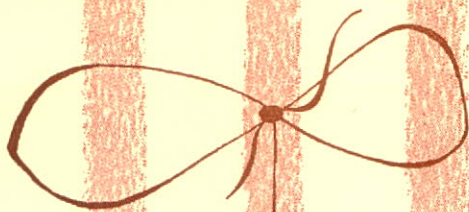


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Riverside



ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31st, 1959

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RIVERSIDE SILK MILLS, LIMITED

GALT • ONTARIO • CANADA

These ads represent the type of retail promotion activity conducted by our Miss Price and co-ordinated through our customers. For instance the Reitman's Newspaper Ad ran in 14 localities representing 23 stores.

Promotions were run with the J. D. Creaghan Company Limited in Moncton, Fredericton and St. John. We ran similar promotions in Simpson-Sears stores across Canada during both Spring and Fall Seasons.

Creaghan's

MISS MARGARET PRICE
 in the "Fashionable" Dept. - Monday to Friday - 11:00 a.m. to 7:00 p.m.
 in the "L'Anice" Dept. - Monday to Friday - 11:00 a.m. to 7:00 p.m.
 in the "L'Anice" Dept. - Saturday - 10:00 a.m. to 6:00 p.m.
 in the "L'Anice" Dept. - Sunday - 11:00 a.m. to 5:00 p.m.

SWEATER
 DEPT.
 MAIN
 FLOOR

makes your dreams come true in luxurious

L'Anice
 SWEATERS
 of **tycora**' yarn

TYCORA

In the new miracle yarn with the most "soft" texture - feeling irresistible. The new knit yarn has been carefully selected for its softness and warmth - the L'Anice sweaters of Tycora yarn are the most comfortable and warmest you can wear. They are made in the finest of fabrics, using the best of materials, and are made in the finest of factories, using the best of machinery.

Buy Tycora in the "L'Anice" Dept. - Monday to Friday - 11:00 a.m. to 7:00 p.m.

PULLOVER	CARDIGAN	PULLOVER
Open neck with all over ribbing, 100% wool.	Long sleeves, button front, 100% wool.	Open collar, 100% wool.
\$6.95	\$7.95	\$5.95

J. D. CREAGHAN CO. LTD.

Reitman's
 WHERE SMART WOMEN SHOP

SWEATERS and SKIRTS OF tycora
 By **L'Anice**

A. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

B. Classic cardigan and pullover. Novelty, three-quarter length. Black, white, navy-blue, and multi-blue. \$9.95

C. Novelty V-neck, three-quarter length. Black, navy-blue, white, and multi-blue. \$9.95

D. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

E. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

F. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

G. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

H. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

I. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

J. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

K. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

L. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

M. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

N. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

O. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

P. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

Q. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

R. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

S. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

T. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

U. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

V. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

W. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

X. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

Y. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

Z. Novelty, short collar, three-quarter length, pullover. Periwinkle, blue, white, and multi-blue. \$9.95

35 Only! All-Wool Skirts, Reg. 6.98 to 8.98
 Now only **4.88**

Visit the Eskimo '59 Exhibit

• Arranged by the Department of Northern Affairs.
 • Located at the "Eskimo Exhibit".
 • Including gifts, maps, brochures, etc.

FREE ... in our L'Anice Room
 Bring your own Tycora yarn to the "Eskimo Exhibit".

PARK FREE: NO TIME LIMIT,

PARK FREE AT THE MEMORIAL GARDENS

Friedman's BUY! SAVE!

DEPARTMENT STORE
 262 - 272 Queen St. East AL 6-8411

HEART OF THE SEASON SALE

CONTINUES ALL THIS WEEK WITH MANY SPECIAL FEATURES

You Want Carefree Days and We Know It!

THAT'S WHY WE FEATURE SWEATERS

Of Famous **TYCORA** Yarn by **L'ANICE**

MISS MARGARET PRICE
 COORDINATOR FOR RIVERSIDE SILK MILLS LTD.
 In Our Store Thurs. - Fri. and Sat.
 FEEL FREE TO CONSULT HER

Let Miss Price explain to you the wonderful properties of Tycora yarn - she will explain why this yarn gives you that which you demand in a sweater.

