

York Knitting Mills *Limited*

Toronto

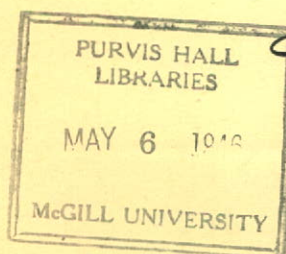
Canada

Thirty-second

Annual Report

Year ending December 31st

1942



Directors

J. DOUGLAS WOODS

W. B. WOODS

K. W. HARVEY

W. A. CLARKE

H. M. REEDY

H. H. LAWSON

W. P. WALKER

Officers

J. DOUGLAS WOODS

President and Managing Director

W. B. WOODS

W. A. CLARKE

Vice-President

Secretary

TRANSFER AGENTS

Royal Trust Company
66 King Street West
Toronto

AUDITORS

Clarkson, Gordon, Dilworth & Nash
and
Wilton C. Eddis & Sons

York Knitting Mills, Limited

To the Shareholders:

Your Directors are pleased to submit the Annual Report on the operations of the Company for the year ended December 31st, 1942. Submission of this report was deferred pending determination of certain problems of inventory valuation which have now been resolved.

Earnings before provision for depreciation, bond interest, contingencies, income and excess profits taxes and preferred dividends were \$512,041, compared with \$474,709 in 1941, an increase of approximately 8%. Net profit after all charges, including provision for preferred dividends and contingencies, was \$106,648, compared with \$103,435 in 1941, an increase of approximately 3%. Sales for the year decreased 3.7% from 1941.

Special wartime inventory reserve has been maintained at \$125,000.

Expenditures on new plant amounted to \$29,458.

Preferred and common dividends of \$31,500 and \$91,604.80 respectively were paid during the year, being in the same amounts as were paid in 1941.

Working capital at \$1,439,467 compares with \$1,366,302 at the end of 1941, an increase of 5.3%. 4% Bonds in the amount of \$50,000 were redeemed during the year.

Production of war materials continued to engage a substantial portion of our plant capacity.

Relationships with office and factory personnel continued on a cordial basis. Within the capacity of the Company and wartime regulations, every effort has been made to insure that wages and working conditions were maintained at the highest level. War bonuses paid factory and office employees only, representing increases over October 1939 wage levels, amounted to \$200,481 in 1942.

Your Directors are pleased to record their appreciation of the high degree of co-operation and loyal service rendered by all members of the staff.

On behalf of the Board,

J. DOUGLAS WOODS,

President

August 10th, 1943

YORK KNITTING

(Incorporated under Th

BALANCE

As at 31st D

ASSETS

CURRENT ASSETS:

Cash on hand.....	\$	1,721.65	
Accounts and subsidies receivable, less re- serve for doubtful accounts.....		585,714.24	
Investment in Dominion of Canada bonds at cost (market value, \$99,500).....		100,000.00	
Inventories of merchandise, materials and supplies as determined and certified to by the management and priced at the lower of cost or market value, with the exception of raw cotton which is valued at prices which it is estimated can be realized upon conversion into yarn with- out profit or loss, less special wartime inventory reserve of \$125,000.....		1,907,700.56	
Advance to subsidiary company, less reserve.		36,229.39	
Life insurance—cash surrender value.....		48,733.00	
			\$2,680,098.84

PROPERTY ACCOUNTS:

Land, buildings, machinery, equipment, furniture and fixtures, motor cars and trucks at cost, less reserves for depreciation.....		1,401,309.37
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OTHER ASSETS:

Investments in associated companies.....	\$	62,500.00	
Prepaid and deferred expense.....		17,177.11	
			79,677.11

GOODWILL.....		1.00
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\$4,161,086.32

AUDITORS' REPORT T

We have made an examination of the balance sheet of York Knitting Mills, Limited, as on that date. In connection therewith we examined or tested the accounting records of the Company for the year, but we did not make a detailed audit of the transactions.

We report that in our opinion, based upon our examination, the above balance sheet is a true and correct view of the position of the Company at 31st December, 1942, and of the assets and the explanations given us and as shown by the books. All our requirements as auditors have been satisfied.

Toronto, Canada,
20th July, 1943.

