

Corporation
File

ANNUAL REPORT

RUSSELL INDUSTRIES LIMITED

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RUSSELL INDUSTRIES LIMITED

DIRECTORS:

H. R. TUDHOPE, ESQ., O.B.E.	N. P. PETERSEN, ESQ., O.B.E.
C. J. HARRIS, ESQ.	T. B. RUSSELL, ESQ.
G. S. BRADEN, ESQ., C.B.E.	GLYN OSLER, ESQ., K.C.
ALLAN E. ARSCOTT, ESQ., C.B.E.	

OFFICERS:

H. R. TUDHOPE, Esq., O.B.E.	- - - - -	<i>President</i>
C. J. HARRIS, Esq.	- - - - -	<i>Vice-President</i>
G. W. SUGGITT, Esq.	- - - - -	<i>Secretary and Treasurer</i>

HEAD OFFICE, 207 WESTON ROAD S., TORONTO 9

Russell Industries Limited

and its subsidiaries

CANADA CYCLE AND MOTOR COMPANY LIMITED
(and its subsidiaries)

and

CANADIAN ACME SCREW & GEAR, LIMITED
(and its subsidiaries)

REPORT OF THE BOARD OF DIRECTORS ANNUAL MEETING April 3rd, 1948

TO THE SHAREHOLDERS:

Your Directors present herewith Consolidated Balance Sheet, Profit and Loss and Surplus Statements of the Company and its subsidiaries for the year ended December 31st, 1947, as reported upon by your auditors, Messrs. Clarkson, Gordon & Co., Chartered Accountants.

The Consolidated Profit of the Company, after providing for all charges and depreciation, but before Income and Excess Profits Taxes, amounted to \$1,977,120.36. After provision for Income and Excess Profits Taxes aggregating \$841,809.42 the Net Profit is \$1,135,310.94.

The plants of the Company's operating subsidiaries are being maintained on an efficient basis, and expenditures for this purpose and for equipment for new lines of business during the year amounted to \$641,516.00.

Consolidated Net Working Capital at December 31st was \$5,971,641.81.

A further 73 Preference Shares of Russell Industries Limited have been converted into Common Shares of the Company, reducing the number of Preference Shares outstanding at the end of the fiscal year to 813 shares.

A quarterly dividend of 17½ cents per share on the Common Shares of the Company has been declared payable March 31st, 1948, increasing the current rate of dividend to 70 cents per share per annum.

Having regard to the unsettled situation abroad, it is difficult to forecast the future, but indications are for continuing active business for your Company's operating subsidiaries.

Your Directors and Officers wish to express their sincere appreciation of the co-operation and services rendered by the management and employees throughout the year.

All of which is respectfully submitted.

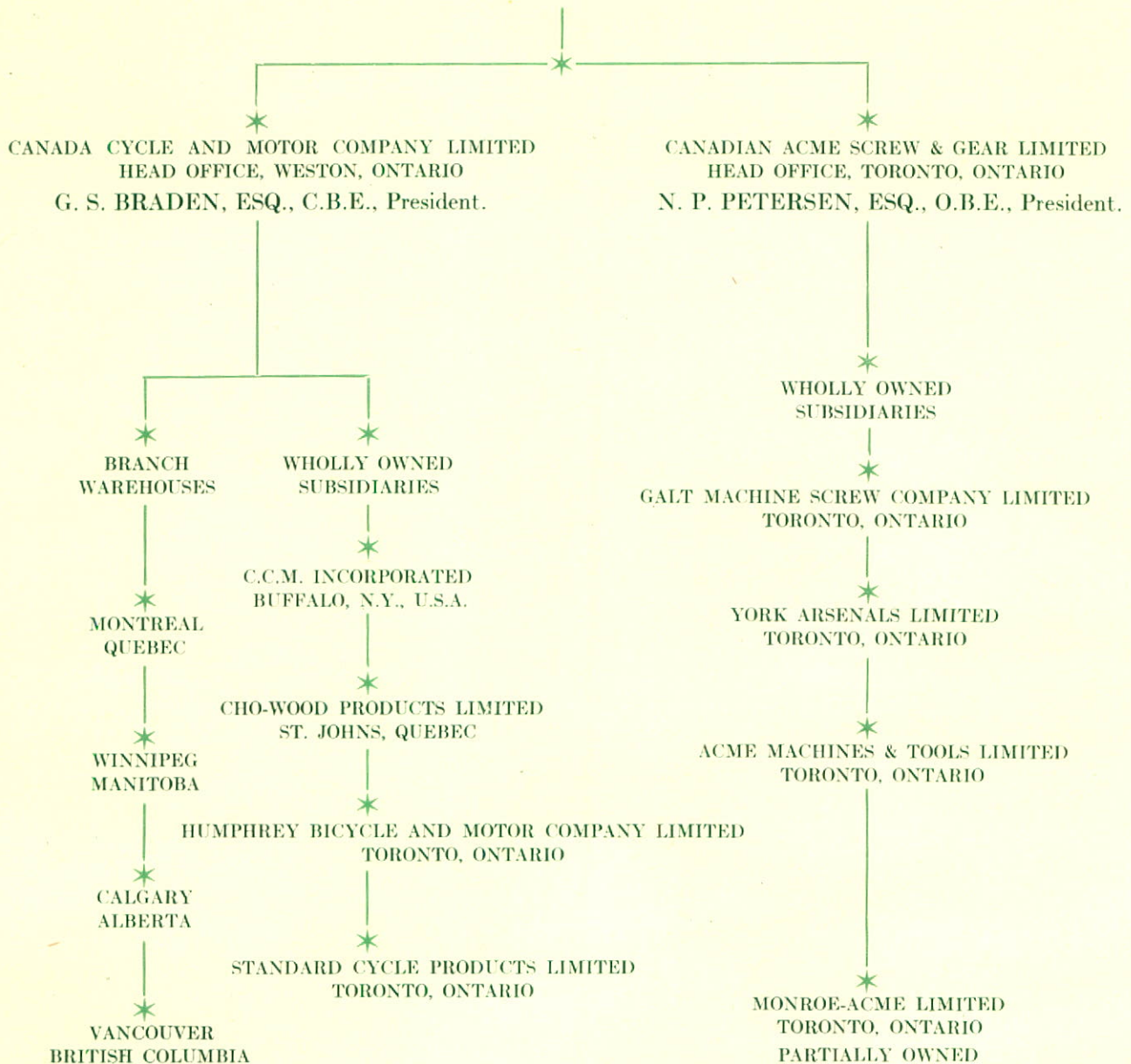
H. R. TUDHOPE,
President.

