Twenty-Sixth
Annual
Report

JULIUS KAYSER & CO.

Year ended June 30, 1929
TWENTY-SIXTH ANNUAL REPORT

of

JULIUS KAYSER & CO.
and Wholly Owned Subsidiaries

Showing

Consolidated Balance Sheet
Profit and Loss Account

and

Consolidated Surplus Account

For the fiscal year ended June 30, 1929

GENERAL OFFICES

353 FOURTH AVENUE

NEW YORK CITY
To the Stockholders:

As shown by the annexed Consolidated Balance Sheet and Consolidated Income Account (certified to by Touche, Niven & Co., the Company's accountants) the net earnings of the Company and its wholly-owned subsidiaries for the fiscal year ended June 30, 1929, were approximately one-third greater than were those for the preceding year—and the earned surplus has been increased from $8,049,404.88 to $9,356,628.07.

During the year, the Twenty-Year Convertible 5½% Gold Debentures due March 1, 1947, were called for redemption and retirement. The conversion privilege given by the Trust Indenture securing this issue was taken advantage of by practically all the holders of these debentures outstanding at the time of the call. Because of their retirement, and of the declaration in April, 1929, of a fifty per cent. stock dividend, the Company entered upon its fiscal year now current with no funded or interest-bearing debt and with a capital structure (exclusive of Employees Preferred Stock) consisting of an authorized issue of 500,000 shares of no-par-value Common Stock, of which 484,117 shares were issued and outstanding on July 1, 1929. Upon these 484,117 shares a dividend of One Dollar per share has been declared for the quarter ending August 1, 1929.

During the year, the installation of the additional manufacturing facilities referred to in the letter accompanying the report for the fiscal year ended June 30, 1928, has been practically completed,—over $1,000,000 having been expended during the year in plant extensions and improvements which, it is expected, will materially reduce initial costs. Despite this expenditure, the Company closed its year with over Three Million Dollars in cash and on call, with no notes payable outstanding, and with current assets of $12,716,376.11 as against $774,440.29 of current liabilities—a ratio of sixteen of assets to one of liabilities.
As usual, ample provision has been made for Federal and State taxes and for depreciation of capital assets. The inventories have been valued on a conservative basis, are no greater than the demands of the business require, and include no product not entirely marketable and readily salable.

During the year the investment of employees in the Employees Preferred Stock increased from $368,611.88 to $433,221.00.

It will be noted that there remain outstanding, unconverted and unredeemed, $16,000 in principal amount of the Company's Twenty-Year Debentures above referred to. The money necessary to redeem these at the call price, with interest accrued to the date fixed for the redemption, has been deposited with the Trustee under the Indenture securing their issue, and the Company's liability with respect to them is at an end. Inasmuch, however, as interest has ceased to accrue on them and the conversion privilege has expired, there is every reason why their owners should present them for redemption and payment.

Financially and otherwise the affairs of the Company are in a condition in every way healthy, sound and satisfactory.

It is with sorrow that we record the death, on December 31st, 1928, of Mr. Edwin Stanton Bayer, then the President of the Company,—he having served as such since the death, in 1919, of Mr. Julius Kayser, the Company's founder and first President.

By order of the Board.

Respectfully submitted,

HENRY L. VAN PRAAG,
President.

August 1, 1929.
### Assets

#### CURRENT ASSETS:
- Cash: $1,185,055.58
- Loans on call: $2,000,000.00
- Customers' notes receivable: $31,796.42
- Customers' accounts receivable, less reserve for doubtful accounts and discounts: $2,709,591.71
- Due from employees: $18,641.45
- Deposits with Mutual Insurance Companies: $96,411.81
- Sundry debtors: $174,421.67
- Marketable securities: $8,152.92
- Inventories of materials, work in process and finished goods, on the basis of cost or market, whichever is lower: $6,492,304.55

Total Current Assets: $12,716,376.11

#### DEFERRED CHARGES TO OPERATIONS:
- $57,481.15

#### INVESTMENTS AT COST:
- $60,000.00

#### CAPITAL ASSETS:
- Land, buildings, machinery and equipment, valued as to principal properties on basis of 1922 appraisals, plus cost of subsequent additions: $11,077,658.02
- Less reserve for depreciation: $4,974,950.39

Total Capital Assets: $6,102,707.63

- Patents, trade marks and good will: $5,644,000.00

Total Capital Assets: $11,746,707.63

Total Assets: $24,580,564.89
YSER & CO.