MILLS, LIMITED

(Ontario Companies Act)

STATEMENT OF FINANCIAL POSITION

December, 1942

LIABILITIES

CURRENT LIABILITIES:

Bank advances (partly secured).....	\$ 762,387.75
Accounts payable and accrued charges.....	289,494.03
Bond interest accrued.....	13,750.00
Reserve for income and excess profits taxes..	75,000.00
Reserve for contingencies.....	100,000.00
	<u>\$1,240,631.78</u>

FIRST MORTGAGE REDEEMABLE BONDS:

Authorized.....	\$2,000,000
Issued, less redeemed (Series A):	
4% serial, due 1943 to 1945.....	\$ 150,000.00
4½% fifteen-year sinking fund bonds, due 1952.....	600,000.00
	<u>750,000.00</u>

CAPITAL:

Authorized:	
1,500 7% first preferred cumulative shares of \$100 each.	
3,000 7% second preferred cumulative shares of \$100 each.	
300,000 common shares of no par value.	
Issued	
1,500 7% first preferred shares.....	\$ 150,000.00
3,000 7% second preferred shares...	300,000.00
229,012 common shares.....	672,200.91

	<u>\$1,122,200.91</u>	
SURPLUS	<u>1,048,253.63</u>	
		<u>2,170,454.54</u>
Dividends on preferred shares are paid to 30th June, 1942.		

\$4,161,086.32

REPORT OF THE SHAREHOLDERS

At a meeting of the Shareholders of the Company held on the 31st December, 1942, and of the statements of profit and loss and surplus for the year ended 31st December, 1942, and made a general review of the accounting methods and of the operating and income accounts and the attached statements of profit and loss and surplus have been drawn up so as to exhibit a true and correct view of the results of its operations for the year ended on that date, according to the best of our information and belief, and the same have been complied with.

CLARKSON, GORDON, DILWORTH & NASH,
Chartered Accountants.
WILTON C. EDDIS & SONS,
Chartered Accountants.

YORK KNITTING MILLS, LIMITED

PROFIT AND LOSS ACCOUNT

For the Year Ended 31st December, 1942

Net operating profit before provision for depreciation, bond interest and income taxes.....	\$ 512,041.06
Deduct:	
Provision for depreciation.....	\$116,990.65
Bond interest.....	34,166.65
	<hr/> 151,157.30
	\$ 360,883.76
Add dividends received.....	<hr/> 2,700.00
Net profit before provision for income and excess profits taxes.....	\$ 363,583.76
Provision for income and excess profits taxes.....	125,435.57
	<hr/>
Net profit for year ended 31st December, 1942.....	<u><u>\$ 238,148.19</u></u>

SURPLUS ACCOUNT

31st December, 1942

Balance, 1st January, 1942.....	\$1,041,918.50
Add net profit transferred from profit and loss account..	238,148.19
	<hr/> \$1,280,066.69
Deduct:	
Dividends on first and second preferred shares for year to 30th June, 1942 7%.....	\$ 31,500.00
Dividends on common shares—40 cents per share.....	91,604.80
	<hr/> \$123,104.80
Loss on disposal of mortgage.....	8,708.26
Provision for contingencies.....	100,000.00
	<hr/> 231,813.06
Balance, 31st December, 1942.....	<u><u>\$1,048,253.63</u></u>

YORK KNITTING MILLS, LIMITED

OPERATING DIVISIONS

TORONTO: York Spinning, Toronto Hosiery, Harvey Woods Hosiery

HAMILTON: Zimmerknit

WOODSTOCK: Hosiers, Harvey Woods Underwear

SALES OFFICES

Toronto, Montreal, Quebec, Halifax, Ottawa, Winnipeg,
Calgary, Vancouver

WAREHOUSES

Toronto - Winnipeg - Vancouver

PRODUCTS

Hosiery (Circular and Full-fashioned), Underwear, Sweaters,
Outerwear, Bathing Suits - for Men, Women and Children.
Yarns - French Dry Spun Worsted - Cotton - Woollen.

TRADE MARKS AND BRANDS

HARVEY
Woods



Fine
Hosiery

Lancaster

HATCHWAY

YORKNIT

Sensation

TWIN-LINE

P.D.Q.

QUICKEES

