Twenty-Seventh
Annual
Report

JULIUS KAYSER & CO.

Year ended June 30, 1930
TWENTY SEVENTH ANNUAL REPORT

of

JULIUS KAYSER & CO.
and Subsidiary Companies

showing
Consolidated Balance Sheet
and
Income and Surplus Accounts

For the fiscal year ended June 30, 1930

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GENERAL OFFICES

353 FOURTH AVENUE

NEW YORK CITY
To the Stockholders:

The annexed Consolidated Balance Sheet and Consolidated Income Account, to which is attached the certificate of audit by the Company's accountants, Touche, Niven & Co., reflect the results of the operations of your Company and its wholly-owned subsidiaries for the fiscal year ended June 30, 1930, and their financial condition at the close of that period.

The world-wide conditions of industrial depression that prevailed during the greater part of our fiscal year just ended, naturally have had their effect upon the business of your Company—though in less degree than might have been expected. Recovery from such conditions is apt to be a fitful and halting process, but at this writing there are indications of an advance of industry generally to a more healthful state—and it is not unreasonable to expect that the business of your Company will share in such betterment.

While, as will be noted, the total, in dollars, of our sales for the year has been appreciably less than it was for the year preceding, yet despite an almost universal curtailment in buying, in actual volume of our merchandise sold (i.e., unit sales) the difference between the results for the two years is negligible—this evidencing the high repute in which your Company's product is held and the value of the "Kayser" name.

Such lessening as there has been in our sales volume for the year was due in considerable measure to the imposition by Australia, heretofore a broad market for our chief product, of a tariff on silk hosiery so high as to be practically prohibitive. Your Management had foreseen such possibility and, some time before the increase of import duties, had completed arrangements to establish itself as a manufacturer in that country. To that end the corporation "Julius Kayser (Australia) Proprietary, Limited," in which your Company owns a controlling interest,
has been organized under Australian law, and has already com-
pleted the building of an extensive manufacturing plant at Mel-
bourne, Victoria, which is rapidly being equipped with all neces-
sary machinery. It is confidently expected that this Australian
Company will be in production not later than the early part of
the calendar year 1931, and that through its activities there will
be restored to us the market for our product of which we have
been temporarily deprived by reason of the tariff action re-
ferred to.

At the close of the year just ended, raw silk had fallen to
a price lower than that ever heretofore reached in the history of
your Company. To meet this condition, our silk inventory (in-
cluding not only the raw material, but also merchandise both
manufactured and in process) and our contracts for future de-
ivery of the raw material, have been written down to conform
to the prices prevailing at the close of the year—such prices being
at least fifteen per cent lower than the average for pre-war years.

Ample provision, as usual, has been made for Federal and
State taxes and for depreciation of capital assets. All inventories
have been taken on an extremely conservative basis, and repre-
sent only product entirely marketable and readily saleable. Your
Company has no funded debt, is possessed of ample resources
and, with a ratio between current assets and current liabilities
of something over sixteen to one, its financial condition is in
all ways liquid, healthy and sound.

By order of the Board,

Respectfully submitted,

HENRY L. VAN PRAAG,
President.

August 7, 1930
## Consolidated Balance Sheet

### Assets

**Current Assets:**
- Cash $1,374,913.52
- Certificate of deposit 350,000.00
- Customers' notes receivable 6,148.95
- Customers' accounts receivable, less reserve for doubtful accounts and discounts 2,513,403.81
- Due from employees 8,352.74
- Deposits with mutual insurance companies 91,638.04
- Sundry debtors 170,590.76
- Marketable securities 8,032.42
- Inventories of materials, work in process and finished goods, on the basis of cost or market, whichever is lower (less reserve) 5,564,345.15
- **Total Current Assets** $10,087,425.39

**Deferred Notes Receivable** 175,000.00

**Deferred Charges to Operations** 60,074.30

**Investments, at cost** 353,705.64

**Capital Assets:**
- Land, buildings, machinery and equipment, valued as to principal properties on basis of 1922 appraisals, plus cost of subsequent additions $11,918,825.86
- Less reserve for depreciation 5,657,050.64
- **Total Capital Assets** 6,261,775.22

- Patents, trade-marks and goodwill 5,644,000.00

**Total Assets** $22,581,980.55
### Liabilities

**Current Liabilities:**
- Accounts payable, trade creditors: $359,494.45
- Sundry creditors, wages and other liabilities accrued: $180,401.09
- Federal taxes on income accrued: $87,000.00

