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DOMINION
OILCLOTH & LINOLEUM
COMPANY, LIMITED

MONTREAL

ESTABLISHED

1872



ANNUAL REPORT

FOR THE YEAR ENDED

31st OCTOBER, 1946

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DOMINION OILCLOTH & LINOLEUM COMPANY, LIMITED

Established 1872



ANNUAL REPORT

FOR THE YEAR ENDED
31st OCTOBER, 1946

Head Office & Factories:

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

Toronto Sales Office:

ROOM 704, CENTRAL BUILDING,
45 RICHMOND STREET WEST,
TORONTO, ONT.

DOMINION OILCLOTH & LINOLEUM COMPANY, LIMITED

Annual Report of the Board of Directors

On behalf of your Board of Directors, I beg to submit their Report, as well as the Financial Statements for the fiscal year ended 31st October, 1946. Your Auditors, Messrs. Hyde & Davis, have made an examination of the books and accounts of the Company and their certified report is presented herewith.

In accordance with our usual practice, all properties and plants of your Company have been maintained in proper condition and the sum of \$121,601.65 has been added to Reserve for Depreciation, which now stands at \$3,352,644.86.

It may be noted on the Asset side of the Balance Sheet that there is a reduction in cash from a year ago of \$1,472,635.69, the greater part of which is reflected in an increase in the Investment Account.

Sales for the fiscal year were maintained at a high level, resulting in a net profit of \$1,169,092.77, which is a slight increase over the previous year.

Regular quarterly dividends of Thirty Cents plus extra dividends of Ten Cents per share, making a total annual dividend of \$1.60, have been paid on the N.P.V. Common Shares of the Company. Earnings were insufficient to pay an equivalent dividend on the Deferred Shares but a dividend of approximately 64c per share has been earned and declared.

Expenditures on Capital Account were moderate, amounting to a total of \$56,842.97.

In my report of last year I referred to the plans for the addition of new manufacturing facilities in the form of a new building, machinery and equipment for the production of all types of calendered linoleum. Due to shortages of building materials, chiefly structural steel, this new plant will not be available for additional production as early as at first anticipated.

Shortages of raw materials and Government control of the purchase of linseed oil continue to hamper production, making it quite impossible to fully satisfy the present very large domestic demand. The price of linseed oil—the staple ingredient in the manufacture of linoleum and oilcloth—has increased from 71c per gallon to \$1.27 per gallon but, in spite of this fact, the prices of our main products have been pegged at 1939 levels by Government order, while the prices of competitive products in both the United Kingdom and the United States have been substantially increased on more than one occasion since the War.

Through the death on 28th July, 1946, of one of our Joint Sales Managers, Mr. Thomas Brosseau, we lost a loyal and efficient member of the staff, who had served the Company faithfully since 1910 and who is greatly missed.

Contrary to conditions prevailing in many other businesses, industrial relations in your Company continue to be excellent. Results obtained are largely due to the fine spirit of co-operation shown throughout the organization, for which the Directors now express their thanks and appreciation.

ARCH. F. BAILLIE,
President and Managing Director.

DOMINION OILCLOTH & LINOLEUM COMPANY, LIMITED

Income and Expenditure Account

YEAR ENDED 31ST OCTOBER, 1946

Operating Profit before Provision for Depreciation, etc. -		\$1,102,436.54
Income from Investments in Subsidiary and Affiliated Companies and Other Investments - - - - -		690,736.84
		1,793,173.38
<i>Deduct:</i>		
Provision for Depreciation - - - - -	\$ 121,601.65	
Dominion Income and Excess Profits Taxes - - -	382,249.16	
Foreign Income Taxes - - - - -	13,737.30	
Legal Expenses - - - - -	1,120.00	
Salaries and Directors' Fees paid to Executive Officers of the Company and Other Salaried Directors - -	99,372.50	
Fees Paid to Other Directors of the Company - -	6,000.00	624,080.61
<i>Net Profit for the Year:</i> - - - - -		\$1,169,092.77

Note.—The total remuneration received by Directors from Subsidiary Companies amounted to \$3,700.00.

DOMINION OILCLOTH & LINOLEUM COMPANY, LIMITED

Balance Sheet

AS AT 31st OCTOBER, 1946

ASSETS

Current:

Cash - - - - -	\$	794,102.50	
Accounts Receivable - - - - -		627,180.56	
Inventories - - - - -		1,360,308.28	\$ 2,781,591.34

Merchandise and Raw Materials. Physical Inventory taken and valued at the lower of Cost or Market Price.

Fixed:

Real Estate, Buildings and Plant Valued at Cost	4,755,550.91		
Less: Reserve for Depreciation - - - - -	3,352,644.86		1,402,906.05

Investments in Subsidiary Companies at Cost:

Preferred and Common Stocks - - - - -			3,213,970.05
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Investments in Affiliated Companies at Cost:

Common Stocks - - - - -			606,153.25
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Other Investments at Cost:

Bonds, Preferred and Common Stocks - - - (Approximate Market Value \$5,034,929.74)			4,759,132.16
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Refundable Portion of Excess Profits Tax: - - - - -			226,948.46
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Prepaid Expense: - - - - -			46,003.47
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\$13,036,704.78

MONTREAL, P.Q., 27th December, 1946.

