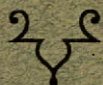
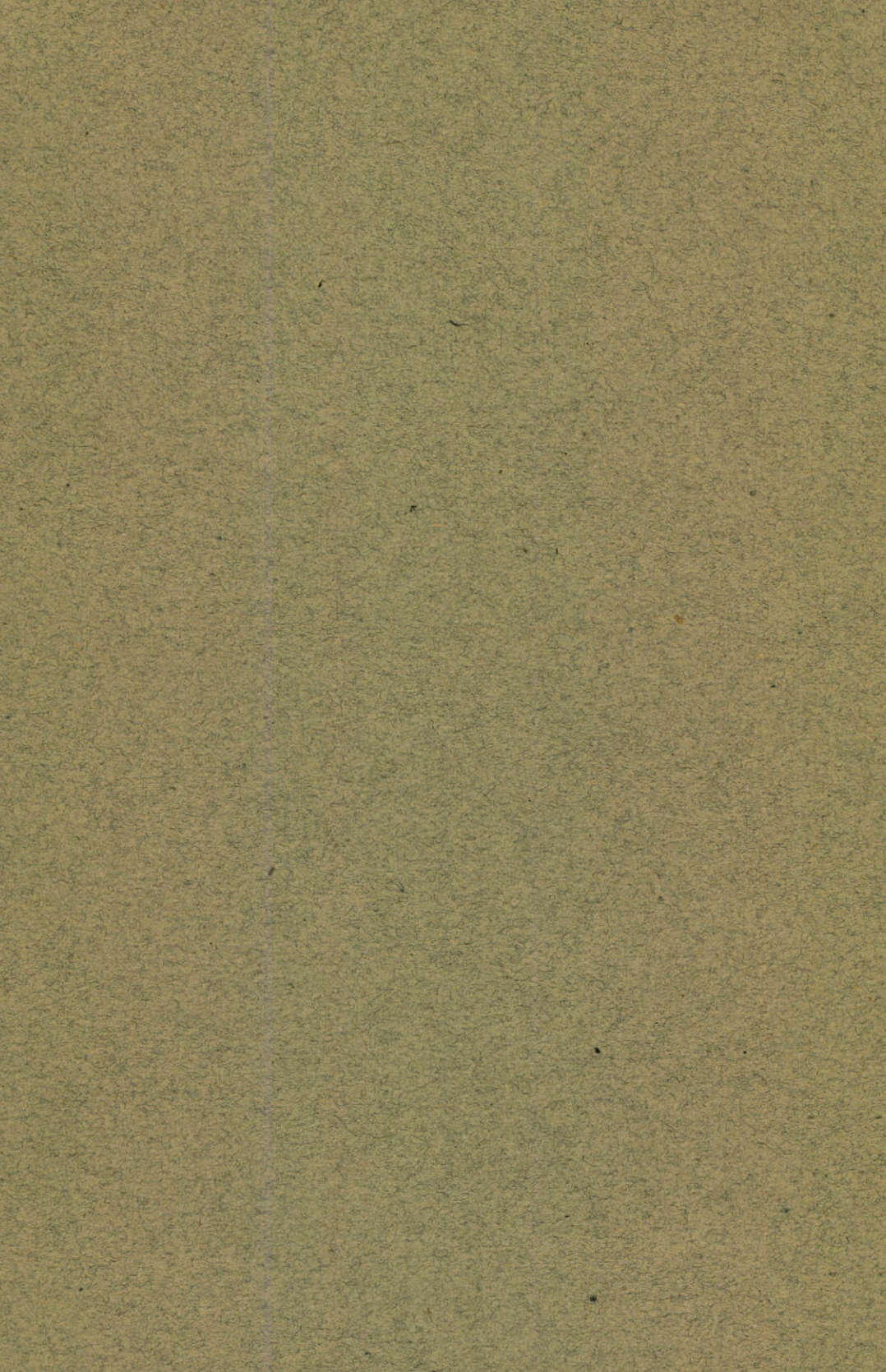


DOMINION  
WOOLLENS  
— AND —  
WORSTEDS  
LIMITED



FOURTH  
ANNUAL REPORT  
1932





DOMINION WOOLLENS  
AND WORSTEDS  
LIMITED

FOURTH ANNUAL REPORT  
FOR YEAR ENDED JUNE 30TH,  
1932

Presented to the Shareholders at the Annual  
Meeting of the Company held  
at Toronto on the  
Twenty-first day of September,  
1932



*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

G. D. Perry  
W. A. MacKenzie

*Managing-Director:*

Henry Barrett

*Secretary-Treasurer:*

C. E. Whitten

*Stock Transfer Agents:*

National Trust Company, Limited  
Toronto

*Registrar of Transfers:*

Royal Trust Company, Limited  
Toronto and Montreal

*Bankers:*

The Bank of Montreal

*Auditors:*

P. S. Ross & Sons  
Chartered Accountants  
Toronto, Ont.



DOMINION WOOLLENS & WORSTEDS, LIMITED

Toronto, Ontario, September 21st, 1932.

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

Your Directors herewith submit their Fourth Annual Report of the operations of the Company for the fiscal year ended June 30th, 1932.

While the year under review reveals earnings in excess of the years 1929/30 and 1930/31, yet they are far from satisfactory, in that the Company shows a net loss of \$179,471.93 without providing for depreciation. An amount of \$19,162.81 is shown as the net profit, after writing off bad debts and paying the bond interest for the year, but an inventory loss of \$198,634.74 turned this profit into the loss above recorded.