Toronto, March 9th, 1948.

Russell Industries Limited

Head Office, Toronto, Ontario

H. R. TUDHOPE, ESQ., O.B.E., President.

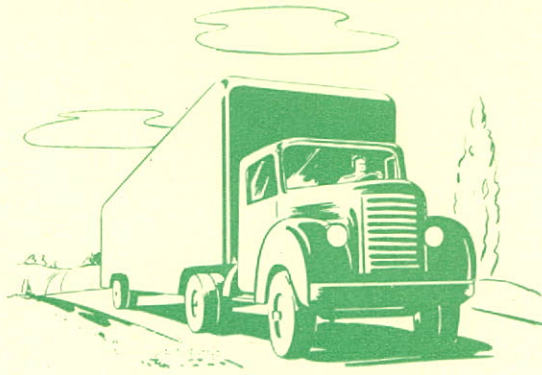


Graph Showing Allied Companies

CANADIAN ACME SCREW & GEAR, LIMITED, TORONTO, ONTARIO



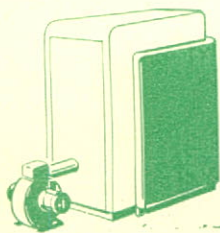
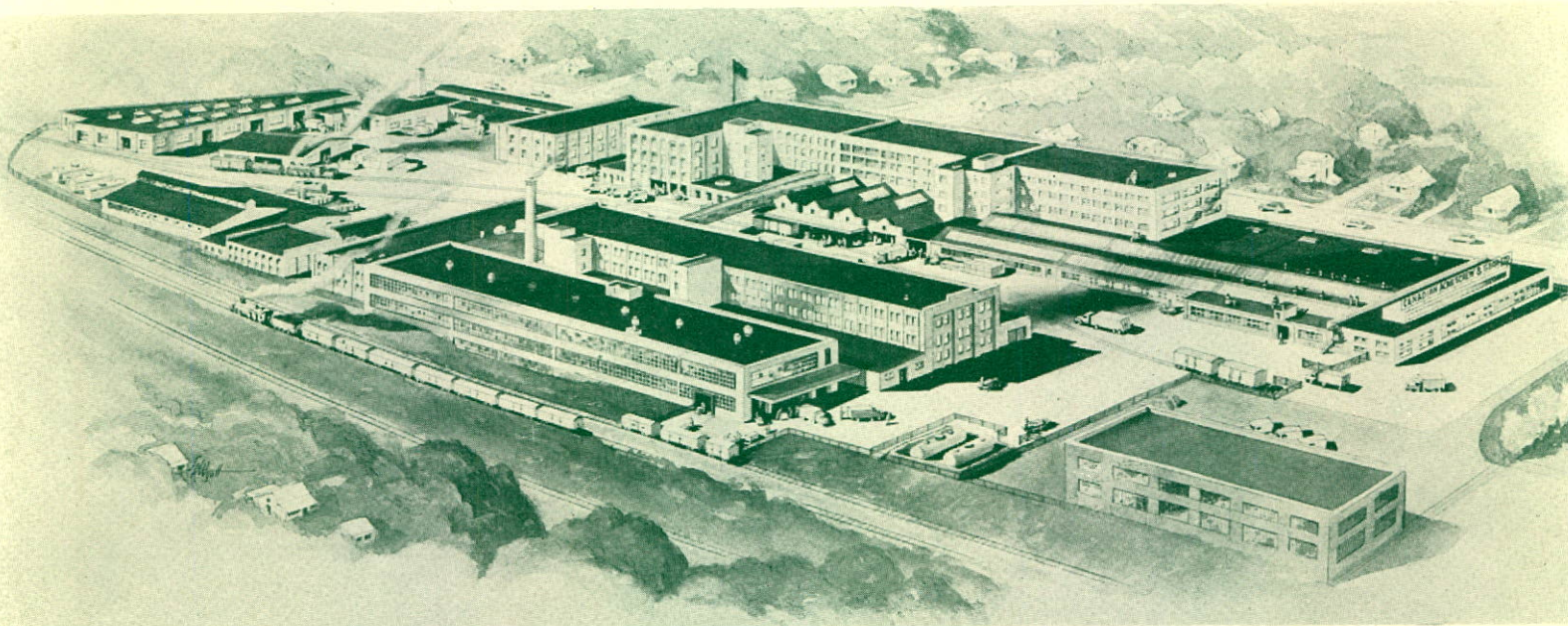
Pulp and Paper



