

# RIVERSIDE SILK MILLS, LIMITED

## BALANCE SHEET

December 31, 1947

### ASSETS

#### CURRENT ASSETS:

Cash on hand .....	350.00	
Investments, stocks and bonds, (market value \$274,850.00) .....	294,025.00	
Accounts receivable, less bad debts reserve of \$5,000.00....	159,408.35	
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.....	240,419.10	
Less Inventory Reserve .....	25,000.00	215,419.10
Employees' balances re bond subscriptions .....	19,464.58	
Prepaid insurance and accrued interest receivable .....	8,817.72	697,484.75
Refundable Portion of Excess Profits Taxes.....		37,749.25
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 .....	12,850.00	
Buildings .....	274,545.97	
Machinery and equipment .....	825,553.69	
	1,112,949.66	
Less Depreciation reserve .....	760,135.14	352,814.52
		<u>\$1,088,048.25</u>

### LIABILITIES

#### CURRENT LIABILITIES:

Bank loan and overdraft (secured) .....	67,578.20	
Accounts payable and accrued wages .....	75,112.66	
Dividend Class A Shares, payable January 2, 1948 .....	15,000.00	
Bank Loan re employees' bonds .....	19,464.58	
Provision for taxes on income .....	21,240.79	198,396.23

#### CAPITAL STOCK AND 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	
Surplus .....	589,652.29	889,652.29

The Class A shares are entitled to a cumulative dividend of \$2.00 per annum and are participating after \$2.00 has 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.

\$1,088,048.52

### PROFIT & LOSS AND SURPLUS ACCOUNT

Year ended December 31, 1947

Surplus, December 31, 1946 .....		584,779.82
Profit for year before undernoted charges.....	188,690.83	
Provision for depreciation .....	39,416.19	
Provision for taxes on income .....	56,440.79	95,856.98
Net profit for year .....	92,833.85	
Profit on investments sold .....	512.89	
Reduction in inventory reserve .....	15,000.00	
	108,346.74	
Less:		
Additional taxes on income, prior years.....	3,474.27	104,872.47
		689,652.29
Deduct:		
Dividends on Class A shares .....	60,000.00	
Dividends on Class B shares .....	40,000.00	100,000.00
Surplus, December 31, 1947 .....		<u>\$589,652.29</u>

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the books and accounts of Riverside Silk Mills, Limited, for the year ended December 31, 1947, and report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given us and as shown by the books of the Company. All our requirements, as auditors, have been complied with.

THORNE, MULHOLLAND, HOWSON & McPHERSON,

Toronto, February 18, 1948.

Chartered Accountants.

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