

PROSPECTUS :

This Company is formed to acquire as going concerns the following furniture manufacturing businesses in the Province of Ontario, with the object of consolidating the various interests and effecting economy in the manufacture, and in the sale and distribution of the goods produced.

1. American Rattan Company of Walkerton, Limited, Walkerton, Ont.
2. The Anthes Mfg. Company, Limited, Berlin, Ont.
3. Thos. Bell & Son, Limited, Wingham, Ont.
4. Broadfoot & Box Furniture Company, Seaforth, Ont.
5. Burr Bros., Guelph, Ont.
6. Button & Fessant, Wingham, Ont.
7. The Hobbs Manufacturing Company, London, Ont.
8. Lewis Hahn, New Hamburg, Ont.
9. The Hill Chair Company, Limited, Wiarton, Ont.
10. The Knechtel Furniture Company, Limited, Hanover, Ont.
11. Joseph Orr, Stratford, Ont.
12. Schaefer, Killer & Company, Waterloo, Ont.
13. Snyder, Roos & Company, Waterloo, Ont.
14. Siemon & Bros. Manfg. Co., Wiarton, Ont.
15. The Simpson Company, Limited, Berlin, Ont.
16. The Union Furniture Company, Limited, Wingham, Ont.
17. Zoellner & Co., Mt. Forest, Ont.

With the exception of No. 7 all the above properties are freehold.

THE FURNITURE BUSINESS:

The manufacture of furniture is one of the principal industries in Canada. The supply of raw material is abundant, and can be obtained at a low cost. The industry, which is already one of considerable magnitude, is capable of great extension, and Canada should become, in the near future, one of the leading countries for the manufacture of furniture in the world.

Owing to the increasing population and the growing prosperity of the country, the demand for furniture in Canada is very large, and has absorbed nearly the whole of the production of the factories.

The export trade has only within the last few years been cultivated. Canadian furniture is now being shipped to Great Britain and other countries, and the outlet in this direction is practically unlimited. Valuable connections for the export trade have already been formed, and, in addition to the foregoing Factories, the Company will acquire the business of THE FURNITURE MANUFACTURERS' EXPORTING COMPANY, LIMITED, of Berlin, Canada, and Liverpool, England, which Company has been recently established for the purpose of developing the export trade. The Company also has an option to acquire, on favorable terms, after the organization of the Company has been completed, the business of the ANDERSON FURNITURE COMPANY, LIMITED, of Woodstock, the largest furniture manufacturing establishment in Canada, the addition of which will give the Company control of over 75 per cent. of the output of Canadian factories.

The increase in the Furniture Export trade of Canada during the last four years will be seen from the following figures:

Total Value of Furniture exported in the year 1896	\$ 75,447
Total Value of Furniture exported in the year 1897	115,863
Total Value of Furniture exported in the year 1898	242,177
Total Value of Furniture exported in the year 1899	351,479

The sales of the above 17 factories for the two years and seven months ending 31st July, 1900, were as follows

For the year ending 31st December, 1898.....	\$1,082,023
For the year ending 31st December, 1899.....	1,188,102
For the 7 months ending 31st July, 1900.....	\$763,720
Being at the rate per annum of	1,309,234

The businesses to be acquired comprise some of the oldest and most important in the trade, and the factories are situated in the best localities for raw material, labor and shipping. They are equipped with the latest plant and machinery, and are capable of greatly increased production with small additional outlay, and many of them have sawmills of their own, which will become the property of the Company. The Company will thus be in a position to carry on its operations in the most profitable manner.

PROFITS:

The accounts of the 17 Furniture Manufacturing businesses as enumerated above have been examined by MESSRS. JENKINS & HARDY, Public Accountants, Toronto, and the following is a copy of their certificate.

TORONTO, November 1st, 1900.

We hereby certificate that we have examined the books and accounts of the 17 businesses set forth in the foregoing Schedule, to arrive at the profit for the two years and seven months ending 31st July last.

As the stocks of the businesses had been taken and the books closed at varying dates, it is impossible to show from the accounts the actual separate profits for the years ending 31st December, 1898, 31st December, 1899, or for the period ending 31st July, 1900.

We find that the aggregate profits of the businesses for the above-mentioned period amounted to \$517,996.13, which, after making certain necessary adjustments and charging expenses of management, excepting managers' salaries, we apportion as follows:

For the year ending 31st December, 1898	\$144,450 43
For the year ending 31st December, 1899	230,708 18
For seven months ending 31st July, 1900	\$142,837 52
Being at the rate per annum of	244,864 32

In arriving at these profits the cost of maintenance and repairs of Plant and Machinery has been charged as an expense of the business, and provision has been made for depreciation, but interest on capital and borrowed money has not been charged.

Yours faithfully,

JENKINS & HARDY.

It will be seen from the Accountants' Statement that the profits of the last three years have been progressive; the amount necessary to pay the 7 per cent. dividend on the \$1,300,000 Preference Stock, now issued, being 91,000, is (on the basis of the profits of the last two years) more than doubly secured, and leaves an ample surplus for providing for the Reserve Fund and paying the dividend on the Common Stock.

It is anticipated that the above profits will be considerably increased as the result of the amalgamation of the businesses.