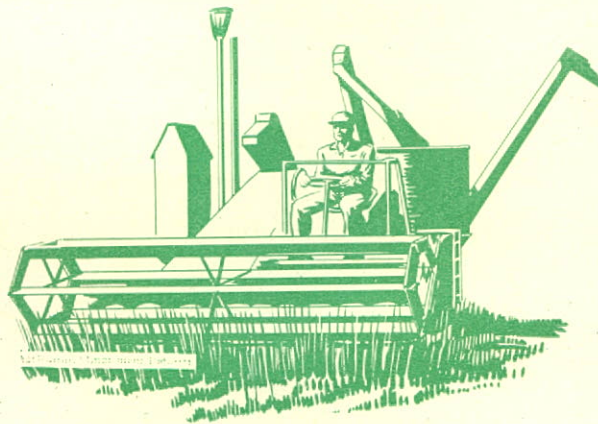
Automobile Industry



Electrical Industry



Domestic Oil Heating

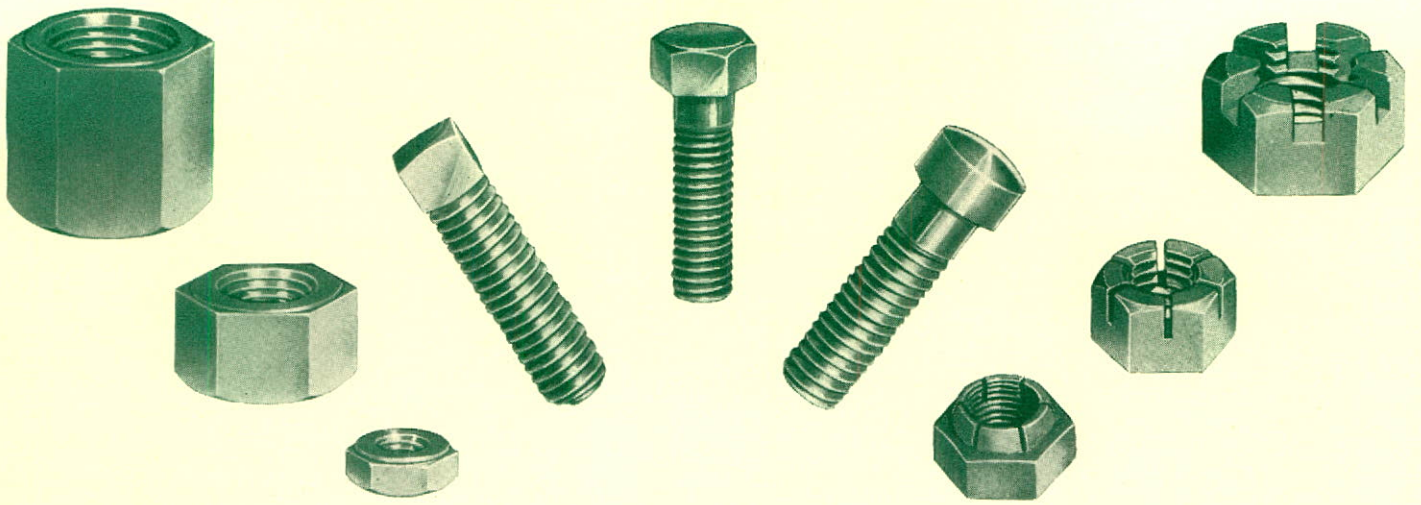


Agricultural Implement Industry

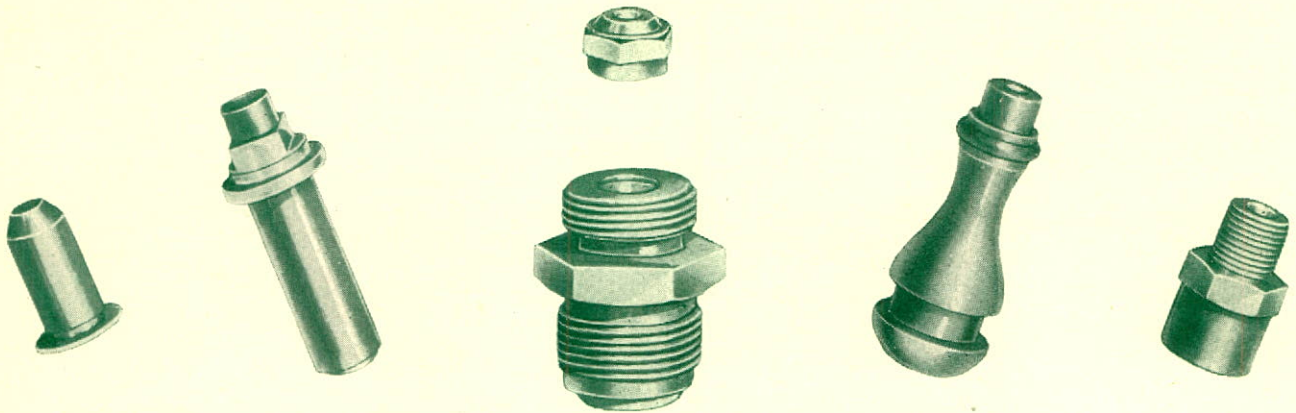


