on the attached statements.

Subject to the foregoing, we certify that, in our opinion, the attached Balance Sheet and relative Statement of Profit and Loss have been drawn up so as to exhibit a true and correct view of the financial position of the Company as at 30th June, 1933, according to the information and explanations given to us, and as shown by the books of the Company.

P. S. ROSS & SONS, Chartered Accountants.



DOMINION WOOLLENS & WORSTEDS, LIMITED

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SHEET

June, 1933

GEMENT" AS APPROVED BY SHAREHOLDERS AT MEETING  
 SEQUENT MEETING OF BONDHOLDERS AND CON-  
 OF DOMINION OF CANADA UNDER DATE OF  
 ARY, 1933.

LIABILITIES

CURRENT:

Bank Loan—Secured under Section No. 88 of the Bank Act and by Assignment of Book Debts....	\$ 316,000.00	
Accounts and Bills Payable—Trade.	176,634.66	
Bills Payable, secured.....	13,884.60	
Accrued Wages and other Accrued Liabilities.....	38,141.64	
Accrued Interest on deferred Bond Interest.....	2,540.40	
	\$ 547,201.30	

DEFERRED:

Accrued Bond Interest to 30th June, 1933, payable in eleven equal consecutive annual instalments commencing 1st December, 1937..	137,605.00	
First Mortgage 6% Twenty Year Sink- ing Fund Gold Bonds due 1948— Authorized.....\$5,000,000.00		
Issued—Series "A".....	\$2,250,000.00	
Less: Redeemed (prior to 30th June, 1932).....	133,000.00	
	2,117,000.00	
Reserve for Bad Debts.....	25,217.77	

CAPITAL AND SURPLUS:

Common Stock Authorized—155,000 shares of No Par Value.		
*Issued—85,585 shares, fully paid.	\$ 855,850.00	
Surplus as at 30th June, 1933, (as shown on attached Schedule "A")	627,519.89	
	1,483,369.89	

\*Including provision for exchange of preferred and common shares and issue of shares to Bondholders in accordance with "Compromise or Arrangement".

Approved on behalf of the Board :	{ A. O. DAWSON, <i>Director</i> W. K. TROWER, <i>Director</i> .	\$4,310,393.96
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SCHEDULE "A"  
STATEMENT OF CAPITAL AND SURPLUS

as at 30th June, 1933

GIVING EFFECT TO THE "COMPROMISE OR ARRANGEMENT" AS  
APPROVED BY SHAREHOLDERS AT MEETING ON 19th DECEMBER,  
1932, DULY APPROVED AT A SUBSEQUENT MEETING OF  
BONDHOLDERS AND CONFIRMED BY SUPPLEMENT-  
ARY LETTERS PATENT OF DOMINION OF CANADA  
UNDER DATE OF 10th FEBRUARY, 1933

CREDIT:

Capital—Par Value of 15,000 Preferred Shares to be Exchanged . . . . .	\$1,500,000.00
60,000 Common Shares of No Par Value to be Reduced . . . . .	600,000.00
Surplus—At Date of Acquisition . . . . .	1,641,871.82
Discount on Bonds redeemed prior to 30th June, 1932, heretofore carried as Reserve . . . . .	41,582.31
	\$3,783,454.13

DEDUCT:

Operating Deficit to 30th June, 1932 . . . . .	\$ 924,293.71
Adjustment of Depreciation Reserve to 30th June, 1932 . . . . .	466,422.78
Dominion Income Tax, balance re prior periods . . . . .	13,696.50
	1,404,412.99
	\$2,379,041.14

DEDUCT:

Transferred to Property Reserve . . . . .	\$ 580,088.07
Reorganization Expenses . . . . .	22,271.02
	602,359.09
	\$1,776,682.05

DEDUCT:

Operating Loss for year ended 30th June, 1933, before Depreciation . . . . .	\$117,944.03
Provision for Depreciation, year ended 30th June, 1933 . . . . .	175,368.13
	293,312.16
	\$1,483,369.89

Capital Stock, issue of 85,585 No Par Value Common Shares at \$10.00 each to	
Holders of Preferred Shares . . . . .	\$600,000.00
Holders of Common Shares . . . . .	150,000.00
Bondholders . . . . .	105,850.00
	855,850.00
Surplus as at 30th June, 1933 . . . . .	\$ 627,519.89