Companies

1 Sheet, June 30, 1929

LIABILITIES

CURRENT LIABILITIES:
Accounts payable, trade creditors $ 179,118.62
Sundry creditors and liabilities accrued 102,121.11
Due to officers and employees 133,200.56
Federal taxes on income, due and accrued 360,000.00

$ 774,440.29

FUNDED DEBT:
Twenty-year convertible 5 1/2% Sinking Fund
Gold Debentures, due March 1, 1947:
Outstanding, called for redemption March 1, 1929 ($16,000.00 par value including premium of 4 3/4%) $ 16,760.00
Less cash on deposit with trustee 16,760.00

Outstanding bonds and mortgages of affiliated companies 60,400.00

RESERVE FOR MARKET FLUCTUATION IN RAW SILK 500,000.00

CAPITAL STOCK AND SURPLUS:
Capital stock:
Employees' Preferred:
Authorized 10,000 shares of a par value of $50.00 each $ 500,000.00
Issued and outstanding 8,961 shares $ 448,050.00
Less in treasury 731 shares 36,550.00
8,230 shares $ 411,500.00
Cash received on subscriptions to 1,317 shares 21,721.00
9,547 $ 433,221.00

Common:
Authorized 500,000 shares of no par value:
Issued and outstanding, 322,747 shares 12,891,911.45
$13,325,132.45
Earned surplus, as per statement attached 9,356,628.07
Capital surplus arising from appraisal of properties made in 1922 563,964.08 23,245,724.60

CONTINGENT LIABILITY ON BILLS DISCOUNTED:
Export business of parent company $ 810,520.38
Export business of foreign subsidiary 230,045.94

$ 1,040,566.32

$24,580,564.89

NOTE:
A stock dividend of 50% on the common stock was declared April 24, 1929, payable July 1, 1929.
CONSOLIDATED INCOME ACCOUNT
Year Ended June 30, 1929

NET SALES, twelve months ended June 30, 1929 (inter-company items excluded) $28,659,267.15
Less cost of sales, selling and administrative expenses 25,332,556.99

INCOME FROM OPERATIONS $3,326,710.16

OTHER INCOME:
- Interest and discount earned $264,419.97
- Miscellaneous income 212,580.48

Total other income 477,000.45

OTHER DEDUCTIONS:
- Interest on debentures $112,806.58
- Other interest 14,602.38
- Taxes on income, etc 415,602.75
- Depreciation 450,430.71

Total other deductions 993,442.42

NET INCOME FOR YEAR, added to surplus $2,810,268.19

Consolidated Surplus

BALANCE, June 30, 1928 $8,049,404.88
Add:
Net income, year ended June 30, 1929 2,810,268.19

$10,859,673.07

Deduct dividends paid:
- Common stock $1,456,385.00
- Employees’ preferred stock 46,660.00

1,503,045.00

BALANCE, earned surplus, June 30, 1929 $9,356,628.07

The foregoing is before giving effect to a 50% stock dividend on the common stock declared April 24, 1929, payable July 1, 1929.
NEW YORK, JULY 29, 1929:

We have examined the books and accounts of Julius Kayser & Co. and affiliated companies for the year ended June 30, 1929, and certify that, in our opinion, the foregoing consolidated balance sheet and accompanying income and surplus accounts are correctly prepared therefrom to show the true financial condition of the combined companies as at June 30, 1929, and the results of operations for the year then ended.

TOUCHE, NIVEN & CO.,
Public Accountants.
DIRECTORS

JULES S. BACHE  LAURANCE MAYER
RALPH H. BARUTH  CLARENCE W. SINN
RUSSELL K. BOADWEE  WALTER T. STERN
CHARLES J. HARDY  HENRY L. VAN PRAAG
STEPHEN J. LEONARD  ELISHA WALKER

EDWARD WISE

GENERAL OFFICERS

HENRY L. VAN PRAAG, President
CLARENCE W. SINN, Vice-President and Treasurer
RUSSELL K. BOADWEE, Vice-President  LAURANCE MAYER, Vice-President
CHARLES J. HARDY, Secretary and General Counsel