

DOMINION
WOOLLENS
— & —
WORSTEDS
LIMITED



NINTH
FINANCIAL REPORT
1937

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DOMINION WOOLLENS
& WORSTEDS
LIMITED

NINTH FINANCIAL REPORT
FOR THE EIGHTEEN MONTHS ENDED
DECEMBER 31st, 1937

Presented to the Shareholders at the Annual
Meeting of the Company held
at Toronto on the
Twenty-first day of March,
1938



Executive Offices
TORONTO, ONTARIO

Mills at
Hespeler, Ontario
Peterborough, Ontario
Orillia, Ontario

Sales Offices:

80 Richmond Street West Toronto, Ont.	Confederation Building Montreal, Que.
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BOARD OF DIRECTORS

President:

A. O. Dawson

Vice-President:

W. K. Trower

C. M. Heddle
John W. Hobbs

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:

Imperial Bank of Canada

Auditors:

P. S. Ross & Sons
Chartered Accountants
Toronto

DOMINION WOOLLENS & WORSTEDS, LIMITED

Toronto, Ontario, March 4th, 1938.

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

The Ninth Financial Report of the Company's operations, which is herewith submitted, covers a period of eighteen months.

The change in the accounting period was reported to shareholders and bondholders in a letter dated October 15th, 1937.

The gross profit shown, for this reason, is not directly comparable to any previous report, but, as usual, it has been computed after providing for all operating expenses, including repairs and renewals, as well as administrative and selling expenses.

The net amount of bad debts for the eighteen months' period was \$1,147.18.

The amount of depreciation added to our reserve is considered adequate.

DOMINION WOOLLENS & WORSTEDS, LIMITED

The inventory has been taken on the basis of cost or replacement, whichever is lower, and is in excellent liquid condition.

Capital replacements during the period under review amounted to \$102,048.89, following the intimation in the last Directors' Report, dated September 11th, 1936, that a more extensive program than usual was contemplated.

Your Company enjoyed an excellent volume of business during the period under review, although curtailment was experienced during the months of November and December, and interruption occurred through labour trouble at the Peterborough Mills.

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

Respectfully submitted,

A. O. DAWSON,
President.

STATEMENT
of
INCOME AND EXPENDITURE

For the Eighteen Months Ended 31st December, 1937

Profit from Operations, after charges of \$36,599.82 for Remuneration of Executive Officers and Solicitors' Fees and \$2,099.01 for Directors' Fees, and before providing for the undernoted charges.....	\$205,283.33
DEDUCT:	
Provision for Depreciation.....	\$167,000.00
Amortization of Water Power Lease.....	5,007.42
Bond Interest.....	31,755.00
	<hr/>
	203,762.42
Net Profit from Operations.....	\$ 1,520.91
DEDUCT:	
Provision for Dominion and Provincial Income Taxes.....	1,000.00
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Net Profit transferred to Earned Surplus.....	\$ 520.91
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DOMINION WOOLLENS & WORSTEDS, LIMITED

BALANCE

AS AT 31st

ASSETS

CURRENT:

Cash on Hand and in Banks	\$	4,060.24	
Accounts and Bills Receivable		343,663.67	
Inventories of Finished Goods, Goods in Process, Raw Materials and Supplies, as determined and certified by the Management and valued at the lower of cost or market		1,101,773.16	
Raw Materials in Transit		43,803.09	
Unexpired Insurance		2,465.12	
		\$1,495,765.28	
Mortgages Receivable	\$	2,040.00	
Balances due under Agreements of Sale		2,483.73	
		4,523.73	

FIXED:

At depreciated replacement values in 1928, as certified by the Canadian Appraisal Company, Limited, comprising Land, Buildings, Houses, Plant and Equipment, Water Power Lease, etc., with subsequent net additions to date at cost	\$4,351,558.39		
Less: Depreciation and Property Reserves	1,521,088.89		
		2,830,469.50	
Deferred Charges to Operations		1,883.77	
Bondholders' Reorganization Agreements, being excess of par value of new bonds and preferred shares over par value of old bonds cancelled under scheme for reorganization confirmed 4th April, 1935		211,700.00	
Goodwill		1.00	
		\$4,544,343.28	

16 February, 1938.

DOMINION WOOLLENS AND WORSTEDS, LIMITED, TORONTO.

We have examined the books and accounts of Dominion Woollens and Worsteds, Limited as at 31st December, 1937, and have received all the information and explanations we have required.

The Board of Directors, by resolution, has made provision for depreciation to the extent of \$167,000.00 for the eighteen months ended 31st December, 1937.

Subject to the foregoing, we certify that, in our opinion, the attached Balance Sheet has been properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1937, 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, 1937

LIABILITIES

CURRENT:

Bank Loan—Secured.....	\$	561,000.00
Accounts and Bills Payable.....		162,356.78
Bills Payable—Secured.....		9,528.20
Accounts Payable—Raw Materials in Transit.....		43,803.09
Accrued Wages and other Accrued Liabilities.....		31,637.58
Sales Tax Payable.....		2,990.57
Dominion and Provincial Income and Corporation Taxes, estimated.....		3,311.67
	\$	814,627.89

FIRST MORTGAGE SINKING FUND 6% BONDS, DUE 1953

Authorized and Issued.....		1,058,500.00
Reserve for Bad Debts.....		25,217.77

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	

SURPLUS:

Capital Surplus.....	\$	519,625.77
Earned Surplus.....		321.85
	519,947.62	
		2,645,997.62
		\$4,544,343.28

Approved on behalf of the Board: { A. O. DAWSON, *Director.*
HENRY BARRETT, *Director.*

STATEMENT

of

SURPLUS ACCOUNTS

For the Eighteen Months Ended 31st December, 1937

CAPITAL SURPLUS:

Balance at Credit brought forward from 30th June,
1936. \$519,625.77

EARNED SURPLUS:

Balance at Credit, 30th June, 1936..... \$ 3,660.15

DEDUCT:

Adjustments in respect of previous year,
depreciation, etc..... \$ 3,859.21

\$ 199.06

Net Profit from Operations, after providing
for Income Taxes, for the eighteen
months ended 31st December, 1937..... 520.91

321.85

\$519,947.62

