

Russell Motor Car Company, Limited

REPORT OF THE BOARD OF DIRECTORS

ANNUAL MEETING

MARCH 6th, 1937

TO THE SHAREHOLDERS:

The Report herewith submitted covers the operations of the Company for the twelve months ended December 31st, 1936.

The Company's major investments are in Canada Cycle & Motor Company, Limited and Canadian Acme Screw & Gear, Limited, together with a small interest in West Toronto Holdings Limited, which is the Company winding up the affairs of Willys-Overland Limited.

The bicycle business in Canada showed a further improvement, with increased sales and earnings over the previous year and paid three dividends of $2\frac{1}{4}\%$ and one of 3% . There seems to be an encouraging revival in the use of the bicycle, both for pleasure and for business purposes.

Canadian Acme Screw & Gear, Limited continues to find its largest market in the manufacture of parts and individual units for motor car manufacturers. The volume of business was approximately the same as in 1935 and prospects for the new year are again encouraging. No dividends were paid by this Company as its earnings were used to make certain additions to plant and equipment and also to reduce the amount owing on the purchase of the land and buildings acquired in 1935.

Investments in outside securities, which are shown in the Balance Sheet at book values, had a market value of \$462,385.00 as at December 31st, 1936.

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STATEMENT OF PROFIT AND LOSS IS AS FOLLOWS:

Balance brought forward January 1, 1936	\$441,688.88
Net Gain for year ending December 31, 1936	151,566.70
Dividend on Preferred Shares for year ending December 31, 1936	\$132,040.00
Dividend on Common Shares for year ending December 31, 1936	12,000.00
Balance carried forward	449,215.58
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	\$593,255.58
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	\$593,255.58

In addition to the regular quarterly dividend of $1\frac{3}{4}\%$ on the Preference shares, special dividends totalling 4% were also declared, applicable against arrears. All arrears of dividend on the Preference stock have now been paid.

The dividend paid December 31st, 1936, covered a two-month period so that future dividends would accrue from the beginning of the Company's fiscal year, viz., January 1st.

A dividend of $1\frac{1}{2}\%$ was also paid on the Common shares as of December 31st, 1936.

Statement of Assets and Liabilities as of December 31st, 1936, 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, 1936

ASSETS

Cash in Bank.....	\$ 18,050.16	
Accounts Receivable.....	32,901.91	\$ 50,952.07
Investments at Book Value:		
Bonds and Preferred Stocks of Industrial Companies.....	\$ 232,625.17	
Common Stocks of Industrial Companies	186,693.00	
Common Stocks of Railway and Public Utility Companies.....	27,712.86	
Bank Stocks.....	38,476.21	485,507.24
		<u>\$ 536,459.31</u>
Investments in Allied and Subsidiary Companies.....		2,469,162.25
Office Furniture and Fixtures.....		1.00
		<u>\$3,005,622.56</u>

LIABILITIES

Reserves for Investments, Etc.....		\$ 556,406.98
Capital Stock—Preferred.....	\$1,200,000.00	
Common	800,000.00	2,000,000.00
		<u>\$2,556,406.98</u>
Profit and Loss Account.....		449,215.58
		<u>\$3,005,622.56</u>

We have audited the books of the Russell Motor Car Company, Limited, for the year ending December 31, 1936, 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.

February 17, 1937.

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

1936
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
OF SHAREHOLDERS

TORONTO, FEBRUARY 24th, 1937

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, 207 Weston Road South, Toronto, Ontario, on Saturday, the 6th day of March, 1937, at 11.30 a.m., to receive the Report of the Directors and Financial Statements for the past year; to consider and if thought fit confirm By-Law No. 21, providing for the holding of the Annual General Meeting of Shareholders in February or March; to elect Directors; to appoint Auditors 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, if you are unable to attend the Meeting, kindly sign and return to the undersigned.

By order of the Board,

G. W. SUGGITT,
Secretary.