

# Russell Motor Car Company, Limited

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REPORT OF THE BOARD OF DIRECTORS

## ANNUAL MEETING

MARCH 27, 1933

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TO THE SHAREHOLDERS:

The Report herewith submitted covers the operations of the Company for the twelve months ended December 31st, 1932.

We have again to report a decrease in the volume of business in all branches of the Company's operations.

Canada Cycle & Motor Company, Limited, suffered through reduction in volume of sales of Bicycles, Children's Vehicles, Skates and Accessories, and it was necessary for it to draw upon its surplus from prior years for the payment of its dividends to this Company.

The operations of Canadian Acme Screw & Gear Limited, whose business is very largely connected with the motor industry through the manufacture of Transmissions, Shock Absorbers, Parts and Screw Products, were adversely affected and showed a loss on the year's business of \$138,972.61 after provision of \$39,483.46 for depreciation.

This Company owns all the shares of Canada Cycle & Motor Company, Limited, except Directors' qualifying shares, and over 90% of the stock of Canadian Acme Screw & Gear Limited. Both plants have been kept in excellent condition and such substantial reserves have been provided over a period of years that the total fixed assets of the two Companies, totalling \$2,380,881.76 have depreciation reserves provided of \$1,795,060.68 or over 75%.

The motor car industry generally showed for the third year an important decline from the figures of the previous year and Willys-Overland Limited, in which this Company is interested, recorded a loss in the year's operations. Since the close of our fiscal year, the Willys-Overland Company of Toledo, Ohio, on February 15th, 1933, found it necessary to apply for a receivership, so that it might have opportunity of obtaining additional capital to carry on its operations.

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In view of the possibility of this Company's investment in Willys-Overland Limited being adversely affected under these conditions, the Directors have considered it prudent to transfer the sum of \$125,000.00 from the balance of Profit and Loss to "Reserves for Investments," increasing the same to \$556,406.98. This account is now adequate to make full provision for the amount at which our stock in Willys-Overland Limited is carried on our books and also to provide sufficient reserves against outside securities held by the Company to bring them down to market value as of December 31st, 1932.

STATEMENT OF PROFIT AND LOSS IS AS FOLLOWS:

Balance brought forward January 1, 1932.....		\$580,077.33
Net Gain for year ending December 31, 1932.....		67,893.68
Transferred to Reserves for Investments.....	\$125,000.00	
Dividend on Preferred Shares for year ending December 31, 1932.....	84,000.00	
Dividend on Common Shares for year ending December 31, 1932.....	8,000.00	
Balance carried forward.....	430,971.01	
		<u>\$647,971.01</u> <u>\$647,971.01</u>

The amount shown in the Profit and Loss Statement as net gain for the year is made up of dividends from Canada Cycle & Motor Company, Limited, and net revenue from other securities.

During the year, quarterly dividends at the rate of 7% per annum were paid on the Preferred Stock of the Company. Dividends totalling One (\$1.00) Dollar per share were paid on the Common Stock.

Since the last Annual Meeting, the Board has lost the services of two Members. The death of the late Mr. J. W. Widdup removed a Director who had served the Company for the past seven years. Mr. H. D. Scully decided to resign, following his removal from Toronto. Both of these gentlemen have given faithful service to the Company. Mr. C. J. Harris, Vice-President of Canadian Acme Screw & Gear Limited, and Mr. G. S. Braden, Assistant General Manager of Canada Cycle & Motor Company, Limited, have been appointed to the Board of Directors of the Company to fill these two vacancies.

Statement of Assets and Liabilities as of December 31, 1932, is submitted herewith.

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, December 31st, 1932*

### ASSETS

Cash in Bank.....	\$ 902.05	
Accounts Receivable.....	27,746.18	\$ 28,648.23
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Investments at Book Value:		
Government and Municipal Bonds.....	33,055.97	
Bonds and Preferred Stocks of Industrial Companies.....	271,147.56	
Common Stocks of Industrial Companies.....	207,308.80	
Common Stocks of Railway and Public Utility Companies.....	31,111.68	
Bank Stocks.....	55,187.50	597,811.51
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		\$ 626,459.74
Investments in Allied and Subsidiary Companies..		2,469,162.25
Real Estate.....	\$33,755.00	
Office Furniture and Fixtures.....	1.00	33,756.00
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		<u>\$3,129,377.99</u>

### LIABILITIES

Bankers' Advances.....	\$128,000.00	
Dividends, Declared and Unpaid.....	14,000.00	\$ 142,000.00
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Reserves for Investments, Etc.....		556,406.98
Capital Stock—Preferred.....	\$1,200,000.00	
—Common.....	800,000.00	2,000,000.00
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		\$2,698,406.98
Profit and Loss Account.....		430,971.01
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		<u>\$3,129,377.99</u>

We have audited the books of the Russell Motor Car Company, Limited, for the year ending December 31, 1932, and we certify that our requirements as Auditors have been complied with.

Operating losses sustained by Subsidiary Companies during the concurrent period amounting to \$148,084.93 have been regarded by us for the purposes of stating the Company's position as applicable against net accumulated profits of former years not brought into account, or otherwise distributed, and which are ample for the purpose.

Subject thereto we 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.

(Sgd.) EDWARDS, MORGAN & CO.,

Chartered Accountants.

March 15, 1933.

1932

ANNUAL REPORT

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RUSSELL MOTOR CAR  
COMPANY, Limited

Head Office - - - TORONTO

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DIRECTORS:

T. A. RUSSELL, Esq., President  
A. E. AMES, Esq., Vice-President  
HON. E. B. RYCKMAN, Esq.  
J. N. SHENSTONE, Esq.  
J. W. GIBSON, Esq.  
C. J. HARRIS, Esq.  
G. S. BRADEN, Esq.

Russell Motor Car Company  
LIMITED

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NOTICE OF ANNUAL MEETING

TORONTO, MARCH 16TH, 1933.

Notice is hereby given that the Annual General Meeting of the Shareholders of Russell Motor Car Company, Limited, will be held at the Head Office of the Company, 1209 King Street West, Toronto, Ontario, on Monday, the 27th day of March, 1933, 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.*