

**DOMINION
OILCLOTH & LINOLEUM
COMPANY LIMITED**

MONTREAL

ESTABLISHED

1872



EIGHTY-SECOND

ANNUAL REPORT

FOR THE YEAR ENDED

31st OCTOBER 1954

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DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED

Established 1872



EIGHTY-SECOND
ANNUAL REPORT

FOR THE YEAR ENDED

31st OCTOBER 1954

Head Office & Factories:

2200 ST. CATHERINE STREET EAST,
MONTREAL, P.Q.

Sales Offices:

ROOMS 1108-1109, STERLING TOWER BUILDING,
372 BAY STREET,
TORONTO, ONT.

ROOM 911, DOMINION BANK BUILDING,
207 WEST HASTINGS STREET,
VANCOUVER, B.C.

ROOM 901, ELECTRIC RAILWAY CHAMBERS,
213 NOTRE DAME AVE.,
WINNIPEG, MAN.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED

Eighty-second Annual Report of the Board of Directors

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting their Annual Report and Financial Statements for the fiscal year ended 31st October 1954. The certified report of your Auditors, Messrs. Hyde & Houghton, C.A., is also submitted.

The net profit for the year amounted to \$1,889,487.44 as compared with \$1,875,631.21 in the previous year, which represents \$2.48 per share this year against \$2.46 in 1953. Quarterly dividends of forty cents per share and, on 29th October 1954, a final dividend of forty cents per share, were paid on the N.P.V. Common Stock of the Company, making a total of Two Dollars per share, which is the same distribution as for the previous fiscal year.

Competition from the United States and the United Kingdom continued to be severe and our sales forces have been increased to cope with this situation.

Although sales in both dollars and volume for the first part were disappointing, by the end of the Spring season they had caught up with the corresponding sales of the previous year and continued at a steady pace, finishing slightly higher than in 1953.

Raw materials were in plentiful supply and in a few cases lower in price, making possible a reduction in the selling price of a number of our items, and thereby slightly improving our competitive position.

Export sales remained at a low level, but showed signs of improvement in some areas.

The major capital expenditure during the year was for the completion of two new drying stoves, considerably increasing the potential production of Marboleum, Jaspé and Battleship Linoleum. Work is in progress to enlarge our present capacity further and to add at least one new product to our present extensive range.

Your plants were maintained at a high level of efficiency and all necessary repairs were carried out with the least possible delay.

Your company and its subsidiaries gave steady employment throughout the year. On 16th March 1954, the National Syndicate of Linoleum Workers of Montreal took advantage of a wage reopener clause in the contract, making demands to which your Management could not accede. After many meetings, conciliation and arbitration, no agreement was reached by the end of the fiscal year. At this date employees of both Dominion Oilcloth & Linoleum Company Limited and Barry and Staines Linoleum (Canada) Limited, who were called out on strike on 16th November 1954, have not yet returned to work.

We record with very deep regret the loss of our Chairman, Mr. Archie F. Baillie, who died on 19th June 1954. During the forty-five years of his connection with this company, thirty years as a Director and ten as President, Mr. Baillie made a tremendous contribution to the growth of this industry. His son, Mr. John F. Baillie, Secretary of the Company, was appointed on 20th July 1954 to fill the resultant vacancy on the Board of Directors.

Your Directors wish to acknowledge the loyal and efficient service rendered by all members of the organization and to express their appreciation of the very good work done during the year.

On behalf of the Board,

KEN. B. ROBERTON,
President.

MONTREAL, 5th January 1955.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED

Income and Expenditure Account

YEAR ENDED 31st OCTOBER 1954

(With comparative figures for the year ended 31st October 1953)

	<u>1954</u>	<u>1953</u>
Operating Profit before Provision for Depreciation, etc. -	\$2,306,991.26	\$2,314,452.30
Income from Investments in Subsidiary and Affiliated Companies and other Investments - - - - -	970,540.97	953,884.91
	3,277,532.23	3,268,337.21
<i>Deduct:</i>		
Provision for Depreciation - - - - -	284,442.12	285,642.03
Federal Income Tax and Provincial Profits Tax - -	897,071.57	903,138.82
Foreign Income Taxes - - - - -	8,175.59	7,262.27
Legal Expenses - - - - -	2,680.90	2,506.25
Salaries and Directors Fees paid to Executive Officers	191,674.61	189,818.96
Fees Paid to Other Directors - - - - -	4,000.00	4,337.67
	1,388,044.79	1,392,706.00
<i>Net Profit for the Year - - - - -</i>	<u>\$1,889,487.44</u>	<u>\$1,875,631.21</u>

Note: The total remuneration received by Directors from Subsidiary Companies amounted to \$7,029.47 in 1954; \$4,933.77 in 1953.

