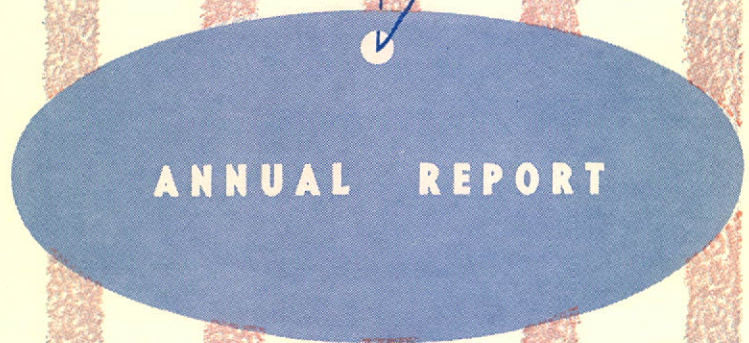
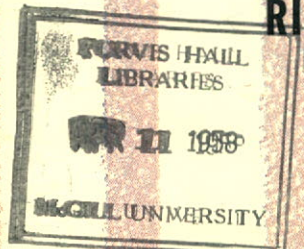


(1sted in file)



FOR THE YEAR ENDING DECEMBER 31st, 1957

**RIVERSIDE SILK MILLS, LIMITED**  
GALT • ONTARIO • CANADA







A dress in "Vocama"—leading fabric of our fall line, now used for dresses, skirts, slacks and coats, also sportswear.

Enthusiastic acceptance of our limited 1957 production promises capacity business in 1958.

A suit and child's frock of "Rivolene" — now definitely acknowledged as the standard of quality in the Terylene field. Leading shirtmakers, dress and blouse manufacturers in the better price categories maintain a brisk demand for this lovely material.



**R I V E R S I D E   S I L K   M I L L S ,   L I M I T E D**

**DIRECTORS**

**K. D. Bailey**

**D. M. Deacon**

**J. S. Deacon**

**R. B. Law, Q.C.**

**H. P. Wright, C.P.A.**

**OFFICERS**

**K. D. Bailey, President**

**R. B. Law, Q.C., Vice-President**

**H. P. Wright, C.P.A., Secretary**

**L. R. Dobbin, B. Com., Treasurer**

**PLANT**

**Galt,  
Ontario**

**SALES OFFICES**

**Toronto, Ontario  
Montreal, Quebec**

**BANKERS**

**Royal Bank of Canada**

**TRANSFER AGENTS**

**National Trust Company, Toronto**

**REGISTRARS**

**Canada Permanent Trust Company  
Toronto**

**SOLICITORS**

**Raymond, Spencer, Law & MacInnes,  
Welland**

**AUDITORS**

**Thorne, Mulholland, Howson & McPherson  
Chartered Accountants  
Toronto**



# RIVERSIDE SILK MILLS, LIMITED

## REPORT OF THE DIRECTORS

### TO THE SHAREHOLDERS:

Your Directors submit, herewith, the Company's Annual Report for the year ended December 31st, 1957, together with the Financial Statements and the Report of the Auditors.

### SALES AND EARNINGS

The Company's sales at \$1,877,960 for 1957 represent an increase of approximately 45% over 1956 and 95% over 1955. In terms of physical volume, the Fabrics Division showed an increase of 15% over 1956, while in the Yarns Division there was an increase of 75%.

The net profit in 1957 was \$12,274 after making provision for depreciation in the amount of \$101,889. This compares with a net loss of \$43,249 in 1956 on a comparable basis.

With the rest of the Canadian economy your Company enjoyed relatively good business conditions during the first 6 months of 1957; but the lower level of general business conditions during the last half and the reduced level of textile operations in particular, resulted in a financial return for the year which was below expectations.

### NEW FINANCING

In order to permit the Company to finance a higher level of sales and to improve its working capital position an issue of \$200,000 First Mortgage Bonds was created and sold in September.

### MODERNIZATION

No effort has been spared in the improvement of the quality of our products. To this end, approximately \$70,000 was spent for capital equipment in 1955 and \$112,000 was added in 1956. In 1957 a further \$88,000 was spent in a continuation of this program, and as a result, we believe the quality of all our products is now equal to or better than that of any of our competitors.

### MERCHANDISING

To overcome the problem of price cutting by Canadian competition and the threat of imports, your company has undertaken a merchandising program of proportions never before considered by any Canadian textile company. This policy is based upon the theory that with distinctive fabrics and yarns, of the highest attainable quality, your Company will cater to the quality market through better garment manufacturers, and better styles. In furtherance of this policy a strong advertising program is now promoting the sale of our customer's product to the consumer.

### YARNS DIVISION

Exclusive rights to "Tycora"\* for Canada have been obtained with all the technical knowledge, research, and advertising that have been invested in this product in the United States.

\*Riverside Silk Mills Ltd. registered trademark for modified continuous filament yarns.