Tycora

- Shuns Pilling or Fuzzing
- Holds That Size
- The Smooth Soft Texture Feels Great
- Colors Stay True and Fast
- Whites Stay White
- Washes Easily - Dries Quickly
- Gives Warmth Without Weight
- More Absorbent Even Than Wool

SEE OUR MANY SMART STYLES IN SWEATERS OF THIS NEW MIRACLE YARN! BEAUTIFUL COLORS! SEE TOO SKIRTS TO MATCH

RIVERSIDE SILK MILLS, LIMITED

DIRECTORS

K. D. Bailey

D. M. Deacon

J. S. Deacon

R. B. Law, Q.C.

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

OFFICERS

R. B. Law, Q.C.
Chairman of the Board

J. S. Deacon
President

D. M. Rogers, B. Com.
Vice-President — Development and Sales

P. W. Moore
Vice-President — Manufacturing

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

L. R. Dobbin, B. Com.
Treasurer and Comptroller

HEAD OFFICE and PLANT

Galt, Ontario

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

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

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS:

Your directors submit herewith the annual report for the year ended December 31, 1959, together with financial statements and the report of the auditors.

Sale of the Fabrics Division

As the year progressed, it became evident to your directors that their hopes for the fabrics division were not going to be realized, and in fact that unless drastic action were taken, serious losses would result for your company. The losses for this division during the first six months of 1959 more than offset the profits of the yarns division. Also, the financial resources of your company were inadequate to pursue the proper development and expansion of both divisions simultaneously. Your directors therefore authorized the sale of the fabrics division as a going concern, and on August 31, 1959, the fabrics division was sold. Your company continues to operate it under the terms of a management agreement with Riverside Fabrics Limited, a subsidiary of Silkknit Limited. The sale of this division resulted in a reduction of \$91,559 in retained earnings.

As a direct result of this transaction, your company's working capital requirements have been reduced by more than 50%. Since the end of the fiscal year, the bank loan has been eliminated, and as of March 1, 1960, current assets were approximately two and one quarter times current liabilities.

Sales and Earnings

Prior to the sale on August 31, 1959, fabric sales amounted to \$764,094, while yarn sales for the year reached a total of \$1,490,646. The net operating loss for the year was \$69,801 after providing for depreciation of \$70,447.

RIVERSIDE SILK MILLS, LIMITED

Organization

On September 1, 1959, Mr. K. D. Bailey resigned as President and General Manager to become President of Riverside Fabrics Limited. Mr. J. S. Deacon was elected President of your company, and your directors appointed Mr. D. M. Rogers, Vice-President, Sales and Development; Mr. P. W. Moore, Vice-President, Manufacturing and Mr. L. R. Dobbin, Treasurer and Comptroller.

Development

With the improvement in your company's financial situation, Riverside has been able to pursue more aggressively the development and perfection of new type yarns for the hosiery, outerwear and upholstery trades. The success of our efforts is now being reflected in increased production and sales. The development of new production methods has resulted in better control of quality and costs.

Change of Name

Now that your company is engaged only in the production and sale of specialty yarns made of numerous synthetic fibres, your directors propose to change the name of your company to "Riverside Yarns Limited". Your approval is requested of a special resolution authorizing the change to this more accurate description of your company.

Summary

The year 1959 was a most difficult one for your company, but the drastic measures taken by your directors have resulted in the strongest financial picture enjoyed by your company for some years. The serious losses have been stopped, and after a slow start in 1960 sales have shown a promising upward trend.

Your directors wish to thank all the employees for their continuing loyalty and hard work which are being reflected in the quality of the company's products.

On behalf of the Board.

J. S. DEACON,

President.

R I V E R S I D E S I L K
Incorporated under t

	BALANCE December 31 (With comparative figures)	
ASSETS	1959	1958
Current Assets:		
Cash	300	1,075
Notes receivable, due January to March, 1960	182,676	
Accounts receivable, less allowance for doubtful accounts	145,229	245,558
Inventory of merchandise and supplies, at the lower of cost or market	173,987	550,346
Employees' balances re bond subscriptions (secured)	4,804	4,586
Prepaid expenses	10,504	13,420
	517,500	814,985
Deposit with trustee for bondholders (note 3)	40,500	
Fixed Assets at replacement values as of April 10, 1928 as per appraisal of Dominion Appraisal Co., Limited, with subsequent additions at cost:		
Land	6,600	6,600
Buildings	303,529	301,283
Machinery and equipment	571,875	1,096,087
	882,004	1,403,970
Less Accumulated depreciation	568,909	934,543
	313,095	469,427
Investment in Great West Felt Company, Limited ...		1
Patents		381
Deferred charges to operations	93,740	110,068
	\$ 964,835	\$ 1,394,862

Notes:

1. Dividends on the class A shares have been paid to July 1, 1953 and are in arrears \$13
2. The first mortgage sinking fund bonds, Series A, carry warrants for the purchase of for each \$1,000 principal amount of bonds. The company is required to redeem \$10, deemed.
3. The deposit of \$40,500 with the trustee for the bondholders is available to the compa
4. The Trust Deed securing the Series A bonds restricts the declaration or payment of 1957.

