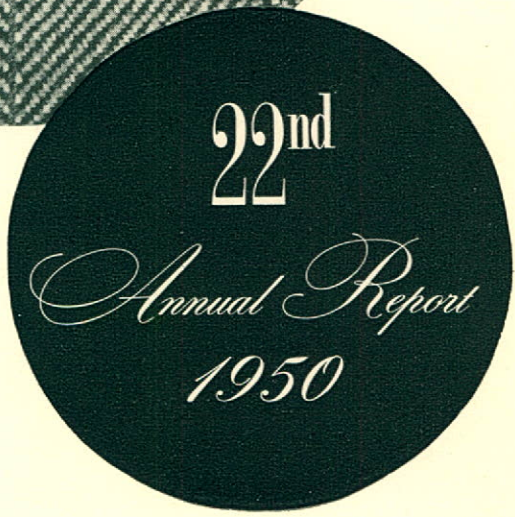


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PURVIS HALL  
LIBRARIES  
MAY 7 1951  
MCGILL UNIVERSITY

Bouquet  
WOOLS

Worsted  
Yarns



Distinctive  
Suitings

by  
Dominion Woollens

# DOMINION WOOLLENS & WORSTEDS, LIMITED

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TWENTY-SECOND ANNUAL REPORT

FOR THE YEAR ENDED

31st DECEMBER, 1950

Presented to the Shareholders at the Annual  
Meeting of the Company held  
at Toronto on the  
Seventeenth Day of May  
1951

## **Executive Offices**

80 Richmond Street West  
Toronto, Ontario

## **Mills at**

Hespeler, Ontario  
Peterborough, Ontario  
Orillia, Ontario

## **Sales Offices**

80 Richmond Street West  
Toronto, Ont.

1130 Ste. Catherine St. West  
Montreal, Que.

# DOMINION WOOLLENS & WORSTEDS, LIMITED

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## BOARD OF DIRECTORS

JOHN W. HOBBS      HENRY BARRETT      J. A. GAIRDNER

H. B. BONNER      C. M. HEDDLE      HENRY BROWN      DR. T. H. HOGG

## OFFICERS

Chairman of the Board.....JOHN W. HOBBS  
President.....HENRY BARRETT  
Vice-President.....J. A. GAIRDNER  
General Manager.....H. B. BONNER  
Secretary-Treasurer.....S. W. HAUFSCILD

### Stock Transfer Agents:

NATIONAL TRUST COMPANY, LIMITED  
Toronto

### Registrar of Transfers:

ROYAL TRUST COMPANY, LIMITED  
Toronto

### Bankers:

IMPERIAL BANK OF CANADA

### Auditors:

MESSRS. P. S. ROSS & SONS  
Chartered Accountants  
Toronto

# DOMINION WOOLLENS & WORSTEDS, LIMITED

## DIRECTORS' REPORT

Your Board of Directors has pleasure in presenting its report on the operations of the Company for the year ended 31st December, 1950, together with financial statements for the year.

Sales for the year were \$9,618,000. being an increase of 14% in dollar value over the previous year, and which also represents an increase in physical production over the year 1949.

Net profit for the year was \$174,456. In the cloth division keen competition from both overseas and domestic manufacturers existed throughout the year. The net profit resulted largely from operations of the latter part of the year, during which period sales were stimulated by the steadily advancing prices of raw materials.

Working Capital at 31st December 1950 was \$1,895,051. representing an increase of \$156,811. over the previous year. Bond and debenture debt was reduced by \$81,400. during the year.

Accounts Receivable were \$1,272,799. as compared to \$685,486. at the end of the previous year. This reflects a combination of larger volume and higher price levels at the end of the current year.

Inventories were valued at \$4,544,424. and are kept at minimum quantities for full production. This value represents an increase of \$457,209. over the previous year-end and is brought about by higher wool prices. Bills payable under bank letters of credit were \$1,038,419. as compared to \$587,515. for the previous year, for the same reason. During the year 1950 wool prices increased by approximately 90% and further sharp increases have taken place since the end of the year.

