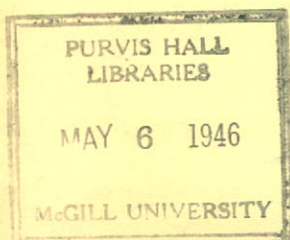


York Knitting Mills *Limited*

Toronto

Canada



Thirty-third
Annual Report
Year ending December 31st
1943

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. P. WALKER

H. H. LAWSON

Vice-President

Vice-President

W. A. CLARKE

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, 1943.

Earnings before provision for depreciation, bond interest, contingencies, income and excess profits taxes and preferred dividends were \$395,463, compared with \$512,041 for 1942. Net profit after all charges, including provision for preferred dividends and contingencies, was \$101,248, compared with \$106,648 in the previous year. Sales volume showed a further decline—1943 sales being 7.8% below 1942. It is hoped that volume of sales will show some improvement in 1944.

Special wartime inventory reserve remains unchanged at \$125,000, while contingency reserve has been increased by \$20,000 to a total of \$120,000.

Preferred and common dividends of \$31,500 and \$91,604.80 respectively were paid during the year under review.

Working capital showed a further increase in rising from \$1,439,467 to \$1,524,663.

Since the close of the year the Company has called for redemption all outstanding bonds, amounting to \$700,000, and a new issue of \$1,250,000 has been placed on favourable terms. Additional funds thus provided have been used to liquidate a bank loan, and the balance is available, when circumstances permit, to finance a general program of modernization and development. The Company has already purchased a building in Woodstock to be used after the war for hosiery manufacturing purposes. The Company has also purchased the majority of shares in a new company which will utilize a process not previously used in the Canadian woollen industry. It is hoped that this process will be of material advantage to the operations of your Company. Facilities of this plant are to be available as required during the war for processing the needs of the Armed Services.

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

On behalf of the Board,

J. DOUGLAS WOODS,
President

May 30th, 1944

YORK KNITTING

(Incorporated under The

BALANCE

As at 31st D

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$	4,650.00	
Investment in Dominion of Canada bonds at cost.....		110,000.00	
Accounts and subsidies receivable, less reserve for doubtful accounts.....		712,445.75	
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 without profit or loss, less special wartime inventory reserve of \$125,000.....		1,526,740.21	
Life insurance—cash surrender value.....		50,600.00	
			\$2,404,435.96

PROPERTY ACCOUNTS:

Land, buildings, machinery, equipment, furniture and fixtures, motor cars and trucks at cost, less reserves for depreciation.....		1,285,107.48
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OTHER ASSETS:

Investments in associated companies.....	\$	56,300.00	
Prepaid and deferred expense		14,026.27	
			70,326.27

GOODWILL.....		1.00
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\$3,759,870.71

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 presents a true and correct view of the position of the Company at 31st December, 1943, and of the results of its operations for the year, and as shown by the books. All our requirements as auditors have been satisfied.

Toronto, Canada,
14th February, 1944.

MILLS, LIMITED

(Ontario Companies Act)

STATEMENT OF FINANCIAL POSITION

December 31, 1943

LIABILITIES

CURRENT LIABILITIES:

Bank advances (partly secured).....	\$ 382,970.27
Accounts payable and accrued charges.....	310,401.03
Bond interest accrued.....	12,916.68
Reserve for income and excess profits taxes....	53,484.62
Reserve for contingencies.....	120,000.00
	<u>\$ 879,772.60</u>

FIRST MORTGAGE REDEEMABLE BONDS:

Authorized.....	\$2,000,000
Issued, less redeemed (Series A):	
4% serial, due 1944 to 1945.....	\$ 100,000.00
4½% fifteen-year sinking fund bonds, due 1952.....	600,000.00
	<u>700,000.00</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..... 1,057,897.20

2,180,098.11

Dividends on preferred shares are paid to 30th June, 1943.

\$3,759,870.71

REPORT OF THE SHAREHOLDERS

At a meeting of the Shareholders held at 31st December, 1943, and of the statements of profit and loss and surplus for the year ended 31st December, 1943, and made a general review of the accounting methods and of the operating and income

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 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, 1943

Net operating profit before provision for depreciation, bond interest and income taxes.....	\$ 395,463.42
Deduct:	
Provision for depreciation.....	\$118,273.37
Bond interest.....	32,166.68
	<hr/> 150,440.05
	\$ 245,023.37
Add dividends received.....	<hr/> 5,225.00
Net profit before provision for income and excess profits taxes.....	\$ 250,248.37
Provision for income and excess profits taxes.....	<hr/> 97,500.00
Net profit for year ended 31st December, 1943.....	<hr/> <hr/> \$ 152,748.37

SURPLUS ACCOUNT

31st December, 1943

Balance, 31st December, 1942.....	\$1,048,253.63
Add net profit transferred from profit and loss account....	152,748.37
	<hr/> \$1,201,002.00
Deduct:	
Dividends on first and second preferred shares for year to 30th June, 1943	
—7%.....	\$ 31,500.00
Dividends on common shares—40 cents per share.....	91,604.80
	<hr/> \$123,104.80
Transferred to reserve for contingencies.	20,000.00
	<hr/> 143,104.80
Balance, 31st December, 1943.....	<hr/> <hr/> \$1,057,897.20

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