Total Current Liabilities: $626,895.54

**Funded Debt:**
- Outstanding bonds and mortgages of subsidiary companies

**Reserve for Federal Income Taxes - Prior Years:**

**Capital Stock and Surplus:**
- **Employees’ Preferred:**
  - Authorized, 20,000 shares of a par value of $50.00 each: $1,000,000.00
  - Issued and outstanding: 8,961 shares $448,050.00
  - Less in treasury: 1,204 shares 60,200.00

  Total: 7,757 shares $387,850.00

- **Cash received on subscription to:**
  - 2,854 shares 81,132.00
  - 10,611 shares $468,982.00

- **Common:**
  - Authorized, 500,000 shares of no par value:
  - Issued and outstanding: 484,120 shares $13,698,776.45
  - Less in treasury: 6000 shares 168,504.40

  Total: 478,120 shares $13,530,272.05

- **Earned surplus, as per statement attached:** 7,387,560.91
- **Capital surplus arising from appraisal of properties made in 1922 (balance):** 385,870.05

Total Capital Surplus: 21,772,685.01

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**Contingent Liability on Bills Discounted:**
- Export business of parent company: $788,927.09
- Export business of foreign subsidiary: 177,652.75

Total: $966,579.84

**Total Liabilities:** $22,581,980.55
### JULIUS KAYSER & CO. AND SUBSIDIARY COMPANIES

#### CONSOLIDATED INCOME ACCOUNT

**Year Ended June 30, 1930**

**NET SALES,** twelve months ended June 30, 1930 (inter-company items excluded) ....................................................... $26,018,610.11

Less cost of sales, selling and administration expenses ....................... 24,175,016.33

**INCOME FROM OPERATIONS,** before adjustment of raw silk to market value ........................................... $ 1,843,593.78

**OTHER INCOME:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and discount earned</td>
<td>$ 197,871.03</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>$ 86,745.71</td>
</tr>
<tr>
<td><strong>TOTAL OTHER INCOME</strong></td>
<td><strong>$ 284,616.74</strong></td>
</tr>
</tbody>
</table>

**OTHER DEDUCTIONS:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense</td>
<td>$ 24,614.62</td>
</tr>
<tr>
<td>Taxes on income, etc.</td>
<td>$ 184,588.33</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$ 508,400.07</td>
</tr>
<tr>
<td><strong>TOTAL OTHER DEDUCTIONS</strong></td>
<td><strong>$ 717,603.02</strong></td>
</tr>
</tbody>
</table>

**NET INCOME FOR YEAR,** before adjustment of raw silk to market value, added to surplus ................................................... $ 1,410,607.50

**Consolidated Surplus Account**

**BALANCE, June 30, 1929** ..................................................... $ 9,356,628.07

**ADD:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income, year ended June 30, 1930, before adjustment of raw silk to market value</td>
<td>$ 1,410,607.50</td>
</tr>
<tr>
<td>Deduct adjustment for reduction of silk inventory and contracts to June 30th</td>
<td></td>
</tr>
<tr>
<td>Market value</td>
<td>$ 936,453.06</td>
</tr>
<tr>
<td>Less reserve for market fluctuation in raw silk applied thereto</td>
<td>500,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>436,453.06</strong></td>
</tr>
<tr>
<td><strong>Deduct:</strong></td>
<td><strong>974,154.44</strong></td>
</tr>
<tr>
<td>Stock dividend, 50%, July 1, 1929 (161,373 shares at $5.00 per share)</td>
<td>$ 806,865.00</td>
</tr>
<tr>
<td>Excess over ledger value of treasury stock</td>
<td>26,195.60</td>
</tr>
<tr>
<td>Provision for additional taxes for prior years</td>
<td>130,000.00</td>
</tr>
<tr>
<td>Cash dividends paid:</td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>$1,924,216.00</td>
</tr>
<tr>
<td>Employees’ preferred stock</td>
<td>55,945.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,980,161.00</strong></td>
</tr>
<tr>
<td><strong>Deduct:</strong></td>
<td><strong>2,943,221.60</strong></td>
</tr>
</tbody>
</table>

**BALANCE, EARNED SURPLUS, June 30, 1930** ..................................................... $ 7,387,560.91
August 5, 1930.

We have examined the books and accounts of Julius Kayser & Co. and subsidiary companies for the year ended June 30, 1930, and certify that, in our opinion, the accompanying consolidated balance sheet and income and surplus accounts are correctly prepared therefrom to show the true financial condition of the combined companies as at June 30, 1930 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

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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