# RIVERSIDE SILK MILLS, LIMITED

The "Tycora" program is designed to select the best fibre and the best process for modifying that fibre for each separate end use. As a result "Tycora" products of the very best quality are now being produced in the United States including sweaters, sports shirts, hosiery, bathing suits, underwear, and even such products as rugs and upholstery. To date, in Canada, "Tycora" sweaters and hosiery have been successfully introduced and sport shirts will be on the market in the Spring and Summer of this year.

The research behind this program is of vital importance to its continued success and while the "Tycora" research itself is extensive, our association in the "Tycora" program with the best mills in England, France, Belgium and Australia, brings "Riverside" the results of the research efforts of these companies as well.

Since the inception of the "Tycora" program, the volume of sales has been steadily increasing, with satisfaction expressed by the garment manufacturers, the retailers and the consumers. While it is too early yet to predict the final results, your Directors are satisfied that an auspicious beginning has been made.

## FABRICS DIVISION

Your Company has had outstanding success with its Terylene/Nylon tricot fabrics, now being sold under the trade names "Rivolene"\* and "Luxura"\*. "Vocama"\*, made under exclusive licence from an American company was introduced late in 1957 and the demand is steadily growing.

A merchandising program similar to that for "Tycora" has been undertaken for these fabrics.

## SUMMARY

Despite a combination of poor business conditions in the last half of the year, the problem of securing raw yarns of a quality essential to our present program, and the introduction of many new processes, your Company after many years of losses has shown a profit. It is financially able to operate at an expanding sales level, and operations have been established along profitable lines.

Under these circumstances, your Directors feel that 1957 has been a year of considerable accomplishment, and look forward to an improvement in earnings during this coming year.

In conclusion your directors wish to express their appreciation of the wholehearted co-operation extended by all employees in achieving the improvement made in the company's affairs during 1957.

On behalf of the Board,

K. D. BAILEY,

President.

\*Riverside Silk Mills Ltd. registered trademarks.



**RIVERSIDE SILK**

(Incorporated under

Statement of Financial Position as

**BALANCE**

1956	ASSETS	1957
	<b>CURRENT ASSETS:</b>	
\$ 24	Cash .....	\$ 25
197,595	Accounts receivable, less allowance for doubtful accounts .....	257,884
	Inventory of merchandise and supplies as determined by the management and certified to be valued at the lower of cost or market .....	425,998
337,028	Employees' balances re bond subscriptions (secured) .....	5,536
9,004	Prepaid expenses .....	9,362
3,614		
547,265		698,805
	<b>FIXED ASSETS at replacement value as of April 10th, 1928 as per appraisal of Dominion Appraisal Co., Limited, plus subsequent additions at cost, less disposals:</b>	
6,600	Land .....	6,600
296,592	Buildings .....	298,313
1,054,553	Machinery and equipment .....	1,091,640
		1,396,553
1,357,745	<b>LESS: Accumulated depreciation .....</b>	<b>882,494</b>
828,618		
529,127		514,059
	<b>Investment in Great West Felt Company, Limited ...</b>	<b>1</b>
1		
	<b>DEFERRED CHARGES TO OPERATIONS:</b>	
	Prepaid royalties .....	35,915
	Re-financing expenses .....	21,127
		57,042
\$1,076,393		\$1,269.907

**APPROVED ON BEH**

**K. D. BAILEY, Director**

**AUDIT**

TO THE SHAREHOLDERS OF

RIVERSIDE SILK MILLS, LIMITED.

We have examined the balance sheet of Riverside Silk Mills, Limited as at December 31st, 1957 and the statements of Income and Retained Earnings for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

# MILLS, LIMITED

(Incorporated under the laws of Ontario)

Balance Sheet as at December 31st, 1956 and 1957

## Balance Sheet

1956	LIABILITIES	1957
	<b>CURRENT LIABILITIES:</b>	
\$ 288,684 156,289 9,004 <hr/> 453,977	<b>Bank loan and overdraft (secured) .....</b> <b>Accounts payable and accrued expenses .....</b> <b>Bank loan re employees' bonds (secured) .....</b>	\$ 281,735 147,946 5,536 <hr/> 435,217
	<b>FUNDED DEBT:</b>	
	6½% First mortgage sinking fund bonds, Series A, due September 15, 1972 (see note 2)	200,000
	<b>SHAREHOLDERS' EQUITY</b>	
	<b>Capital Stock</b>	
	Authorized:	
	30,000 Class A \$2.00 cumulative participating shares and	
	100,000 Common shares, all without par value	
	Issued:	
300,000 322,416 <hr/> 622,416	30,000 Class A shares and 20,000 Common shares .....	300,000 334,690 <hr/> 634,690
	Retained earnings .....	
		<hr/> 634,690
	<b>NOTES:</b>	
	1. Dividends on the Class A shares have been paid to April 1st, 1953 and are in arrears \$9.50 per share.	
	2. The first mortgage sinking fund bonds, series A, carry warrants for the purchase of common shares at \$5 per share up to December 31st, 1961, on the basis of 50 shares for each \$1,000 principal amount of bonds.	
<hr/> \$1,076,393		<hr/> \$1,269,907

## Directors' Report

J. S. DEACON, Director

## Directors' Report

In our opinion, the above balance sheet, supplemented by the notes thereto, and accompanying statements of Income and Retained Earnings present fairly the financial position of the company as at December 31st, 1957 and the results of its operations for the year ended on that date.