DOMINION OILCLOTH COMPANY

Balance Sheet as at
(With comparative figures)

	ASSETS	
<i>Current:</i>	1954	1953
Cash - - - - -	\$ 729,949.62	\$ 455,593.89
Investment in Short Term Notes - - - - -	99,866.67	—
Accounts Receivable - - - - -	1,356,924.16	1,529,196.31
Inventories - - - - -	3,463,190.97	3,355,814.04
	5,649,931.42	5,340,604.24
Merchandise and Raw Materials. Physical Inventory taken and valued at the lower of Cost or Market Price.		
<i>Fixed:</i>		
Real Estate, Buildings and Plant Valued at Cost -	8,329,016.07	8,001,468.19
Less: Accumulated Depreciation - - - - -	5,232,420.89	4,976,820.18
	3,096,595.18	3,024,648.01
<i>Investments in Subsidiary Companies at Cost:</i>		
Preferred and Common Stocks - - - - -	3,213,970.05	3,213,970.05
<i>Investments in Affiliated Companies at Cost:</i>		
Common Stocks - - - - -	807,049.21	808,197.21
<i>Other Investments at Cost:</i>		
Bonds, Preferred and Common Stocks - - - - -	2,975,920.43	2,871,443.44
(Approx.) Market Value: 1954, \$4,077,348.00 1953, \$3,473,388.00		
<i>Prepaid Expense:</i> - - - - -	32,946.28	33,325.85
	\$15,776,412.57	\$15,292,188.80

TO THE SHAREHOLDERS,
DOMINION OILCLOTH AND LINOLEUM COMPANY LIMITED,
MONTREAL

MONTREAL, P.Q., 21st DECEMBER, 1954.

We have examined the books and accounts of Dominion Oilcloth and Linoleum Company Limited for the year ended 31st October, 1954 and have obtained all the information and explanations we have required. In our opinion, this Balance Sheet and the related Statements of Income and Expenditure and Surplus are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st October, 1954 and the results 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.

As required under Section 118 of The Companies Act, we report that profits of Subsidiary Companies have been included in the Income and Expenditure Account to the extent to which dividends have been received from them.

HYDE AND HOUGHTON,
Chartered Accountants, Auditors.

TH & LINOLEUM LIMITED

31st October 1954

(as at 31st October 1953)

	LIABILITIES	
<i>Current:</i>	<u>1954</u>	<u>1953</u>
Accounts Payable - - - - -	\$ 625,605.54	\$ 489,823.54
Provision for Federal and Provincial Taxes, balance owing - - - - -	559,468.35	656,079.74
	<hr/>	<hr/>
	1,185,073.89	1,145,903.28
<i>Insurance Fund Reserve:</i> - - - - -	1,000,000.00	1,000,000.00
<i>Capital:</i>		
<i>Authorized:</i> 1,000,000 shares no par value Common Stock.		
<i>Issued and Fully Paid:</i> 760,000 shares - - -	6,400,000.00	6,400,000.00
<i>Surplus Accounts:</i>		
Capital Surplus - - - - -	1,048,826.89	973,261.17
Earned Surplus - - - - -	6,142,511.79	5,773,024.35
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	<u>\$15,776,412.57</u>	<u>\$15,292,188.80</u>

Contingent Liabilities:
Nil.

Approved on behalf of the Board of Directors,

KEN. B. ROBERTON, *Director.*

E. S. TRUDEAU, *Director.*

DOMINION OILCLO COMPANY

Earned Surplus Account

YEAR ENDED 31st OCTOBER 1954

(With comparative figures for the year ended 31st October 1953)

	<u>1954</u>	<u>1953</u>
Balance forward at commencement of the Year - - -	\$5,773,024.35	\$5,573,393.14
<i>Deduct:</i> Extra Dividend paid 31st January 1953 out of earnings of the previous year		
No Par Value Common Stock - - -	—	140,000.00
No Par Value Deferred Stock - - -	—	16,000.00
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		156,000.00
		<hr/>
		5,417,393.14
<i>Add:</i> Net Profit for the Year - - - - -	1,889,487.44	1,875,631.21
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	7,662,511.79	7,293,024.35
<i>Deduct:</i> Dividend Paid on no par value Common Stock -	1,520,000.00	1,520,000.00
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<i>Balance at Credit at end of the Year - - - -</i>	<u>\$6,142,511.79</u>	<u>\$5,773,024.35</u>

Capital Surplus Account

	<u>1954</u>	<u>1953</u>
Balance forward at commencement of the Year - - -	\$ 973,261.17	\$1,019,992.45
<i>Add:</i> Realized Appreciation (Depreciation) of Securities	75,565.72	(46,731.28)
	<hr/>	<hr/>
<i>Balance at Credit at end of the Year - - - -</i>	<u>\$1,048,826.89</u>	<u>\$ 973,261.17</u>

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED

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*Below are listed the more important products manufactured
by your Company:*

MARBOLEUM	DOMINION LINGRIP CEMENT
DOMINION INLAID LINOLEUM	DOMINION WATERPROOF CEMENT
DOMINION JASPÉ LINOLEUM	DOMINION TABLE OILCLOTH
DOMINION HANDICRAFT LINOLEUM	DOMINION BROCADE TABLE COVERS
DOMINION BATTLESHIP AND PLAIN LINOLEUM	DOMINION SHELF OILCLOTH
LINOLEUM TILES <i>(Marbleum, Jaspé, Handicraft and Plain)</i>	DOMINION ENAMELLED OILCLOTH
CORK CARPET	DOMOLEATHER
MARBOLITE <i>(Vinyl Plastic)</i>	DOMOLITE <i>(For Tables, Curtains, Novelties, etc.)</i>
REXOLITE <i>(Printed Vinyl Plastic)</i>	KRAFTOL <i>(Coated Paper, Plain and Embossed)</i>
PLASTIC COUNTER TOPPING AND WALL COVERING	LEATHERKRAFT
REXOLEUM AND REXOLEUM PASSAGE	MUROLEUM WALL COVERING
REXOLEUM RUGS	SANITILE WALL COVERING
REXOLEUM MATS	DOMINION LIQUID WAX