Inventories at 31st December included quantities of synthetic materials; the wool portion of the inventories consequently was lower. The risk of price decline on synthetic materials is less than on wool, hence no change was made in the tax paid inventory reserve of \$570,000.

Expenditures on plant and equipment for the year amounted to \$44,000. Depreciation of \$152,000. has been provided, which is the maximum permitted under the Canadian Income Tax Act. Your Company's plants have been maintained in good order.

Income taxes for the years 1948 and 1949 have been determined by the Income Tax Department and any adjustments arising out of same have been reflected in the present statements.

Current volume of business is satisfactory and the outlook for the next six months appears to be reasonably good. The present very high price of wool, however, is a factor which carries with it uncertainties regarding the future and we therefore refrain from making too definite predictions. Considerable work has been done by your Company during the past year in the development of fabrics and yarns using blends of wool and synthetic fibres, with satisfactory results.

The death of Mr. John W. Hobbs, Director and Chairman of the Board, on February 4, 1951, is recorded with regret.

The Directors wish to express their appreciation for the loyal services of the employees and staff during the past year.

Submitted on behalf of the Board.

HENRY BARRETT,  
President.

Toronto, Ontario, May 1, 1951.

# DOMINION WOOLLENS & WORSTEDS, LIMITED

## STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31st DECEMBER, 1950

Net income from operations after charges of \$41,989 for remuneration of executive officers and salaried directors and solicitors' fees, and \$7,500 for directors' fees, and before providing for the undernoted charges.....		\$520,773
<i>Deduct:</i>		
Provision for depreciation.....	\$152,000	
Bond and debenture interest.....	70,317	222,317
		<u>\$298,456</u>
<i>Deduct:</i>		
Provision for income taxes.....		124,000
Net profit transferred to earned surplus.....		<u>\$174,456</u>

# DOMINION WOOLLENS

BALANCE SHEET as at

ASSETS		
CURRENT:		
Cash on hand and in banks .....	\$ 28,664	
Accounts receivable, less reserve of \$15,000 .....	1,272,799	
Inventories of finished goods, goods in process, raw materials and supplies on hand and in transit, as determined and certified by the management and valued at the lower of cost or market .....	4,544,424	
Unexpired insurance premiums and other deferred expenses .....	23,988	\$5,869,875
<hr/>		
MORTGAGES AND SECURED LOANS RECEIVABLE FROM EMPLOYEES .....		30,905
INVESTMENT IN AND ADVANCES TO SUBSIDIARY COMPANY:		
Woodsdale Properties Limited:		
Shares, at cost, and advances less losses incurred to date .....		8,536
FIXED:		
At depreciated replacement values in 1928 as certified by the Canadian Appraisal Company Limited, comprising land, buildings, houses, plant and equipment less amounts written off, plus subsequent additions at cost .....	\$4,906,725	
<i>Less:</i> Reserve for depreciation .....	2,788,212	2,118,513
<hr/>		
		<u>\$8,027,829</u>

Dominion Woollens & Worsteds, Limited,  
Toronto, Ontario.

We have examined the above Balance Sheet of Dominion Woollens & Worsteds, Limited, as at 31st December, 1950, and the related Statements of Earned Surplus and of Income and Expenditure for the year ended on that date. In connection therewith we made a general review of the accounting methods of the company and examined or tested accounting records and other supporting evidence to the extent that we deemed appropriate without making a detailed audit of the transactions. We have received all of the information and explanations we have required.

In accordance with Section 114 of the Dominion Companies Act, we report that the accumulated losses incurred by the subsidiary company have been reflected in reductions of the book value of the holding company's investment in shares of and advances to the subsidiary, such reductions being charged to the holding company's surplus account.

In our opinion the above Balance Sheet and related Statements of Earned Surplus and of Income and Expenditure are properly drawn up so as to exhibit a true and correct view of the affairs of the company as at 31st December, 1950, and the result of its operations for the year ended on that date, according to the best of our information and explanations given to us and as shown by the books of the company.

P. S. ROSS & SONS, Chartered Accountants.

TORONTO, Ont., 28th March, 1951.





