

Russell Motor Car Company, Limited

REPORT OF THE BOARD OF DIRECTORS

ANNUAL MEETING

MARCH 7 1934

TO THE SHAREHOLDERS:

The Report herewith submitted covers the operations of the Company for the twelve months ended December 31st, 1933.

The first four months of the year resulted in the greatest decrease in volume of business experienced during the present depression by the three Companies in which your Company is mainly interested.

On February 15th, 1933, The Willys-Overland Company, Toledo, Ohio, went into receivership. This directly affected the operations of Willys-Overland Limited in Canada, which concluded manufacturing its programme by the 1st of June. Since that time, no cars have been manufactured and the plant has been completely closed down. Up to the present, no plan of reorganization has been successfully arranged for the parent Company, and it appears now that Willys-Overland Limited, Toronto, will be unable to carry on and will require to be liquidated. In the accompanying Balance Sheet, full provision has been made against any loss to this Company arising from its investment in Willys-Overland Limited.

Beginning in the month of May, the operations of both Canadian Acme Screw & Gear Limited and Canada Cycle & Motor Company, Limited, showed improvement in volume as compared with the year 1932. This improvement continued to the end of the year and both Companies were enabled to recover the loss of business of the first four months and to show an increase for the twelve-months' period.

Canada Cycle & Motor Company, Limited, showed a small profit for the year after provision for depreciation and paid dividends of 4% for the twelve-months' period.

The operations of Canadian Acme Screw & Gear Limited resulted in a small profit without provision for depreciation.

After providing depreciation of \$30,701.16 the result was a small loss, and no dividends were paid.

PURVIS HALL
LIBRARIES

MAR 9 1946

McGILL UNIVERSITY

The outlook for both Companies for the first half of 1934 is better than for the corresponding months of 1933.

STATEMENT OF PROFIT AND LOSS IS AS FOLLOWS:

| | |
|---|--------------|
| Balance brought forward January 1, 1933..... | \$430,971.01 |
| Net Gain for year ending December 31, 1933..... | 37,371.75 |
| Dividend on Preferred Shares for year ending December 31, 1933..... | \$ 51,000.00 |
| Balance carried forward..... | 417,342.76 |
| | <hr/> |
| | \$468,342.76 |
| | <hr/> <hr/> |

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.

The amount shown as "Reserves for Investments, etc.," \$556,406.98, provides in full for the amount of our investment in Willys-Overland Limited as shown on the Company's books and also sufficient to reduce the item "Investments," totalling \$526,895.85, to market value as of December 31st, 1933.

During the year, a quarterly dividend at the rate of 7% per annum was paid on the Preferred stock of the Company on February 1st, 1933. Dividends payable on May 1st, August 1st and November 1st were at the rate of 4% per annum.

Since the last Annual Meeting, the Board has lost the services of two of its oldest members—Mr. J. N. Shenstone and the Honourable E. B. Ryckman. Both of these gentlemen were associated with the organization of the original Canada Cycle & Motor Company and had served continuously as Directors of that Company and of Russell Motor Car Company until the time of their death. These men, over a period of thirty-five years had given devoted service to the Company.

Mr. B. W. Burtzell, Vice-President and General Manager of Massey-Harris Company, Limited, and Mr. Thomas B. Russell, have been appointed to the Board of Directors of the Company to fill these two vacancies.

Statement of Assets and Liabilities as of December 31st, 1933, 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, 1933

ASSETS

| | | |
|--|--------------|----------------|
| Cash in Bank..... | \$ 254.46 | |
| Accounts Receivable..... | 27,681.18 | \$ 27,935.64 |
| Investments at Book Value: | | |
| Government Bonds | \$ 18,724.38 | |
| Bonds and Preferred Stocks of Industrial Companies | 269,693.98 | |
| Common Stocks of Industrial Companies | 173,584.60 | |
| Common Stocks of Railway and Public Utility Companies..... | 26,416.68 | |
| Bank Stocks..... | 38,476.21 | 526,895.85 |
| | | \$ 554,831.49 |
| Investments in Allied and Subsidiary Companies.. | | 2,469,162.25 |
| Real Estate..... | \$33,755.00 | |
| Office Furniture and Fixtures..... | 1.00 | 33,756.00 |
| | | \$3,057,749.74 |

LIABILITIES

| | | |
|-------------------------------------|----------------|----------------|
| Bankers' Advances..... | \$ 76,000.00 | |
| Dividends, Declared and Unpaid..... | 8,000.00 | \$ 84,000.00 |
| Reserves for Investments, Etc..... | | 556,406.98 |
| Capital Stock—Preferred..... | \$1,200,000.00 | |
| —Common..... | 800,000.00 | 2,000,000.00 |
| | | \$2,640,406.98 |
| Profit and Loss Account..... | | 417,342.76 |
| | | \$3,057,749.74 |

We have audited the books of the Russell Motor Car Company, Limited, for the year ending December 31, 1933, and we certify that our requirements as Auditors have been complied with.

Operating losses sustained by Subsidiary Companies during the concurrent period amounting to \$15,510.70 have been regarded by us for the purpose 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 sufficient 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.

February 22, 1934.

(Sgd.) EDWARDS, MORGAN & CO.,
Chartered Accountants.

1933

ANNUAL REPORT

RUSSELL MOTOR CAR
COMPANY, Limited

Head Office - - - TORONTO

DIRECTORS:

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

Russell Motor Car Company
LIMITED

NOTICE OF ANNUAL MEETING

TORONTO, FEBRUARY 24th, 1934.

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 Wednesday, the 7th day of March, 1934, 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.