

Russell Motor Car Company, Limited

REPORT OF THE BOARD OF DIRECTORS

ANNUAL MEETING

FEBRUARY 19th, 1938

TO THE SHAREHOLDERS:

The Report herewith submitted covers the operations of the Company for the twelve months ended December 31st, 1937.

The Company's major investments are, as previously, in Canada Cycle & Motor Company, Limited and Canadian Acme Screw & Gear, Limited, and a small interest in West Toronto Holdings Limited.

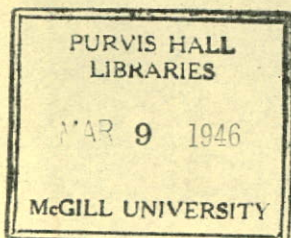
The operations of both Canada Cycle & Motor Company, Limited and Canadian Acme Screw & Gear, Limited were on a larger scale than in the previous year. During the year, Canada Cycle & Motor Company, Limited added 19,000 square feet of floor space and purchased additional up-to-date machine equipment. Canadian Acme Screw & Gear, Limited erected a new heat-treating building and equipped it with modern heat-treating equipment. In addition, important purchases of new machinery were made.

For a considerable time, your Directors have felt that the name of the parent Company—Russell Motor Car Company, Limited—was inappropriate and did not convey a proper idea of the business of the Company. Your Directors therefore submit for your consideration and if thought fit your confirmation, a By-Law which has been passed by the Board of Directors, providing for the changing of the name to "Russell Industries Limited".

The By-Law is as follows:

A By-Law authorizing an application to the Lieutenant-Governor to change the name of "Russell Motor Car Company, Limited" to that of "Russell Industries Limited".

WHEREAS the Company was incorporated by Letters Patent bearing date the 13th day of September, A.D. 1899 under the name of "Canada Cycle and Motor Company Limited",



AND WHEREAS by Order dated the 13th day of April, 1911, the name of the Company was changed to that of "Russell Motor Car Company Limited",

AND WHEREAS it is desirable in the interests of the Company that its name should be changed to that of "Russell Industries Limited",

NOW THEREFORE BE IT ENACTED by the Directors of Russell Motor Car Company Limited as a By-Law of the said Company as follows:

1. An application to the Lieutenant-Governor is hereby authorized for an Order changing the name of "Russell Motor Car Company Limited" to that of "Russell Industries Limited".

2. That subject to the confirmation of this By-Law by a vote of the Shareholders present or represented by proxy at a General Meeting duly called for considering the same by notice specifying the terms of the By-Law to be confirmed and holding not less than two-thirds of the issued capital stock represented at such Meeting the proper officers of the Company be and they hereby are authorized and instructed to do all such acts and things as may be necessary or advisable in connection with the making of such application.

Acting under the provisions of Supplementary Letters Patent issued to the Company under date of June 2nd, 1936, your Directors determined that it was in the Company's interest that Preference Shares should be redeemed and paid off to the total amount of \$240,000.00 par value, being one-fifth of the total issue of outstanding Preference Shares. Notice in accordance with the foregoing Supplementary Letters Patent was sent to the Preferred Shareholders offering to redeem 2,400 Preference Shares, pro rata, and setting the date of January 31st, 1938, for acceptance. Eighty-eight Shareholders tendered 2,400 shares for acceptance of the Company's offer. Accordingly, these shares will be redeemed and paid off and the number of Preference Shares outstanding after this has been completed at March 1st, 1938, will be 9,600.

Statement of Profit and Loss is as Follows:

Balance brought forward, January 1, 1937.....	\$449,215.58
Net Gain for year ending December 31, 1937.....	133,282.38
Dividend on Preferred Shares for year ending December 31, 1937... \$	84,000.00
Dividend on Common Shares for year ending December 31, 1937... \$	48,000.00
Balance carried forward	450,497.96
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	\$582,497.96
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	\$582,497.96

The smaller net gain for the year, as shown above, is due to the fact that in changing the date for payment of dividends in 1936 one more quarter's dividend from a subsidiary company was received than in 1937.

Dividends of 1 $\frac{3}{4}$ % were paid quarterly on the Preference Shares. Quarterly dividends of 1 $\frac{1}{4}$ % were also paid on the Common Stock and in addition a special dividend of 1%, payable December 31st, making total dividends on the Common Shares of 6%.

Statement of Assets and Liabilities as of December 31st, 1937, 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, 1937

ASSETS

Cash in Bank.....	\$ 668.60	
Accounts Receivable.....	34,373.06	\$ 35,041.66
Investments at Book Value:		
Bonds and Preferred Stocks of Industrial Companies.....	\$ 258,526.45	
Common Stocks of Industrial Companies	239,984.51	
Common Stocks of Railway and Public Utility Companies.....	27,712.86	
Bank Stocks.....	38,476.21	564,700.03
		<u>\$ 599,741.69</u>
Investments in Allied and Subsidiary Companies.....		2,469,162.25
Office Furniture and Fixtures.....		1.00
		<u>\$3,068,904.94</u>

LIABILITIES

Bankers' Advances.....		\$ 62,000.00
Reserves for Investments, Etc.....		556,406.98
Capital Stock—Preferred.....	\$1,200,000.00	
Common.....	800,000.00	2,000,000.00
		<u>\$2,618,406.98</u>
Profit and Loss Account.....		450,497.96
		<u>\$3,068,904.94</u>

We have audited the books of the Russell Motor Car Company, Limited, for the year ending December 31, 1937, 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 1, 1938.

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

1937

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.
N. P. PETERSEN, Esq.

Russell Motor Car Company
LIMITED

NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS

Toronto, February 8th, 1938.

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 19th day of February, 1938, at 11.30 a.m., to receive the Report of the Directors, and Financial Statements for the past year; to elect Directors; to appoint auditors to hold office until the next Annual Meeting; and generally to transact any other business relating to the Company's affairs which may be brought before the Meeting.

FURTHER NOTICE is hereby given that the said Meeting will be held also as a Special General Meeting of Shareholders especially for the purpose of considering and if thought fit confirming By-Law No. 22 of the Company, a copy of which appears in the accompanying report.

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.