

Russell Motor Car Company, Limited

REPORT OF THE BOARD OF DIRECTORS

ANNUAL MEETING

OCTOBER 28th, 1926

TO THE SHAREHOLDERS:

The Report herewith submitted covers the operations of the Company for the year ending July 31st, 1926.

The activities of the Company as heretofore are reported through the operations of the following Companies in which it holds stock:

CANADA CYCLE & MOTOR COMPANY, LIMITED, WESTON.

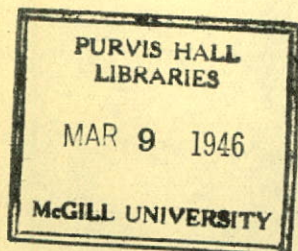
CANADIAN ACME SCREW & GEAR, LIMITED, TORONTO.

WILLYS-OVERLAND, LIMITED, TORONTO.

The financial year of Canada Cycle & Motor Company, Limited, ended on December 31st last, and again showed a slight increase in profits over the preceding year. Business during 1926 is slightly less than for the same period in 1925, and profits for the year may not be quite equal to those of 1925. As reported a year ago, the Company in addition to carrying on its regular lines of Bicycles and Skates, has been devoting special attention to a growing new department in children's vehicles, including Bicycles, Tricycles and other types.

The Canadian Acme Screw & Gear, Limited, completed its year, December 31st, 1925, with a small profit, after provision for depreciation, etc. During the present year, the Company has extended its lines of manufacture and we believe that the business has now been established with a sufficiently varied line of high-grade machine products to promise a continuing and satisfactory business in the future.

Willys-Overland Limited, as suggested in the last Annual Report, concluded its business year on December 31st, 1925, with the most satisfactory results in its history. The first quarter of 1926 gave promise of another year of marked improvement, but the unsettlement of the business, due to proposed Budget changes in April, resulted in a somewhat disappointing showing for the second quarter, which should always be the most profitable in the year. The Budget as finally adopted in June included amendments which materially corrected some of the difficulties created by the original proposals. Your Directors are now hopeful that the Company will continue a satisfactory and profitable growth in the future. As reported a year ago, the Export business is continuing to expand and with the new Models recently introduced by the Company, promises to be an important source of profit.



The Statement of Profit and Loss is as follows:

Balance brought forward July 31st, 1925.....		\$520,037.95
Net Gain for year ending July 31st, 1926.....		118,701.37
Dividend on Preferred Shares for year ending July 31st, 1926 ..	\$ 84,000.00	
Dividend on Common Shares for year ending July 31st, 1926...	24,000.00	
Balance carried forward.....	530,739.32	
		<hr/>
	\$638,739.32	\$638,739.32
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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.

A dividend of Three (3%) per cent. was paid upon the Common Stock of the Company at the close of the financial year.

As the business year of the three Companies in which Russell Motor Car Company, Limited, is principally interested, each ends on December 31st, your Directors have decided that it would permit them to give information to the Shareholders with regard to the standing of the Companies more promptly and completely if the business year of this Company ended on December 31st. Your Directors, therefore, have passed By-Law No. 17 providing that the fiscal year of the Company shall end December 31st in each year and that the Annual General Meeting of the Shareholders shall take place at such date in March of each year as your Directors may determine. This By-Law will be submitted for your confirmation.

The Statement of Assets and Liabilities as of July 31st, 1926, 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, 1926

ASSETS

Cash on Hand and in Bank.....	\$ 2,572.85	
Dominion Government and Provincial Bonds.....	454,355.13	
Municipal and other Bonds.....	96,656.88	
Accounts and Bills Receivable.....	50,611.28	\$604,196.14
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>\$3,053,402.14</u>

LIABILITIES

Accounts Payable.....	\$ 3,243.38	
Dividends, Declared and Unpaid.....	45,000.00	\$ 48,243.38
Contingent Account.....		216,075.50
Buildings, Investments and Insurance Reserves ...		258,343.94
Capital Stock—Preferred.....	1,200,000.00	
—Common.....	800,000.00	2,000,000.00
		2,522,662.82
Profit and Loss Account.....		530,739.32
		<u>\$3,053,402.14</u>

We have audited the books of the Russell Motor Car Company, Limited, for the year ending July 31st, 1926, 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 8th, 1926.

(Sgd.) EDWARDS, MORGAN & CO.

July 31

1926
ANNUAL REPORT

RUSSELL MOTOR CAR
COMPANY, Limited

Head Office - - - TORONTO

DIRECTORS:

T. A. RUSSELL, Esq., President
A. E. AMES, Esq., Vice-President
E. B. RYCKMAN, Esq.
J. N. SHENSTONE, Esq.
H. D. SCULLY, Esq.
J. W. GIBSON, Esq.
J. W. WIDDUP, Esq.

Russell Motor Car Company
LIMITED

NOTICE OF ANNUAL MEETING

TORONTO, OCTOBER 15TH, 1926.

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 Thursday, the 28th day of October, 1926, 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 under-signed.

T. A. RUSSELL,
President.

G. W. SUGGITT,
Secretary.