Railways

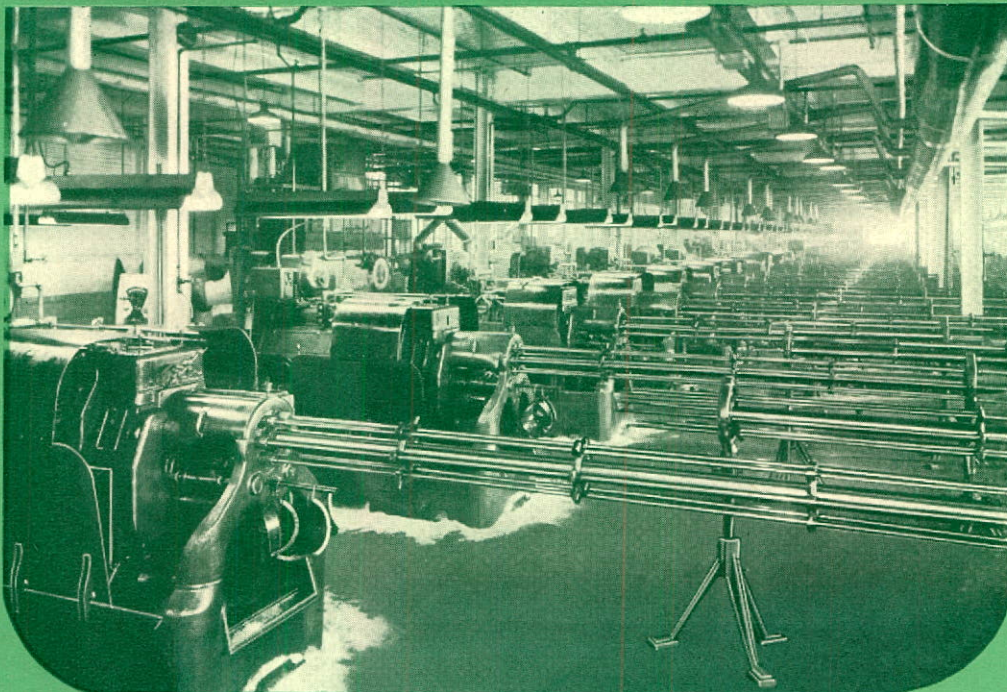
We show above a view of our Toronto plant and buildings, from which flow parts and assemblies to many other industries.
Area of the above plant and buildings, 350,000 square feet.



