

# RIVERSIDE SILK MILLS, LIMITED

## ANNUAL REPORT

To the Shareholders:

Your Directors take pleasure in submitting herewith the Company's annual report together with audited financial statements for the year 1949.

Net operating profit for the year was \$187,918.56, before providing for depreciation or for taxes on profits. Depreciation has been provided for in the amount of \$85,761.76, and provision for Federal and Provincial income taxes was \$40,197.28, leaving net income of \$61,959.52 for the year.

Depreciation written off is \$21,078.32 higher than in 1948, due in part to the application of new rates as set out in the regulations issued under the provisions of The Income Tax Act which came into effect January 1, 1949.

In common with the textile industry as a whole, there was a downward trend in sales during the first half of 1949, although this trend was reversed in October and November, and it is anticipated that volume will be somewhat heavier in 1950.

The Company has purchased four new high-speed tricot machines in England, and it is hoped to have these in operation no later than next June. Acquisition of these machines marks the entrance of your Company into the piece-goods tricot field, which the Directors feel will prove to be a profitable operation.

Dividends for the year 1949 have been paid at the rate of \$2.00 per share on Class "A" shares and \$1.00 per share on Class "B" shares. After giving effect to these dividends and to a loss of \$14,725.50 on disposal of investments, the net decrease for the year in the Company's surplus was \$32,765.98. Working capital increased by \$46,637.04 to \$521,721.89.

The Directors wish to acknowledge the loyal co-operation and support of employees in all departments.

All of which is respectfully submitted on behalf of the Board.

L. A. DUNBAR,  
President.

Galt, Ontario,  
March 23, 1950.

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# RIVERSIDE SILK

## BALANCE

DECEMBER 31, 1949

### ASSETS

#### CURRENT ASSETS:

Cash on hand and in bank .....	\$	128,991.79	
Investments, stocks at cost (market value \$15,750.00) .....		21,332.50	
Accounts receivable less bad debts reserve of \$5,000.00 .....		140,461.85	
Inventory of merchandise and supplies, as determined by the management and certified to be valued as follows: raw materials and supplies at the lower of laid-down cost or market, and finished goods and goods in process at factory cost .....	\$387,367.73		
LESS inventory reserve .....	25,000.00	362,367.73	
Employees' balances re bond subscriptions (secured) .....		17,757.69	
Prepaid expenses, etc. ....		7,232.65	\$ 678,144.21

REFUNDABLE PORTION OF EXCESS PROFITS TAXES ..... 25,889.17

MORTGAGE RECEIVABLE ..... 2,000.00

CAPITAL ASSETS at replacement value as of April 10, 1928, as per appraisal of Dominion Appraisal Co., Limited, plus subsequent additions at cost, less disposals:

Land .....	6,600.00		
Buildings .....	260,795.97		
Machinery and equipment .....	953,754.19		
	1,221,150.16		
LESS depreciation reserve .....	908,759.03	312,391.13	
			<u>\$ 1,018,424.51</u>

#### AUDITORS' REPORT TO

We have audited the books and accounts of Riverside Silk Mills, Limited for the year ended December 31, 1949, and in our opinion the above statement presents a correct view of the state of the Company's affairs, as at December 31, 1949, according to the best of our information and the accounts and vouchers which have been complied with.

Toronto, March 13, 1950.



# MILLS, LIMITED

## BALANCE SHEET

DECEMBER 31, 1949

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts payable and accrued wages .....	\$ 106,206.71	
Dividend Class A shares, payable January 3, 1950 .....	15,000.00	
Bank loan re employees' bonds (secured) .....	17,757.69	
Provision for taxes on income .....	17,457.92	\$ 156,422.32

#### CAPITAL STOCK AND EARNED SURPLUS:

##### Capital stock, authorized and issued:

30,000 Class A shares and 20,000 Class B shares, all of no par value .....	300,000.00	
Earned surplus .....	562,002.19	862,002.19

The Class A shares are entitled to a cumulative dividend of \$2.00 per annum and are participating after \$2.00 had been paid on Class B shares. They have a priority of \$30.00 per share and accrued dividends on winding up, after which Class B shares are entitled to receive an amount calculated at \$2.00 per year since 1929, less the amount of any dividends up to \$2.00 per year paid in any year since 1929. Both classes share equally on any further distribution of assets.

\$ 1,018,424.51

#### THE SHAREHOLDERS

1949, and report that, in our opinion, the above balance sheet is properly drawn up so as to exhibit a true and correct statement of the financial position and the explanations given us and as shown by the books of the Company. All our requirements, as auditors,

THORNE, MULHOLLAND, HOWSON & McPHERSON,  
Chartered Accountants.

# RIVERSIDE SILK MILLS, LIMITED

## STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

Year ended December 31, 1949

Earned surplus, December 31, 1948 .....		\$594,768.17
Profit for year before undernoted charges .....	\$187,918.56	
Provision for depreciation .....	\$ 85,761.76	
Provision for taxes on income .....	40,197.28	
Net profit for year .....	61,959.52	
Less loss on investments sold .....	14,725.50	47,234.02
Dividends on Class A shares .....	60,000.00	642,002.19
Dividends on Class B shares .....	20,000.00	80,000.00
EARNED SURPLUS, DECEMBER 31, 1949 .....		<u>\$562,002.19</u>