

Russell Motor Car Company, Limited

REPORT OF THE BOARD OF DIRECTORS

ANNUAL MEETING

OCTOBER 30th, 1925

TO THE SHAREHOLDERS:

The Report herewith submitted covers the operations of the Company for the year ending July 31st, 1925.

Since the close of its financial year, the Company has suffered an irreparable loss through the death of Mr. Lloyd Harris, who was for fourteen years Director and ten years President of the Company. During all this period, Mr. Harris was keenly interested and alert in the Company's affairs, active in the development of special lines of business and full of courage to meet the many difficulties which had to be surmounted during the years of his Presidency. His sudden and untimely death means a real loss to this Company, as indeed it does to Canada as well.

The activities of your Company are now represented in the operations of the following Companies in which it holds stock:

CANADA CYCLE & MOTOR COMPANY, LIMITED, WESTON.

CANADIAN ACME SCREW & GEAR, LIMITED, TORONTO.

WILLYS-OVERLAND, LIMITED, TORONTO.

The financial year of Canada Cycle & Motor Company, Limited, which ended on December 31st last, showed a slight increase in profits over the preceding year. There has been very little change in the business of this Company during 1925, but the Company hopes to show a slight increase in sales due largely to the addition of lines of high-grade children's vehicles. The Company has been working for some years past on the development of children's high-grade tricycles, and in addition this year has added a special new type of child's bicycle. Our expectation is that we may look forward to an increase in business in these new lines.

In our Annual Statement for the year 1924, reference was made to the amalgamation of The National Acme Company with Russell Gear & Machine Company, Limited, and to the change of the name to "Canadian Acme Screw & Gear, Limited."

The amalgamation has been completely carried out and the Company will close its first financial year under the new conditions on December 31st next.

The main lines of manufacture are standard and special screw and nut products, phonograph motors, Ruckstell Axles for Ford cars and trucks, and miscellaneous stamping, machine and gear products.

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The Directors are hopeful that the Canadian Acme Screw & Gear, Limited, will show a small profit at the conclusion of its first financial year.

Willys-Overland, Limited, has, by reason of the superior merit of its products, secured an increased volume of business in 1925 over the preceding year. The addition of a six-cylinder car to the Overland line and the introduction of a six-cylinder Willys-Knight model have greatly strengthened the Company's position in the industry, and enabled it to secure an increasing percentage of the motor business. The Company is carrying on important export business with certain foreign countries and the Directors are confident that the operations of its business year, which closes December 31st next, will result in a net profit.

The Balance Sheet as submitted herewith reflects the changes which have been made as a result of the amalgamation of the Canadian branch of The National Acme Company and Russell Gear & Machine Company, Limited.

The Statement of Profit and Loss is as follows:

Balance brought forward July 31st, 1924.....	\$488,533.39
Net Gain for year ending July 31st, 1925.....	115,504.56
Dividend on Preferred Shares for year ending July 31st, 1925.....	\$84,000.00
Balance carried forward.....	520,037.95
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	\$604,037.95
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	\$604,037.95

During the year, regular quarterly dividends at the rate of Seven (7%) per cent. per annum were paid upon the Preference Stock of the Company. No dividends were paid upon the Common Stock.

The Statement of Assets and Liabilities as of July 31st, 1925, is herewith submitted.

The Accounts of the Company have been duly audited and certified to by Messrs. Edwards, Morgan & Company, Chartered Accountants.

All of which is respectfully submitted.

T. A. RUSSELL,
President

RUSSELL MOTOR CAR COMPANY, LIMITED

Balance Sheet, July 31st, 1925

ASSETS

Cash on Hand and in Bank.....	\$ 704.86	
Dominion Government and Provincial Bonds.....	395,980.19	
Municipal and other Bonds.....	96,656.88	
Accounts and Bills Receivable.....	122,044.27	\$615,386.20
Investments in Allied and Subsidiary Companies..		2,415,450.00
Real Estate.....	33,755.00	
Office Furniture and Fixtures.....	1.00	33,756.00
		<u>\$3,064,592.20</u>

LIABILITIES

Bankers' Advances.....	\$46,000.00	
Accounts and Bills Payable.....	3,134.81	
Dividends, Declared and Unpaid.....	21,000.00	70,134.81
Contingent Account.....		216,075.50
Buildings, Investment and Insurance Reserves....		258,343.94
Capital Stock—Preferred.....	1,200,000.00	
—Common.....	800,000.00	2,000,000.00
		2,544,554.25
Profit and Loss Account.....		520,037.95
		<u>\$3,064,592.20</u>

We have audited the books of the Russell Motor Car Company, Limited, for the year ending July 31st, 1925, and we certify that our requirements as Auditors have been complied with.

We also certify that the annexed Balance Sheet is in accord with the books, and in our opinion, correctly states the position of the Company on that date.

October 10th, 1925.

(Sgd.) EDWARDS, MORGAN & CO.

1925
ANNUAL REPORT

RUSSELL MOTOR CAR
COMPANY, Limited

Head Office - - - TORONTO

DIRECTORS:

T. A. RUSSELL, Esq.,
A. E. AMES, Esq.
E. B. RYCKMAN, Esq.
J. N. SHENSTONE, Esq.
C. R. BURT, Esq.
H. D. SCULLY, Esq.
J. W. GIBSON, Esq.

Russell Motor Car Company
LIMITED

NOTICE OF ANNUAL MEETING

TORONTO, OCTOBER 16TH, 1925.

Notice is hereby given that the Annual General Meeting of the Shareholders of Russell Motor Car Co., Limited, will be held in Room 35, Third Floor National Trust Bldg., 20 King St. East, in the City of Toronto, on Friday, the 30th day of October, 1925, at 12 o'clock noon, to receive the Report of the Directors for the past year; to elect Directors for the ensuing year; and generally to transact any other business relating to the Company's affairs which may be brought before the Meeting.

A copy of the Annual Statement is enclosed, also a proxy which kindly sign and return to the undersigned.

T. A. RUSSELL,
President.

G. W. SUGGITT,
Secretary.