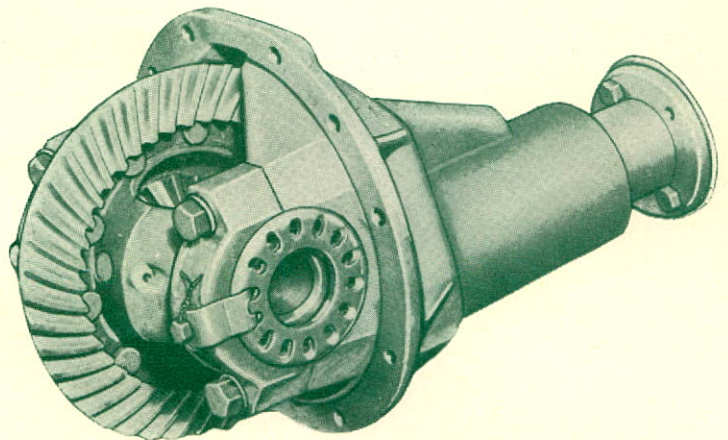
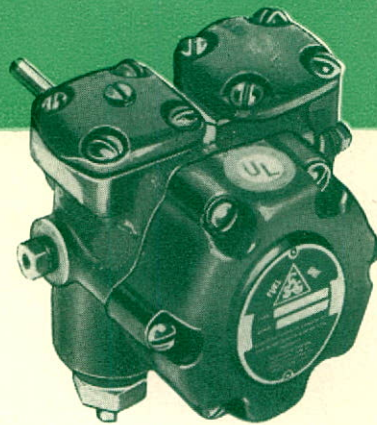
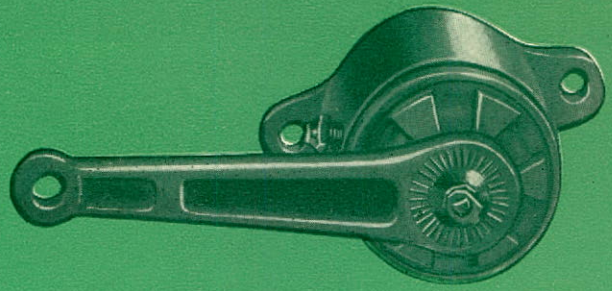
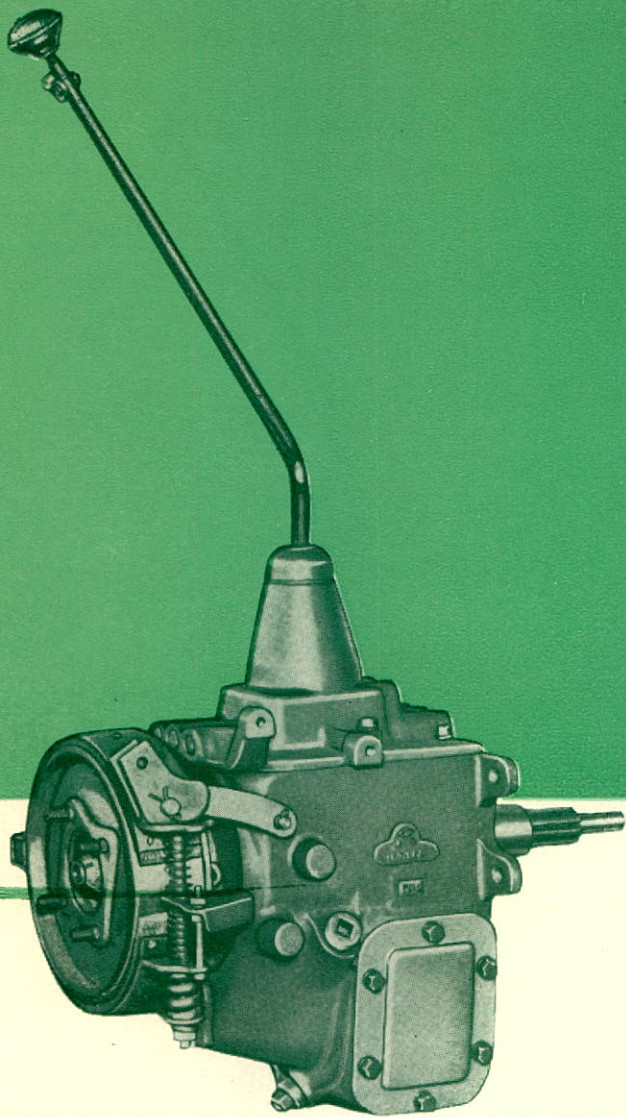
Standard Automatic Screw Machine Products