TO THE SHAREHOLDERS OF
RIVERSIDE SILK MILLS, LIMITED.

AUDITORS'

We have examined the balance sheet of Riverside Silk Mills, Limited as at December 31, 1959 and ed a general review of the accounting procedures and such tests of accounting records and other supporting

In our opinion the accompanying balance sheet, supplemented by the notes thereto, and statement 1959 and the results of its operations for the year ended on that date, in accordance with generally accepted

TORONTO, Canada.
March 29, 1960.

M I L L S , L I M I T E D
 the laws of Ontario

SHEET
 31, 1959
 as at December 31, 1958)

LIABILITIES	1959	1958
Current Liabilities:		
Bank loan and overdraft (secured)	161,252	326,120
Accounts payable and accrued expenses	147,208	228,893
Bank loan re employees' bonds (secured)	4,804	4,586
Income taxes payable		2,332
	<hr/>	<hr/>
	313,264	561,931
Funded Debt:		
6½% First mortgage sinking fund bonds,, Series A, due September 15, 1972 (note 2)	180,000	200,000
	<hr/>	<hr/>
Shareholders' Equity:		
Capital stock:		
Authorized:		
30,000 class A \$2.00 cumulative participating shares without par value		
100,000 common shares without par value		
Issued:		
30,000 class A shares)		
20,000 common shares).....	300,000	300,000
Retained earnings	171,571	332,931
	<hr/>	<hr/>
	471,571	632,931
	<hr/>	<hr/>
APPROVED ON BEHALF OF THE BOARD		
J. S. DEACON, Director	R. B. LAW, Director	
	<hr/>	<hr/>
	\$964,835	\$ 1,394,862
	<hr/>	<hr/>

00 per share.

common shares at \$5 per share up to December 31, 1961, on the basis of 50 shares
 00 of bonds in each of the years 1959 to 1972. To date \$20,000 of bonds have been re-

ny for the acquisition of fixed assets.

Dividends to the aggregate of the net earnings of the company subsequent to June 30,

REPORT

the statements of income and retained earnings for the year ended on that date. Our examination includ-
 evidence as we considered necessary in the circumstances.

s of income and retained earnings present fairly the financial position of the company as at December 31,
 accounting principles applied on a basis consistent with that of the preceding year.

THORNE, MULHOLLAND, HOWSON & McPHERSON
 Chartered Accountants

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

COMPARATIVE STATEMENT OF INCOME
for the years ended December 31st, 1959 and 1958

	1959	1958
Gross operating profit	\$ 240,565	\$ 320,102
Selling and administrative expenses	\$ 222,665	\$ 193,626
Directors' fees	2,800	3,100
Bond Interest	12,341	13,000
Re-financing expenses amortized	1,464	1,353
	<u>\$ 239,270</u>	<u>\$ 211,079</u>
Income before undernoted items	\$ 1,295	\$ 109,023
Depreciation	70,447	90,770
	<u>\$ (69,152)</u>	<u>\$ 18,253</u>
*Contribution to employees profit sharing plan	591	2,738
Income or (loss) before undernoted taxes	\$ (69,743)	\$ 15,515
Taxes on income	\$ 58	\$ 2,274
Net income or (loss) for year	<u><u>\$ (69,801)</u></u>	<u><u>\$ 13,241</u></u>

*The 1959 contribution represents the minimum requirement.