Britain going off the gold standard necessitated an immediate repricing of all stocks of wool and tops to the new value of the pound sterling. A further writing down of inactive materials and stocks that had become more or less obsolete was also deemed advisable, which accounts for the shrinkage in the value of inventories at the close of the fiscal year.

In the last three years your Company has, because of existing conditions, found it necessary to reduce the value of inventories by about 65%.

Owing to the heavy inventory losses which have taken place in the last three years, it has become increasingly difficult to provide funds for the bond interest, and your directors, having faith in the ultimate success of your company, gave their personal guarantees to the bank for the six months' interest paid the bond-holders in American funds on June 1, 1932. The amount of this payment was \$73,503.17. Your directors did this, notwithstanding the fact that they are not receiving either salaries or directors' fees.

While your Company still shows surplus quick assets of \$706,797.72 steps must be taken prior to December 1 next, when another bond interest payment will be due, to preserve this liquid position and to provide the funds necessary for the purchase of machinery needed to meet the demands of the trade. Your directors are giving much time and thought to the solution of this problem.

Since the closing of your financial year, the Imperial Economic Conference has been held at Ottawa and it is hoped that the final results will prove to be of great benefit to the Empire. It will not be known until Parliament meets at Ottawa what concessions Canadian manufacturers have had to make as a recompense for the concessions made by Britain to the producers of Canadian natural products, but it is confidently believed that the Textile Industry will not be adversely affected.

The Profit & Loss Account, together with Balance Sheet, herewith submitted provide full information regarding the year's operation 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.*

DOMINION WOOLLENS & WORSTEDS, LIMITED

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**BALANCE**

As at 30th

ASSETS

CURRENT:

Cash on hand and in banks . . . . .	\$	10,005.97	
Accounts Receivable - Trade . . . . .		323,971.84	
Sundry Accounts Receivable . . . . .		607.89	
Inventories of Finished Goods, Goods in Process, Raw Materials and Supplies . . . . .		983,095.07	
Prepaid Taxes, Insurance, etc. . . . .		18,619.94	
		\$1,336,300.71	

Mortgages Receivable . . . . .		5,603.70	
Balances due under Agreements of Sale - Re Houses . . . . .		10,938.75	
		16,542.45	

FIXED:

At depreciated replacement values as certified by the Canadian Appraisal Co., Ltd., comprising Land, Buildings, Houses, Plant and Equipment, Water Power Lease, etc., with subsequent addi- tions to date at cost . . . . .		4,463,778.27	
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Goodwill . . . . .		1.00	
		\$5,816,622.43	

Toronto, 30th August, 1932.

TO THE SHAREHOLDERS,  
DOMINION WOOLLENS & WORSTEDS, LIMITED, TORONTO.

We have examined the books and accounts of Dominion Woollens and Worsteds, Limited, for the year ended 30th June, 1932, and have received all the information and explanations which we have required. No provision has been made for Depreciation of fixed assets since 30th June, 1930.

Arrears of Sinking Fund payments due 1st June, 1932, in connection with the Company's First Mortgage Twenty Year Gold Bonds amounted to \$48,389.11.

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, 1932, 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, 1932. CURRENT:

LIABILITIES

Bank Loan - Secured under Section No. 88 of the Bank Act.....	\$468,000.00	
Accounts and Bills Payable.....	124,010.61	
Accrued Bond Interest.....	12,172.75	
Accrued Liabilities, subject to adjustment of Reserve for Dominion Income Tax.....	25,319.63	\$629,502.99
First Mortgage 6% Twenty Year Sinking Fund, Gold Bonds due 1948 -		
Authorized.....	\$5,000,000.00	
Issued - Series "A".....	2,250,000.00	
Less: Amount Redeemed.....	133,000.00	2,117,000.00
<u>Reserves For:</u>		
Bad Debts.....	25,217.77	
Depreciation.....	185,741.25	
Premium on Bond Redemption..	41,582.31	252,541.33

CAPITAL AND SURPLUS:

Preferred Stock - 6% Cumulative, Redeemable (upon 60 days' notice).		
Authorized - 40,000 Shares of \$100.00 each Par Value, \$4,000,000.00		
Issued, 15,000 Shares, fully paid.....	1,500,000.00	
Common Stock -		
Authorized - 200,000 Shares of No Par Value		
Issued, 60,000 Shares, fully paid..	600,000.00	
Surplus at acquisition...	1,641,871.82	
Operating Deficit,		
To 30th June, 1931, \$744,821.78		
Loss for year ended 30th June, 1932, before De-		
preciation, <u>179,471.93</u>		
	924,293.71	717,578.11
		<u>2,817,578.11</u>
		<u>\$5,816,622.43</u>

(Preferred Dividends in arrears from date of issue, June, 1928.)

Approved on behalf of the Board:

{ A. O. DAWSON, *Director.*  
{ W. K. TROWER, *Director.*

CONDENSED STATEMENT  
*of*  
 PROFIT AND LOSS ACCOUNT

For Year Ended 30th June, 1932

Profits from operations before provision for Bond Interest, Bad Debts, Depreci- ation and Inventory Loss.....	\$185,824.70
 DEDUCT:	
Bond Interest.....	\$127,743.20
United States exchange on above	23,188.98
Provision for Bad Debts.....	15,729.71
	166,661.89
	\$19,162.81
Inventory adjustment due to Depreciation in values, during the year .....	198,634.74
	\$179,471.93
Net Loss for Year.....	\$179,471.93