Special Automatic Screw Machine Products



View of Acme-Gridley Automatic Screw Machines



Some products of the commercial division
of
CANADIAN ACME SCREW & GEAR, LIMITED

Russell Industries

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Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash on hand and in banks.....		\$	514,683.21
Investment in marketable securities (quoted market value \$1,987,000).....			1,950,471.75
Accounts receivable, less reserve for doubtful accounts.....			1,761,754.43
Inventories of materials, supplies, work in process and finished goods as determined and certified by the management, based in part on book records which were verified by physical count at least once during the year, and valued at not more than the lower of cost or market.....	\$3,826,935.40		
Less special inventory reserve.....	182,959.52		3,643,975.88
Total current assets.....		\$	7,870,885.27

FIXED ASSETS AT COST:

Land.....		\$	113,355.46
Buildings.....	\$1,247,887.24		
Machinery, equipment, etc.....	5,785,308.77		
	\$7,033,196.01		
Less reserve for depreciation.....	4,697,416.63	2,335,779.38	2,449,134.84

OTHER ASSETS:

Cash surrender value of life insurance.....	\$	39,501.50	
Prepaid expenses, deferred charges, etc.....		136,212.85	
Refundable portion of taxes on income.....		438,665.58	614,379.93

\$10,934,400.04

AUDITORS' REPORT TO

We have examined the consolidated balance sheet of Russell Industries Limited and its subsidiaries, Limited (and its subsidiaries) as at 31st December, 1947, and the consolidated statements of profit and of internal control and accounting procedures of the companies examined by us and examined or tested sheets and related statements of profit and loss and surplus of the sub-subsidiary companies with report included in the consolidated statements of Russell Industries Limited and its subsidiaries.

We report that in our opinion the above consolidated balance sheet and related statements of profit and loss of the combined companies' affairs as at 31st December, 1947, and of the results of their operations for the year shown by the books. All our requirements as auditors have been complied with.

Toronto, Canada, 8th March, 1948.

Industries Limited

(Ontario Companies Act)

Subsidiaries

MOTOR COMPANY LIMITED

(Subsidiaries)

SCREW & GEAR, LIMITED

(Subsidiaries)

Balance Sheet as at 31st December, 1947

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued charges.....	\$ 1,389,675.31	
Reserve for taxes on income.....	509,568.15	
Total current liabilities.....		\$ 1,899,243.46

RESERVES:

For contingencies.....	\$1,079,688.74	
For employees' pensions (C.C.M.).....	329,469.11	1,409,157.85

CAPITAL OF RUSSELL INDUSTRIES LIMITED:

Authorized and outstanding—		
813 7% cumulative convertible preference shares of a par value of \$100 each.....	\$ 81,300.00	
647,480 common shares of no par value.....	1,618,700.00	
		\$1,700,000.00

NOTE: 8,187 preference shares have been converted into 327,480 common shares of no par value, of which 73 preference shares were converted during 1947.

SURPLUS.....	5,487,333.15	
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DEFERRED SURPLUS:

Refundable portion of taxes on income.....	438,665.58	7,625,998.73
		<u>\$10,934,400.04</u>

THE SHAREHOLDERS

Canada Cycle and Motor Company Limited (and its subsidiaries) and Canadian Acme Screw & Gear loss and surplus for the year ended on that date. In connection therewith we reviewed the systems and their accounting records but we did not make a detailed audit of their transactions. The balance thereon by the independent auditors of the respective companies have been accepted by us and are

profit and loss and surplus have been drawn up so as to exhibit a true and correct view of the state of affairs as at that date, according to the best of our information and the explanations given us and as

CLARKSON, GORDON & CO.,
Chartered Accountants.

Russell Industries Limited

and its subsidiaries

CANADA CYCLE AND MOTOR COMPANY LIMITED
(and its subsidiaries)

and

CANADIAN ACME SCREW & GEAR, LIMITED
(and its subsidiaries)

