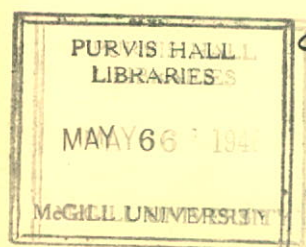


York Knitting Mills *Limited*

Toronto

Canada



Thirty-first
Annual Report
Year ending December 31st
1941

Officers

J. DOUGLAS WOODS

President and Managing Director

W. B. WOODS

Vice-President

W. A. CLARKE

Secretary

Directors

J. DOUGLAS WOODS

W. B. WOODS

K. W. HARVEY

W. A. CLARKE

H. M. REEDY

H. H. LAWSON

W. P. WALKER

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 covering operations of the Company for the year ended December 31st, 1941.

Operating profits, before depreciation, bond interest, provision for inventory reserve, income and excess profits taxes, and preferred dividends, were \$474,709, compared with \$516,454 in 1940. Net profits after all charges, including preferred dividends, were \$103,435, compared with \$139,967 in 1940.

An amount of \$50,000 was added to the inventory reserve created in 1940.

Expenditures on new plant amounted to \$30,051. Obsolete equipment of a net book value of \$15,000 was scrapped following the Government appeal to Canadian manufacturers for scrap metal.

During the year your Company paid preferred and common dividends of \$31,500 and \$91,604.80 respectively.

Working capital at the end of the year amounted to \$1,366,302, compared with \$1,302,364 at the end of 1940. The entire issue of 3½% bonds has now been redeemed.

Sales for the year increased 4.6% over sales for 1940.

A substantial proportion of our plant capacity is engaged in the manufacture of yarns, hosiery, underwear and sweaters for war purposes.

In October, 1939, wages were increased by 10% to enable the employees to meet the higher living costs occasioned by the war. In July, 1941, a further increase of 5% was effected. These increases, which apply to factory and office workers only, amounted to \$168,952 for 1941.

Your Directors wish to record their appreciation of the co-operation received from the entire personnel.

On behalf of the Board,
J. DOUGLAS WOODS,
President.

May 5th, 1942.

YORK KNITTING

(Incorporated under The

BALANCE

As at 31st Dec

ASSETS

CURRENT ASSETS:

Cash on hand.....	\$	1,333.03	
Accounts receivable, less reserve for doubtful accounts.....		538,552.03	
Inventories of merchandise, materials and supplies as determined and certified to by the management and priced at the lower of cost or market value, less special wartime inventory reserve of \$125,000..		1,644,663.74	
Advance to subsidiary company, less reserve.		92,279.05	
Life insurance—cash surrender value.....		46,086.00	
			\$2,322,913.85

PROPERTY ACCOUNTS:

Land, buildings, machinery, equipment, furniture and fixtures, motor cars and trucks at cost, less reserves for depreciation.....	1,491,211.93
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OTHER ASSETS:

Mortgage receivable.....	\$	25,000.00	
Investments in associated companies.....		62,500.00	
Prepaid and deferred expense.....		19,104.47	
			106,604.47

GOODWILL.....	1.00
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\$3,920,731.25

AUDITORS' REPORT TO

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 and the true and correct view of the position of the Company at 31st December, 1941, and of the results and the explanations given us and as shown by the books. All our requirements as auditors have

Toronto, Canada,
25th March, 1942.

MILLS, LIMITED

(Ontario Companies Act)

SHEET

December, 1941

LIABILITIES

CURRENT LIABILITIES:

Bank advances.....	\$ 472,781.69	
Accounts payable and accrued charges....	319,144.41	
Bond interest accrued.....	14,583.35	
Reserve for income and excess profits taxes..	150,102.39	
		\$ 956,611.84

FIRST MORTGAGE REDEEMABLE BONDS:

Authorized.....	\$2,000,000	
Issued (Series A):		
3½% serial, due 1938 to 1941, fully redeemed.		
4% serial, due 1942 to 1945.....	\$ 200,000.00	
4½% fifteen-year sinking fund bonds, due 1952.....	600,000.00	
		800,000.00

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	
		\$1,122,200.91
SURPLUS	1,041,918.50	

2,164,119.41

Dividends on preferred shares are paid to 30th June, 1941.

\$3,920,731.25

THE SHAREHOLDERS

at 31st December, 1941, and of the statements of profit and loss and surplus for the year ended 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 that no fraud has been committed 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, 1941

Net operating profit before provision for depreciation, bond interest, special wartime inventory reserve and income taxes.....	\$474,709.48
Deduct:	
Provision for depreciation.....	\$114,303.24
Bond interest.....	36,020.85
	<hr/> 150,324.09
	\$324,385.39
Add dividends received.....	<hr/> 2,550.00
Net profit before provision for special wartime inventory reserve and income and excess profits taxes.....	\$326,935.39
Provision for special wartime inventory reserve.....	<hr/> 50,000.00
Net profit before provision for income and excess profits taxes.....	\$276,935.39
Provision for income and excess profits taxes.....	<hr/> 142,000.00
Net profit for year ended 31st December, 1941.....	<hr/> <hr/> \$134,935.39

SURPLUS ACCOUNT

31st December, 1941

Balance, 1st January, 1941.....	\$1,030,087.91
Add net profit transferred from profit and loss account..	134,935.39
	<hr/> \$1,165,023.30
Less dividends:	
First and second preferred share divi- dends for year to 30th June, 1941—	
7%.....	\$31,500.00
Common share dividends—40 cents per share.....	91,604.80
	<hr/> 123,104.80
Balance, 31st December, 1941.....	<hr/> <hr/> \$1,041,918.50

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