TORONTO, Canada,  
March 12th, 1958.

THORNE, MULLHOLAND, HOWSON & McPHERSON  
Chartered Accountants

RIVERSIDE SILK MILLS, LIMITED

COMPARATIVE STATEMENT OF PROFIT AND LOSS

Years ended December 31st, 1956 and 1957

1956		1957
\$ 169,293	<b>Gross income</b> .....	\$ 291,377
100,044	<b>Selling and administrative expenses</b> .....	166,972
4,700	<b>Directors' fees</b> .....	4,400
	<b>Bond interest</b> .....	3,257
	<b>Re-financing expenses amortized</b> .....	419
<u>104,744</u>		<u>175,048</u>
64,549	<b>Income for year before undernoted items</b> .....	116,329
107,798	<b>Depreciation</b> .....	101,889
(43,249)		14,440
	<b>Employees' share of income under profit-sharing plan</b>	2,166
<u>(43,249)</u>	<b>NET INCOME OR (LOSS) FOR YEAR</b> .....	<u>12,274</u>



RIVERSIDE SILK MILLS, LIMITED

COMPARATIVE STATEMENT OF RETAINED EARNINGS

Years ended December 31st, 1956 and 1957

1956		1957
365,665	Balance, January 1st .....	\$ 322,416
(43,249)	Net income or (loss) for year .....	12,274
<u>322,416</u>	Balance, December 31st .....	<u>\$ 334,690</u>

RIVERSIDE SILK MILLS, LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31st, 1957

FUNDS MADE AVAILABLE

Net income for year .....	\$	12,274	
Depreciation .....		101,889	
Proceeds from disposal of fixed assets .....		1,320	
Net proceeds from sale of first mortgage sinking fund bonds .....		178,454	
Re-financing expenses amortized .....		419	294,356

FUNDS APPLIED

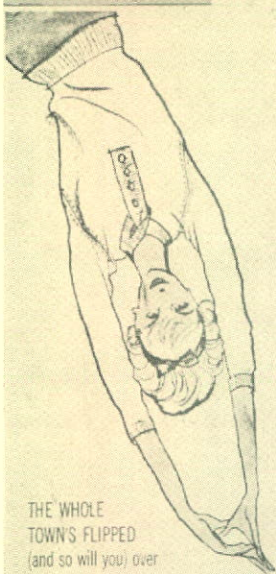
Expenditure on fixed assets .....		88,141	
Prepaid royalties .....		35,915	124,056

RESULTING INCREASE IN WORKING CAPITAL ..... \$ 170,300



Working Capital, December 31st, 1957 .....	\$	263,588
Working Capital, December 31st, 1956 .....		93,288
Increase in Working Capital .....	\$	170,300





THE WHOLE  
TOWN'S FLIPPED  
(and so will you) over

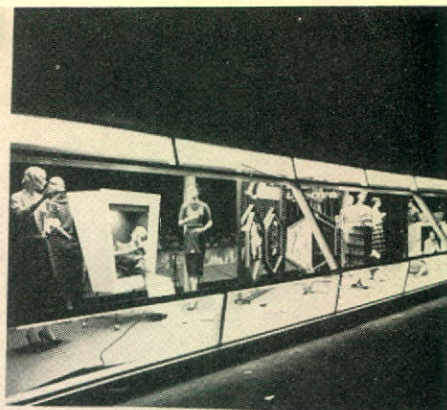
L'Anice SWEATERS OF tycora

What could be the simplest sewing in the world?  
You could use wool, silk or cotton, and there are no  
patterns to make. You could use any color you like,  
and you could make it as long or as short as you like.  
You could make it as simple or as fancy as you like.  
You could make it for yourself, or for your mother,  
or for your sister, or for your friend. You could  
make it for the person you love best. You could  
make it for the person you love least. You could  
make it for the person you love most.

# tycora yarns

have now reached the  
consumer market in the  
form of ladies'  
sweaters.

Vigorously promoted, in  
areas where stocks justify,  
their public acceptance  
has exceeded all  
expectations of manufacturer  
and stores alike.



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Burlington Place  
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Tel: 4-5542

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See Merchants' Largest Selection at  
**SIMPSON'S-SEARS**  
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**BEUBE'S OF HAMILTON**  
22 King Street West  
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THEY'RE HERE!  
THE FULL LAVISH COLLECTION  
L'Anice  
sweaters of  
tycora

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The S. H. Robinson Co. 12 James Street South, Toronto 1, Ont. Tel: 7-4211  
Morgan's 1277 Bloor Street East, Toronto 1, Ont. Tel: 5-4741  
Beube's of Hamilton 22 King Street West, Hamilton, Ont. Tel: 4-4242