Consolidated Statement of Profit and Loss

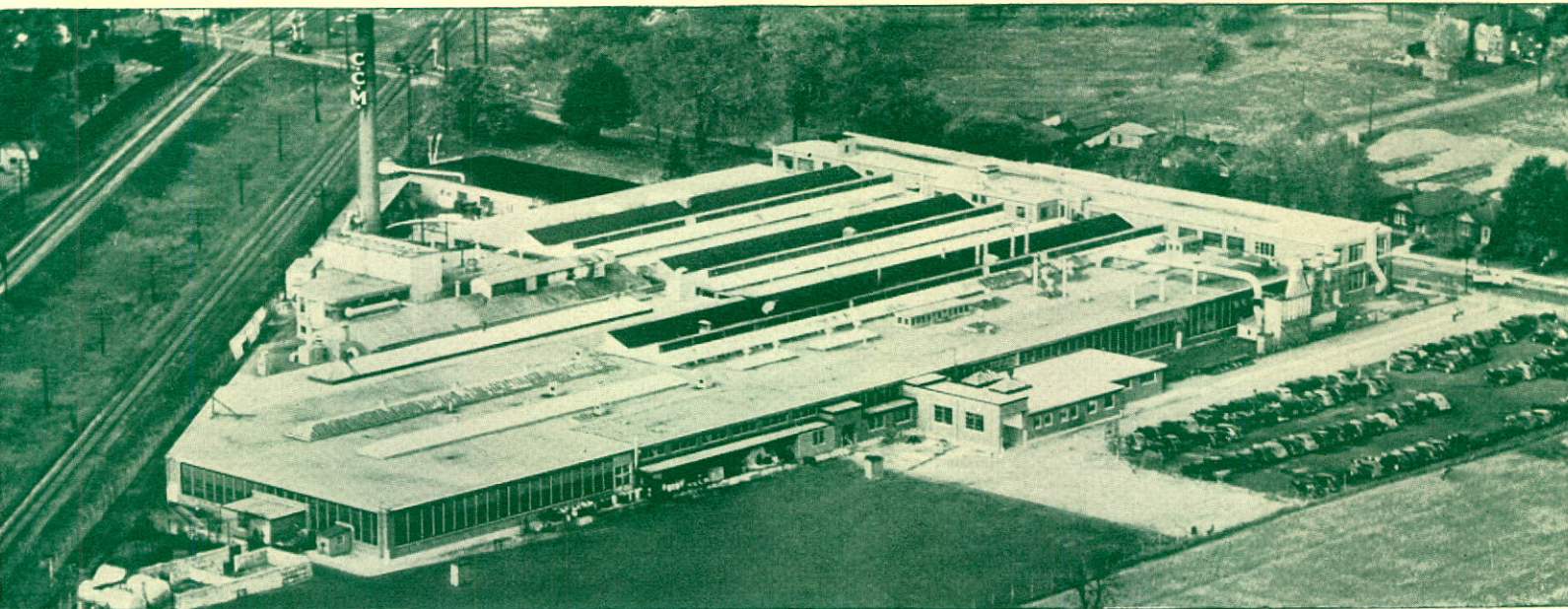
For the Year Ended 31st December, 1947

Profit from operations after providing for depreciation of \$425,392.01 but before providing for taxes on income.....		\$1,972,048.05
ADD:		
Interest and dividends.....	\$ 46,743.17	
Sundry income.....	12,604.32	59,347.49
		<hr/>
		\$2,031,395.54
Deduct contribution for employees' pensions (C.C.M.).....	\$ 74,721.21	
Less portion thereof provided from pension reserve.....	20,446.03	54,275.18
		<hr/>
		\$1,977,120.36
Deduct provision for taxes on income.....		841,809.42
		<hr/>
Net profit for year transferred to surplus.....		<u>\$1,135,310.94</u>