# DOMINION WOOLLENS & WORSTEDS, LIMITED

## STATEMENT OF EARNED SURPLUS

For the year ended 31st DECEMBER, 1950

BALANCE AT CREDIT, 1ST JANUARY, 1950.....		\$1,043,647
<i>Add:</i>		
Net profit for the year ended 31st December, 1950..	\$174,456	
Transferred from reserve for bad debts.....	35,000	209,456
		<u>\$1,253,103</u>
<i>Deduct:</i>		
Adjustment of prior year income taxes, etc.....	\$ 15,065	
Losses incurred in 1950 by subsidiary—Woodsdale Properties Limited.....	428	
Dividends declared.....	91,953	107,446
		<u>107,446</u>
BALANCE AT CREDIT, 31ST DECEMBER, 1950.....		<u><u>\$1,145,657</u></u>

# DOMINION WOOLLENS & WORSTEDS, LIMITED

## STATEMENT OF SOURCE AND USE OF FUNDS

For the year ended 31st DECEMBER, 1950

### SOURCE OF FUNDS:

Net Profit for year 1950 as shown by Statement of Income and Expenditures.....	174,456
Increase in reserve for depreciation of plant and equipment (net)....	125,868
Decrease in Sundry Assets (other than current).....	11,185
Sundry Credits to Surplus Account (net).....	19,507
	<u>\$ 331,016</u>

### HOW FUNDS WERE USED:

The following statement shows how the amount of \$331,016 was utilized.

	1949	1950		
Current Assets.....	\$5,020,067	\$5,869,875	increase	\$849,808
Current Liabilities.....	3,281,827	3,974,824	increase	692,997
Increase in net current assets.....				<u>156,811</u>
Land, buildings and equipment (net).....	4,905,873	4,906,725	increase	852
Reduction in Bonds.....	400,000	350,000		50,000
Reduction in Debentures.....	1,101,200	1,069,800		31,400
Dividends to Shareholders.....				<u>91,953</u>
				<u>\$ 331,016</u>

# DOMINION WOOLLENS & WORSTEDS, LIMITED

## DISTRIBUTION OF SALES INCOME—BY AMOUNTS AND PORTION OF EACH SALES DOLLAR

Amounts				Portion of Sales Dollar		
1948	1949	1950		1948	1949	1950
<u>\$9,710,350.</u>	<u>\$8,549,254.</u>	<u>\$9,618,168.</u>	Sales income			
			Distributed as follows:			
			For			
4,299,593.	4,073,696.	4,838,569.	Materials and supplies including provision for inventory price decline.....	44.3¢	47.7¢	50.3¢
3,321,943.	3,090,105.	3,238,562.	Wages, salaries and employee benefits.....	34.2	36.1	33.6
283,775.	230,352.	207,262.	Plant maintenance.....	2.9	2.7	2.2
168,200.	80,000.	152,000.	Provision for Depreciation.....	1.7	.9	1.5
524,887.	456,458.	451,170.	Other production expenses—fuel, power, insurance, etc.....	5.4	5.4	4.7
192,601.	221,563.	192,251.	Selling, delivery and administration expenses.....	2.0	2.6	2.0
160,359.	190,968.	200,753.	Interest on bonds, debentures and bank loan.....	1.7	2.2	2.1
418,750.	—	124,000.	Income taxes.....	4.3	—	1.3
27,420.	36,844.	39,145.	Other taxes.....	.3	.4	.4
139,744.	147,108.	91,953.	Dividend to shareholders.....	1.4	1.7	1.0
173,078.	22,160.	82,503.	For debt reduction and re-investment in the business.....	1.8	.3	.9
<u>\$9,710,350.</u>	<u>\$8,549,254.</u>	<u>\$9,618,168.</u>	Total.....	<u>\$1.00</u>	<u>\$1.00</u>	<u>\$1.00</u>

The amounts for materials and supplies include provisions for inventory price decline as follows:

1948	\$340,166.
1949	Cr. 540,000.
1950	Nil

# DOMINION WOOLLENS & WORSTEDS, LIMITED

