

Russell Motor Car Company, Limited

REPORT OF THE BOARD OF DIRECTORS

ANNUAL MEETING

MARCH 18, 1935

TO THE SHAREHOLDERS:

The Report herewith submitted covers the operations of the Company for the twelve months ended December 31st, 1934.

There was an improvement during 1934 in all branches of the Company's activities.

Canada Cycle & Motor Company, Limited, earned a profit for the year, after provision for depreciation. It paid dividends of 6½% for the twelve months' period and carried forward a balance to Profit and Loss Account. One gratifying feature was the increase in the sales of new bicycles. There seems to be an increasing interest, not only in Canada, but throughout the world, in this convenient, enjoyable and economical means of transportation.

The business of Canadian Acme Screw & Gear, Limited, showed a substantial increase in sales, due largely to the marked expansion of the motor car industry. After full provision for depreciation, the Company earned a modest profit. No dividend was paid, as your Directors considered it desirable to strengthen this Company's working capital position and add to its plant and equipment for the larger volume of business which is in sight for 1935.

Canadian Acme Screw & Gear, Limited, has, up to the present, been housed in rented premises at the corner of King and Dufferin Streets, Toronto. These premises are no longer adequate for the increasing business of the Company and an agreement has been concluded for the purchase of an important section of the plant formerly occupied by Willys-Overland Limited, West Toronto. This purchase has been made on a basis which your Directors believe to be advantageous to Canadian Acme Screw & Gear, Limited. It is planned to move into the new premises about midsummer and this will give the Company a space about 50% in excess of that available in the present premises.

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Investments in outside securities show an increase in market value over the figures of December 31st, 1933.

STATEMENT OF PROFIT AND LOSS IS AS FOLLOWS:

Balance brought forward, January 1, 1934.....	\$417,342.76
Net Gain for year ending December 31, 1934.....	65,534.20
Dividend on Preferred Shares for year ending December 31, 1934.....	\$ 53,000.00
Balance carried forward.....	429,876.96
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	\$482,876.96
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	\$482,876.96

During the year, quarterly dividends at the rate of 4% per annum were paid on the Preferred Stock of the Company, on February 1st, May 1st and August 1st. On November 1st, a dividend was paid at the rate of 5% per annum.

Since the last Annual Meeting, the Board has lost the services of Mr. A. E. Ames, a Director and Vice-President. He had been associated with the Company over a long period of years and his counsel and advice will be missed by the members of your Board.

Mr. H. R. Tudhope was elected to fill the vacancy thus created and was also appointed Vice-President of the Company.

Statement of Assets and Liabilities as of December 31st, 1934, 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

(INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

Balance Sheet, December 31st, 1934

ASSETS

Cash in Bank.....	\$ 970.57	
Accounts Receivable.....	28,075.18	\$ 29,045.75
Investments at Book Value:		
Bonds and Preferred Stocks of Industrial Companies	\$268,576.98	
Common Stocks of Industrial Companies	162,850.07	
Common Stocks of Railway and Public Utility Companies.....	26,416.68	
Bank Stocks.....	38,476.21	496,319.94
		\$ 525,365.69
Investments in Allied and Subsidiary Companies..		2,469,162.25
Real Estate.....	\$33,755.00	
Office Furniture and Fixtures.....	1.00	33,756.00
		\$3,028,283.94

LIABILITIES

Bankers' Advances.....	\$ 32,000.00	
Dividends, Declared and Unpaid.....	10,000.00	\$ 42,000.00
Reserves for Investments, Etc.....		556,406.98
Capital Stock—Preferred.....	\$1,200,000.00	
—Common.....	800,000.00	2,000,000.00
		\$2,598,406.98
Profit and Loss Account.....		429,876.96
		\$3,028,283.94

We have audited the books of the Russell Motor Car Company, Limited, for the year ending December 31, 1934, 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.

(Sgd.) EDWARDS, MORGAN & CO.,

Chartered Accountants

February 15, 1935.

1934

ANNUAL REPORT

RUSSELL MOTOR CAR
COMPANY, Limited

Head Office - - - TORONTO

DIRECTORS:

T. A. RUSSELL, Esq., President
H. R. TUDHOPE, Esq., Vice-President
J. W. GIBSON, Esq.
C. J. HARRIS, Esq.
G. S. BRADEN, Esq.
T. B. RUSSELL, Esq.
B. W. BURTSSELL, Esq.

Russell Motor Car Company
LIMITED

NOTICE OF ANNUAL MEETING

TORONTO, FEBRUARY 22nd, 1935.

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 18th day of March, 1935, 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.