

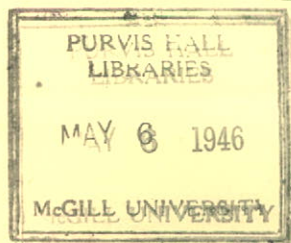
# *York Knitting Mills* *Limited*

*Toronto*

*Canada*

## *Thirtieth* *Annual Report*

*Year ending December 31st*  
*1940*



## *Officers*

J. DOUGLAS WOODS

President and Managing Director

W. B. WOODS

Vice-President

W. A. CLARKE

Secretary

## *Directors*

J. DOUGLAS WOODS

W. B. WOODS

W. A. CLARKE

H. H. LAWSON

K. W. HARVEY

H. M. REEDY

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, 1940.

Operating profits before depreciation, bond interest, special wartime inventory reserve, income taxes, excess profits taxes and preferred dividends amounted to \$516,454, compared with \$467,642 in 1939. Net profit, after all charges, including provision for preferred dividends, amounted to \$139,967, compared with \$228,514 in 1939.

It was believed sound policy to establish a reserve against inventories as provided for in The Excess Profits Tax Act.

Capital additions during the year amounted to \$102,247. No large plant expenditures are contemplated for 1941.

During the year your Company paid preferred and common dividends of \$31,500 and \$68,703.60 respectively.

After the capital expenditures referred to above, retirement of \$50,000 maturing First Mortgage Bonds and payment of dividends, the working capital increased from \$1,274,000 at December 31st, 1939, to \$1,302,364 at December 31st, 1940.

Sales for the year were 13.6% over 1939. The increase in ordinary civilian business was 9.1%, the balance of the increase being made up of shipments under government contracts.

In October, 1939, wages were advanced by 10% to enable your employees to meet the higher living costs occasioned by the war. This advance applied to factory and office workers only, exclusive of management, executive and sales staffs, and amounted to \$142,000 in 1940.

Your Directors wish to acknowledge the co-operation received from all members of the staff and employees of the Company.

It is with deep regret that we announce that Sir James Woods, who was President of your Company since its inception, died on April 25th, 1941.

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

8th May, 1941.

# YORK KNITTING

(Incorporated under The

BALANCE

As at 31st Dec

## ASSETS

### CURRENT ASSETS:

Cash on hand.....	\$	1,379.40	
Accounts receivable, less reserve for doubtful accounts.....		546,168.45	
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 \$75,000..		2,091,668.28	
Advance to subsidiary company, less reserve.		97,251.75	
Life insurance—cash surrender value.....		42,732.00	
			\$2,779,199.88

### PROPERTY ACCOUNTS:

Land, buildings, machinery, equipment, furniture and fixtures, motor cars and trucks, less reserves for depreciation..	1,592,386.45
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### OTHER ASSETS:

Mortgage receivable.....	\$	25,000.00	
Investments in associated companies.....		62,500.00	
Prepaid and deferred expense.....		20,037.34	
			107,537.34

GOODWILL.....	1.00
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\$4,479,124.67

## AUDITORS' REPORT

We have made an examination of the balance sheet of York Knitting Mills, Limited, as at 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 as at that date, according to the best of our information and the explanations given us and as shown

Toronto, Canada,  
22nd April, 1941.

# MILLS, LIMITED

(Ontario Companies Act)

## E SHEET

December, 1940

### LIABILITIES

#### CURRENT LIABILITIES:

Bank advances.....	\$1,010,020.66	
Accounts payable and accrued charges.....	315,109.73	
Bond interest accrued.....	15,312.50	
Reserve for Dominion and Provincial taxes..	136,392.96	
		<u>\$1,476,835.85</u>

#### FIRST MORTGAGE REDEEMABLE BONDS:

Authorized.....	\$2,000,000	
Issued (Series A), less redeemed:		
3½% serial, due 1941.....	\$ 50,000.00	
4% serial, due 1942 to 1945.....	200,000.00	
4½% fifteen-year sinking fund bonds, due 1952.....	600,000.00	
		<u>850,000.00</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

	\$1,122,200.91	
SURPLUS.....	1,030,087.91	
		<u>2,152,288.82</u>

Dividends on preferred shares are paid to 30th June, 1940.

\$4,479,124.67

### THE SHAREHOLDERS

at 31st December, 1940, and of the statement of profit and loss and surplus for the year ending  
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 in accordance with  
the Company at 31st December, 1940, and of the results of its operations for the year ended on  
by the books. All our requirements as auditors 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, 1940

Net operating profit before provision for depreciation, bond interest, special wartime inventory reserve and income taxes.....	\$516,453.73
Deduct:	
Provision for depreciation.....	\$110,095.99
Bond interest.....	37,770.81
	<hr/> 147,866.80
	\$368,586.93
Add dividends received.....	7,880.00
	<hr/>
Net profit before provision for special wartime inventory reserve and income and excess profits taxes.....	\$376,466.93
Provision for special wartime inventory reserve.....	75,000.00
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Net profit before provision for income and excess profits taxes.....	\$301,466.93
Provision for income and excess profits taxes.....	130,000.00
	<hr/>
Net profit for year ended 31st December, 1940.....	<u>\$171,466.93</u>

## SURPLUS ACCOUNT

31st December, 1940

Balance 1st January, 1940.....	\$ 958,120.40
Add:	
Net profit transferred from profit and loss account.....	\$171,466.93
Profit on sale of securities.....	704.18
	<hr/> 172,171.11
	\$1,130,291.51
Less dividends:	
First and second preferred share divi- dends for year to 30th June, 1940—7%.....	\$ 31,500.00
Common share dividends—30 cents per share.....	68,703.60
	<hr/> 100,203.60
Balance 31st December, 1940.....	<u>\$1,030,087.91</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**