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

We beg to report that we have completed an audit of the books and accounts of the Dominion Oilcloth and Linoleum Company, Limited, for the year ended 31st October, 1946. We certify that we have received all the information and explanations required by us; and, in our opinion, this Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st October, 1946, 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 114 of the Dominion Companies' Act, 1934, we report that profits of Subsidiary Companies have been included in the Income and Expenditure Account to the extent to which dividends have been declared by those Companies.

HYDE & DAVIS,
Chartered Accountants, Auditors.

DOMINION OILCLOTH & LINOLEUM COMPANY, LIMITED

Balance Sheet

AS AT 31st OCTOBER, 1946

LIABILITIES

Current:

Accounts Payable - - - - -	\$	226,390.66
Provision for Federal and Provincial Taxes - - - - -		\$424,720.74
Deduct: Amount Paid in Advance -		210,000.00
		214,720.74
Provision for Dividend on No Par Value Deferred Stock - - - - -		51,136.39
	\$	492,247.79

Insurance Fund Reserve: - - - - - 910,000.00

Capital:

Represented by:		
700,000 Shares No Par Value Common Stock and		
80,000 Shares No Par Value Deferred Stock		6,400,000.00

Surplus Accounts:

Capital Surplus - - - - -		774,540.67
Earned Surplus - - - - -		4,232,967.86
		5,007,508.53
Excess Profits Tax Refundable - - - - -		226,948.46
		5,234,456.99
		\$13,036,704.78

Contingent Liabilities: Nil.

Approved on behalf of the Board of Directors.

ARCH. F. BAILLIE, *Director.*

E. S. TRUDEAU, *Director.*

DOMINION OILCLOTH & LINOLEUM COMPANY, LIMITED

Capital Surplus Account

YEAR ENDED 31st OCTOBER, 1946

Balance forward at 1st November, 1945	-	-	-	-	-	-	-	-	\$ 747,477.00
<i>Add:</i> Realized Appreciation of Securities	-	-	-	-	-	-	-	-	10,843.92
Profit Realized on Disposal of Fixed Assets	-	-	-	-	-	-	-	-	16,219.75
									16,219.75
<i>Balance at Credit, 31st October, 1946:</i>	-	-	-	-	-	-	-	-	\$ 774,540.67

Earned Surplus Account

Balance forward at 1st November, 1945	-	-	-	-	-	-	-	-	\$4,235,011.48
<i>Add:</i> Net Profit for the Year	-	-	-	-	-	-	-	-	1,169,092.77
									5,404,104.25
<i>Deduct:</i> Dividends Paid on No Par Value Common Stock	\$1,120,000.00								
Provision for Dividend on No Par Value Deferred Stock	-	-	-	-	-	-	-	-	51,136.39
									1,171,136.39
<i>Balance at Credit, 31st October, 1946:</i>	-	-	-	-	-	-	-	-	\$4,232,967.86

DOMINION OILCLOTH & LINOLEUM COMPANY, LIMITED

DIRECTORS

ARCHIE F. BAILLIE	SIR MICHAEL NAIRN, Bart.
C. E. GRAVEL	COL. J. T. OSTELL
SIR ROBERT SPENCER-NAIRN, Bart.	K. B. ROBERTON
E. S. TRUDEAU	AIR VICE-MARSHAL F. S. MCGILL, C.B.
WALTER MOLSON	G. BLAIR GORDON

EXECUTIVE OFFICERS

ARCHIE F. BAILLIE	- - - - -	<i>President and Managing Director</i>
K. B. ROBERTON	- - - - -	<i>Vice-President and Manager</i>
AIR VICE-MARSHAL F. S. MCGILL, C.B.	- - - - -	<i>Secretary and Director of Sales</i>
E. S. TRUDEAU	- - - - -	<i>Treasurer</i>

TRANSFER AGENTS

THE ROYAL TRUST COMPANY	MONTREAL AND TORONTO
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REGISTRAR OF TRANSFERS

BANK OF MONTREAL	MONTREAL AND TORONTO
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DOMINION OILCLOTH & LINOLEUM COMPANY, LIMITED

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

MARBOLEUM	DOMINION TABLE OILCLOTH
DOMINION INLAID LINOLEUM <i>(Marble Tile, Straight Line and Moulded)</i>	DOMINION BROCADE TABLE COVERS
DOMINION JASPÉ AND GRANITE LINOLEUM	DOMINION ART BAIZE <i>(Plain and Embossed)</i>
DOMINION BATTLESHIP AND PLAIN LINO- LEUM	DOMINION SHELF OILCLOTH
CORK CARPET	DOMINION ENAMELLED OILCLOTH
DOMINION PRINTED LINOLEUM	DOMOLEATHER
DOMINION PASSAGE LINOLEUM	KRAFTOL <i>(Coated Paper)</i>
FELTOL AND FELTOL PASSAGE	LEATHERKRAFT
REXOLEUM AND REXOLEUM PASSAGE	MUROLEUM WALL COVERING
REXFELT	SANITILE WALL COVERING
DOMINION LINOLEUM RUGS <i>(Jaspé and Printed)</i>	DECORATIVE WALL BURLAPS
FELTOL RUGS	DOMINION LINOGRIP CEMENT
FELTOL MATS	DOMINION WATERPROOF CEMENT
REXOLEUM MATS	DOMINION LIQUID WAX
	TARPAULIN DUCK, ETC. <i>(Domotite processed:— Waterproof, Flameproof, Mildewproof)</i>

