

Russell Industries Limited

REPORT OF THE BOARD OF DIRECTORS

ANNUAL MEETING

APRIL 29th, 1943

TO THE SHAREHOLDERS:

The Report submitted herewith covers the operations of the Company for the twelve months ended December 31st, 1942, and Balance Sheet as of that date.

The Statement of Surplus is as follows:

Balance brought forward January 1, 1942				\$655,302.44
Net Gain for year ended December 31, 1942				\$146,927.16
DEDUCT: Dividend on Cumulative Preference Shares for year ended December 31, 1942				\$59,283.00
Dividend on Common Shares for year ended Decem- ber 31, 1942	68,248.00	127,531.00		19,396.16
Balance carried forward December 31, 1942				<u>\$674,698.60</u>

During the year, quarterly dividends at the rate of 7% per annum were paid on the Preference Shares and 80 cents a share on the Common Shares of the Company.

For the year ended December 31st, 1942, Canada Cycle and Motor Company Limited report, after depreciation and taxes, a net profit of \$357,223.52, and in addition the refundable portion of 1942 Taxes amounts to \$35,000.00. This compares with \$380,206.12 in 1941.

After payment of the dividend of 5% on the Cumulative Redeemable Sinking Fund First Preference Shares and payment to this Company of dividends amounting to \$140,000.00 on the Common Shares, with other minor adjustments a balance of \$159,790.68 has been added to their earned surplus.

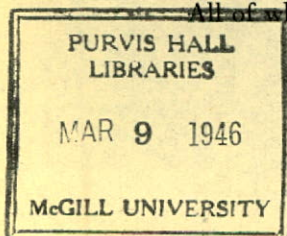
For the year ended December 31st, 1942, Canadian Acme Screw & Gear Limited report, after making full provision for depreciation, taxes and other minor adjustments, a net profit of \$207,378.94, and in addition the refundable portion of 1942 Taxes amounts to \$114,808.35. The net profit for 1941 was \$232,402.12. No cash dividends were declared or paid during the year.

Both of these important subsidiaries of your Company have been and continue to be actively engaged in war work.

The accounts of the Company have been duly audited and certified to by Messrs. Clarkson, Gordon, Dilworth & Nash and Edwards, Morgan & Company, Chartered Accountants.

All of which is respectfully submitted.

H. R. TUDHOPE,
President.



RUSSELL INDUSTRIES LIMITED

(INCORPORATED UNDER THE

Balance Sheet, 31

ASSETS

CURRENT ASSETS:

Cash in banks.....		\$	25,630.31	
Dividends receivable and interest accrued.....			6,846.61	
Investment in marketable securities at book values which are less than cost:				
Dominion Government bonds.....	\$658,968.75			
Provincial Government bonds.....	93,687.50			
Preferred shares of industrial companies...	131,448.48			
Common shares of industrial companies...	140,672.62			
Common shares of railway and public utility companies.....	5,017.25			
Bank stocks.....	18,031.25	1,047,825.85	\$1,080,302.77	
(Quoted market value \$1,100,565)				

OTHER ASSETS:

Investment in subsidiary companies at cost:

Shares.....		\$1,624,171.71		
Mortgages receivable.....		116,378.85	1,740,550.56	
Office furniture and fixtures.....			1.00	
Post-war refund under Excess Profits Tax Act.....			700.00	
			<u>\$2,821,554.33</u>	

AUDITORS' REPORT

We have audited the accounts of Russell Industries Limited for the year ended on that date and the attached statements of profit and loss and surplus have been drawn up so as to show a true and correct view of the financial position of the company as at the December, 1942, and of the results of its operations for the year ended on that date as shown in the books of the company. All our requirements as auditors have been complied with.

Toronto, Canada, 12th April, 1943.

STRIES LIMITED

(ONTARIO COMPANIES ACT)

31st December, 1942

LIABILITIES

CURRENT LIABILITIES:

Accounts payable.....	\$	300.00	
Reserve for taxes on income less instalments paid.....		11,000.00	\$ 11,300.00

RESERVE FOR INVESTMENTS..... 434,855.73

CAPITAL AND SURPLUS:

Capital:

Authorized and outstanding—

8,456 7% cumulative convertible preference shares of a par value of \$100 each.....	\$	845,600.00	
85,440 common shares of a par value of \$10 each.....		854,400.00	
		<u>1,700,000.00</u>	

NOTE: 544 preference shares have been converted to 5,440 common shares, of which 34 preference shares were converted during 1942.

Surplus..... 674,698.60

Deferred Surplus—

Post-war refund under Excess Profits Tax Act.....	700.00	2,375,398.60
		<u>\$2,821,554.33</u>

TO THE SHAREHOLDERS

ended 31st December, 1942, and report that, in our opinion, the above balance sheet is to exhibit a true and correct view of the state of the company's affairs as at 31st December, 1942, according to the best of our information, the explanations given us and as shown by the books and documents produced to us.

(Signed) CLARKSON, GORDON, DILWORTH & NASH,
EDWARDS, MORGAN & COMPANY,

Chartered Accountants.

1942

ANNUAL REPORT

RUSSELL INDUSTRIES
LIMITED

Head Office - - - TORONTO

Directors:

H. R. TUDHOPE, Esq.
C. J. HARRIS, Esq.
G. S. BRADEN, Esq.
T. B. RUSSELL, Esq.
N. P. PETERSEN, Esq.
GLYN OSLER, Esq., K.C.
J. A. RUSSELL, Esq.

Officers:

H. R. TUDHOPE, President
C. J. HARRIS, Vice-President
G. W. SUGGITT, Secretary and Treasurer

Russell Industries Limited

NOTICE OF ANNUAL
GENERAL MEETING OF SHAREHOLDERS

TORONTO, April 17th, 1943.

NOTICE is hereby given that the Annual General Meeting of the Shareholders of Russell Industries Limited will be held at the Head Office of the Company, 207 Weston Road South, Toronto, Ontario, on Thursday, the 29th day of April, 1943, at four o'clock in the afternoon (Daylight Saving Time), 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.

A copy of the Annual Statement is enclosed, also a proxy form 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.