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

COMPARATIVE STATEMENT OF RETAINED EARNINGS

for the years ended December 31st, 1959 and 1958

	1959	1958
Retained earnings at beginning of year	\$ 332,931	\$ 334,690
Net income or (loss) for year	(69,801)	13,241
	<hr/>	<hr/>
	\$ 263,130	\$ 347,931
Loss on sale of fabrics division machinery and inventory	(91,559)	
	<hr/>	<hr/>
	\$ 171,571	\$ 347,931
Dividends paid on Class A shares		15,000
	<hr/>	<hr/>
Retained earnings at end of year	<u>\$ 171,571</u>	<u>\$ 332,931</u>

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

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31st, 1959

Funds made available:

By operations:

Expenses which do not involve an outlay of funds:

Depreciation	\$ 70,447		
Patents and investment written off..	382		
Promotion and development expenses amortized	14,864		
Re-financing expenses amortized	1,464		
Loss on sale of fixed assets	1,621		
		<u> </u>	
	\$ 88,778		

Less:

Net loss for year	\$ 69,801		
Loss on sale of fabrics in- ventory	17,947	87,748	1,030
	<u> </u>	<u> </u>	
Proceeds from sale of fixed assets (not in- cluding \$40,500 deposited with trustee for bondholders)		\$ 1,544	\$ 2,574
		<u> </u>	<u> </u>

Funds applied:

Expenditure on fixed assets	31,392		
Reduction of first mortgage bonds	20,000		51,392
		<u> </u>	<u> </u>

Resulting decrease in working capital \$ 48,818



Working Capital December 31st, 1959		\$ 204,236	
Working Capital December 31st, 1958		253,054	
		<u> </u>	
Decrease in Working Capital		\$ 48,818	
		<u> </u>	

VOGUE

60c APRIL 1

Have you a fashion-personality?
2 women who do

ANOTHER tycora® FIRST

tycora
ORLON CANTRECE®

New shopping system for travel clothes

"Who reads other people's letters?"

L'Anice Introduces
TULIP TONES
of tycora

the fashion NEWS in COLOUR for Spring!

Heavenly styles... enchanting colours... make your dreams come true in L'Anice® sweaters of Tycora®

L'Anice SWEATERS

Available at the finest stores in North America

27 Big Wonderful Prizes FREE!

WIN A FREE TRIP TO EUROPE!

SPEND YOUR HOLIDAY ABROAD

27 Big Wonderful Prizes FREE!

1. 21 one-way fares to Europe and the West Indies, the 22 others are round-trip fares to Europe.

2. 21 14-day round-trip fares to Europe in the summer of 1955.

You can be one of the lucky few people here to Europe! Then to England and the "Island of France" to celebrate this summer for a 12-day European grand holiday. Or you can be one of the 21 lucky winners who will enjoy the Tulip Tone color of your choice!

Visit your favorite department store... send in your name to receive one of the exciting, new-fashions styles by L'Anice in Tycora. The contest normally runs there in-and-out every month. You'll find every black and white in every length attached to the enchanting Tulip Tone sweater of Tycora by L'Anice.

Visit the sweater departments of Saks Fifth Avenue, Saks Fifth Avenue, and the other fine department and specialty stores throughout Canada.

The prizes are simple and you may win any one of the 27 wonderful prizes. Contest ends May 31, 1955.

MAKING APRIL 1955

This fabric is made with

tycora

100% YARN

Continuous Filament Textured Nylon

- EXTRA DURABLE
- LUSTROUS COLORS
- LUXURIOUS FEEL
- RESILIENT
- MILDREW PROOF
- MOTH PROOF
- NON PILLING
- SOIL RESISTANT
- NON ALLERGENIC

tycora YARN

the same phenomenal fiber that broke the wear and tear barrier when it went up with the jets as upholstery for Boeing, Douglas and Lockheed.

Tycora is also cruising at the moment, as the luxurious passenger-proof upholstery designed for the Santa Rosa of Grace Line.

Having met the people where the traffic is intense, Tycora comes home to the family in upholstery fabrics that can sit back and take it, practically forever.

Reprinted from the May 1955 issue of LIVING for Young Homemakers

"I'm the first girl in town," says Theodora, "to have a Flexsteel sofa upholstered in Tycora."

Tycora, fashion's favorite yarn, comes home. You'll love it for its look of luxury, depend on it for wear. Tycora is a continuous filament textured nylon. No yarn comes closer to indestructibility. It's been tried and proven true on every important count. Now it's ready in this inviting sofa by Flexsteel.

tycora

These layouts represent

- * a Spring sweater promotion.
- * a new development in knitwear Tycora® Orlon Cantrecre®.
- * a new program at Riverside upholstery fabric yarns.

