

From the holdings of  
Western Archives, Western University

17 Sep

In the field

17 Oct

30

14/10/14

Statement

1910

20

50 days or of weakly

June 30 - 16

Dear Father

Your letters of September  
seventeenth, eighteenth and nineteenth  
came duly to hand also Mr.  
Hobbes of September twentieth.

He came out and lunched  
with me on the eleventh and we  
discussed the statement for year  
ending 30/6/16 and details incidental  
therein. I see no reason why the  
statement should not be filed  
as it stands and neither does Ith.  
Therefore, if you have not done  
so by the time this letter reaches  
you there is no occasion to  
delay doing so after its arrival.

Ith and I are of course  
somewhat disappointed over the  
poor profit shown by the  
statement. I think we both  
expected that there would be  
a better showing. However we  
have reduced our liabilities  
considerably and after all that  
is an important and satisfactory  
factor.

The reduction in our regular stocks  
as shown in assets and liabilities  
seems satisfactory, especially as  
the difference has probably  
been disposed of at fairly good  
prices. The actual reduction in the  
total account is fairly generous  
but I think we still have a  
lot of shoring to do to this  
item to make up for  
insufficient depreciation for years  
past.

I would like to have seen  
a much bigger reduction in  
the pattern account but in a  
former letter you mentioned talking  
this over with R.D.H. and concluding  
that the depreciation charged was  
all we could put on. If patterns are  
considered an asset at all it seems  
to me that 20% should be written off  
annually.

It seems to me that the  
reduction in the bank account  
is largely traceable to (a) decrease  
in stock (b) decrease in  
accounts ~~off~~ and bills receivable  
and (c) to increase in accounts  
and bills payable. (1) and (2) are

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steps in the right direction but in the reverse.

I notice that there is no mention of the St John lot in the assets. Is it included with the plant account (York St.) or is it left out altogether?

There are two items in the Statement of Profit and Loss that I do not quite understand.

They are

Shell stock etc purchased 6,319.22

Shell stock - looking up 4,364.25

Mr. Palmer explains the second of these as being the cost of overhauling and putting up tools for shell making (labor and material plus 100% burden) and you say it also includes all supplies together with light water etc the cost of which can be charged directly to shells.

I take it that the other item is the cost in labor, material and burden etc to cover the turning out complete of the shells at the time in process, the rate of which is charged in merchandise sales for year ending

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09/6/16 under the heading  
Shells 204 295.24

In other words this item of  
the total cost of Acquisition  
summing up the shells in  
process, one of which has  
already been charged. Please say  
if I am right in this approximation.

I am attaching three  
pencilled sheets (A B and C)  
outlining certain conclusions I  
have come to after reading  
over the statement for year  
ending 30/6/16. I conclude  
the statements made on these  
sheets by saying that we  
had better wait until we  
are how we stand at the  
end of the year 31/12/16 before  
deciding whether to take up  
the option on the C&L  
preference stock or not. If I  
remember correctly the option  
does not expire until three  
months after that. This would  
give us nice time to make  
up our minds and even then  
there is a chance that we  
might be able to get an

extension of the option from six  
 to three. I quite see that there  
 are important advantages in our  
 taking up the option but on the  
 other hand we are seriously  
 curtailing our available capital  
 and in doing so we are only  
 lightening our financial burden  
 to a limited degree. If we make a  
 good showing next year it is  
 certainly advisable. If not  
 it wants the most careful  
 consideration.

HH (I think) went on leave  
 a few days ago and intends  
 writing you from England. He  
 will probably express himself in  
 the same way as I have and  
 you should have his letter the  
 same week that you receive this.

I trust I have made  
 myself clear in the matter and  
 that some of my arguments at  
 least are well founded. It is  
 very difficult to write as there  
 is a lot of shelling going on  
 and my dug out shakes fast  
 when our guns are fired and  
 when the incoming shells explode.

It is six of one and half a  
dozen of the other all night  
long. Tomorrow I wont dilate  
on this as I intend writing  
mother tomorrow and will  
give her what personal and  
local news I can that may  
be of interest. With much love  
your obedient son  
Woodman.