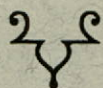


DOMINION
WOOLLENS
— & —
WORSTEDS
LIMITED



EIGHTH
ANNUAL REPORT
1936

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DOMINION WOOLLENS
& WORSTEDS
LIMITED

EIGHTH ANNUAL REPORT
FOR YEAR ENDED JUNE 30TH,
1936

Presented to the Shareholders at the Annual
Meeting of the Company held
at Toronto on the
Twenty-eighth day of September,
1936



Executive Offices

TORONTO, ONTARIO

Mills at

Hespeler, Ontario
Peterborough, Ontario
Orillia, Ontario

Sales Offices:

80 King Street West
Toronto, Ont.

Confederation Building
Montreal, Que.

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, September 11th, 1936.

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

In submitting the Eighth Annual Report covering the operations of the Company for the fiscal year ended June 30th, 1936, your Directors are pleased to report that an improvement in the Company's position has taken place, as indicated by the Financial Statements.

The Gross Profit shown is after providing for all Operating Expenses, including Repairs and Renewals, as well as Administrative and Selling Expenses.

The amount of Depreciation added to our Reserves is considered adequate.

The value of shipments for the fiscal year shows an increase of 27% over the figures of the previous year.

The inventory amounting to \$1,023,165.76 is \$65,325.24 higher than a year ago and is taken on the usual basis of cost or replacement, whichever is lower, and is in excellent liquid condition.

Wool prices are slightly higher than they were a year ago, and present values are considered on a sound basis.

DOMINION WOOLLENS & WORSTEDS, LIMITED

Your various plants have been maintained in good physical condition and are actively engaged at the present time. The cost of maintenance has been charged, as usual, against operations.

Capital Replacements during the year under review amounted to \$15,392.86. A more extensive programme of Capital Replacements is being undertaken during the current year.

It will undoubtedly be of interest to you to know that your Company made direct and indirect purchases, during the period under review, of wool and semi-manufactured wool products and other necessary supplies from Great Britain, Australia, and New Zealand, to the value of \$1,290,858, and to this extent contributed to the marketing of Canada's exportable products, in addition to which, steady employment has been given to 1,600 workers.

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 Year Ended 30th June, 1936

Profit from operations after charges of \$23,966.15 for salaries of Executive Officers and Solicitors' Fees and \$1,920.00 for Directors' Fees, and before providing for the undernoted charges..... \$109,546.27

DEDUCT:

Provision for Depreciation.....	\$100,000.00	
Amortization of Water Power Lease	3,338.22	
Bad Debts.....	1,152.58	
		<hr/>
		104,490.80

Net Profit from Operations..... \$ 5,055.47

LESS:

Provision for Dominion and Provincial Income Taxes.....	1,395.32	
		<hr/>

Net Profit transferred to Earned Surplus..... \$ 3,660.15

DOMINION WOOLLENS & WORSTEDS, LIMITED

BALANCE

AS AT 30th

ASSETS

CURRENT:

Cash on hand and in banks.....	\$	4,352.02	
Accounts Receivable.....			364,927.56
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.....			1,023,165.76
Raw Materials in Transit.....			34,049.11
Unexpired Insurance and Deferred Taxes.....			17,545.23
			\$1,444,039.68
Mortgages Receivable.....	\$	3,580.00	
Balances due under Agreements of Sale.....			3,840.00
			7,420.00

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 additions to date at cost.....	\$	4,497,446.52	
Less Depreciation and Property Reserves.....			1,587,375.17
			2,910,071.35
Deferred Charges to Operations.....			8,175.54
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 on 4th April, 1935.....	\$	211,700.00	
Goodwill.....			1.00
			211,701.00
			\$4,581,407.57

Toronto, Ont., 28th August, 1936.

DOMINION WOOLLENS & WORSTEDS, LIMITED, TORONTO.

We have examined the books and accounts of Dominion Woollens & Worsted, Limited, for the year ended 30th June, 1936, and have received all the information and explanations which we have required.

The Board of Directors, by resolution, has made provision for depreciation to the extent of \$100,000.00 for the year ended 30th June, 1936.

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 30th June, 1936, 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
JUNE, 1936

LIABILITIES

CURRENT:

Bank Loan—Secured under Section No. 88 of the Bank Act and by Assignment of Book Debts.....	\$ 607,000.00
Accounts and Bills Payable.....	138,785.93
Accounts Payable—Raw Materials in Transit.....	34,049.11
Accrued Wages and other Accrued Liabilities.....	46,204.87
Dominion, Provincial and Municipal Income and other Taxes, estimated.....	22,313.97
	\$ 848,353.88
FIRST MORTGAGE SINKING FUND 6% (INCOME UNTIL 1ST JULY, 1937) 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, Parti- cipating.	
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.....	3,660.15
	523,285.92
	2,649,335.92
	\$4,581,407.57

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

STATEMENT

of

SURPLUS ACCOUNTS

For the Year Ended 30th June, 1936

CAPITAL SURPLUS:

Balance at credit, 30th June, 1935..... \$519,625.77

EARNED SURPLUS:

Net Profit from Operations for the year
ended 30th June, 1936..... \$ 5,055.47

LESS:

Provision for Dominion and Provincial
Income Taxes..... 1,395.32

3,660.15

\$523,285.92