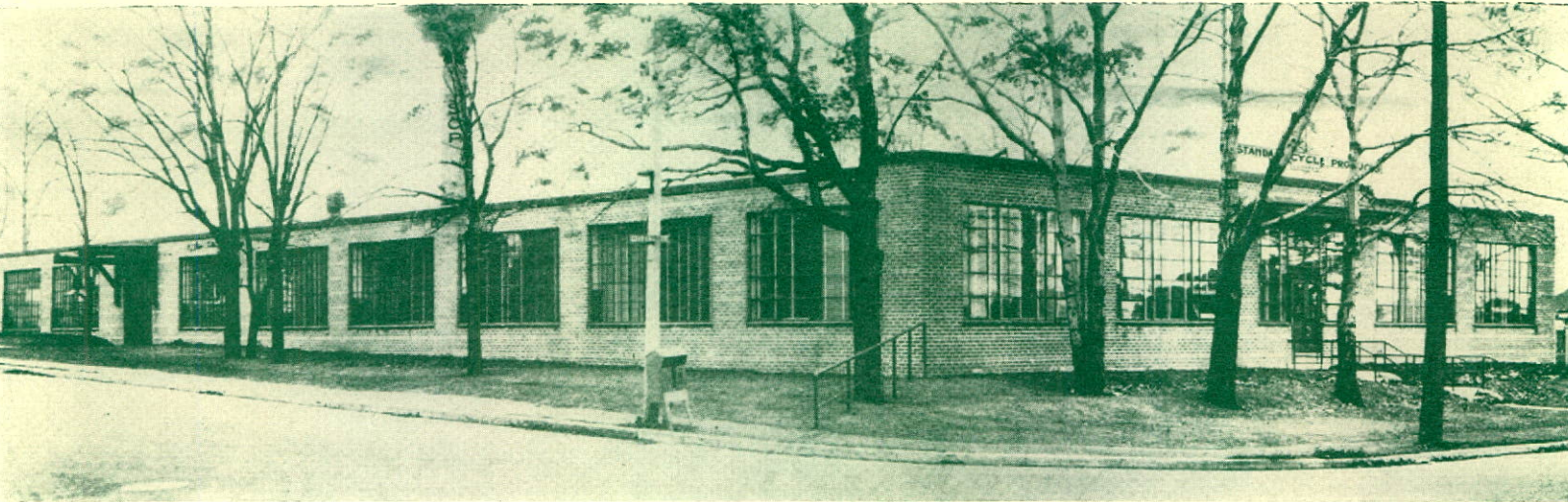
Consolidated Statement of Surplus

For the Year Ended 31st December, 1947

Balance 1st January, 1947.....		\$4,675,666.52
ADD:		
Profit on sale of investments.....		24,006.25
Adjustment of prior years' income.....		20,556.15
Net Profit for year.....		1,135,310.94
		<hr/>
		\$5,855,539.86
DEDUCT:		
Dividends paid during year by Russell Industries Limited—		
Cumulative convertible preference shares—7%.....	\$ 5,832.75	
Common shares—50c. per share.....	323,376.00	
		<hr/>
		\$329,208.75
Transfer to reserve for contingencies.....	38,997.96	368,206.71
		<hr/>
Balance 31st December, 1947.....		<u>\$5,487,333.15</u>



PLANT No. 1—CANADA CYCLE AND MOTOR COMPANY LIMITED, WESTON, ONTARIO
Manufacturers of C.C.M. Bicycles, Joycycles, Bike Wagons, Skates, Ski Harness. Area of plant and buildings, 206,295 square feet.



PLANT No. 2—STANDARD CYCLE PRODUCTS LIMITED, TORONTO, ONTARIO
Manufacturers of Bicycles, Tricycles and Juvenile Vehicles. Area of plant, 25,000 square feet.



PLANT No. 3—CHO-WOOD PRODUCTS LIMITED, ST. JOHNS, QUEBEC
Manufacturers of Hockey Sticks, Skis and other Wood Products. Area of Plant, 37,671 square feet.



BICYCLES PRECISION - BUILT FOR EASY RUNNING

C·C·M·

C·C·M·

POPULAR WITH "YOUNG CANADA"



C.C.M. Joycycle



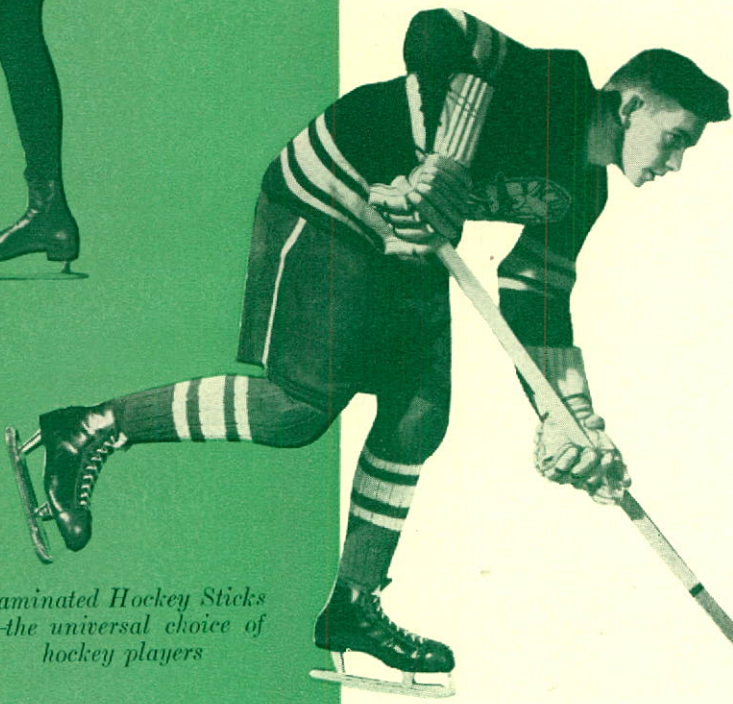
C.C.M. Joy-Rider



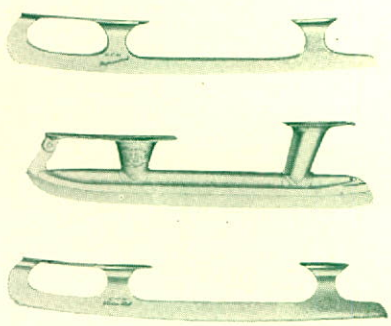
C.C.M. figure skating
"Matched-Sets" in
popular demand



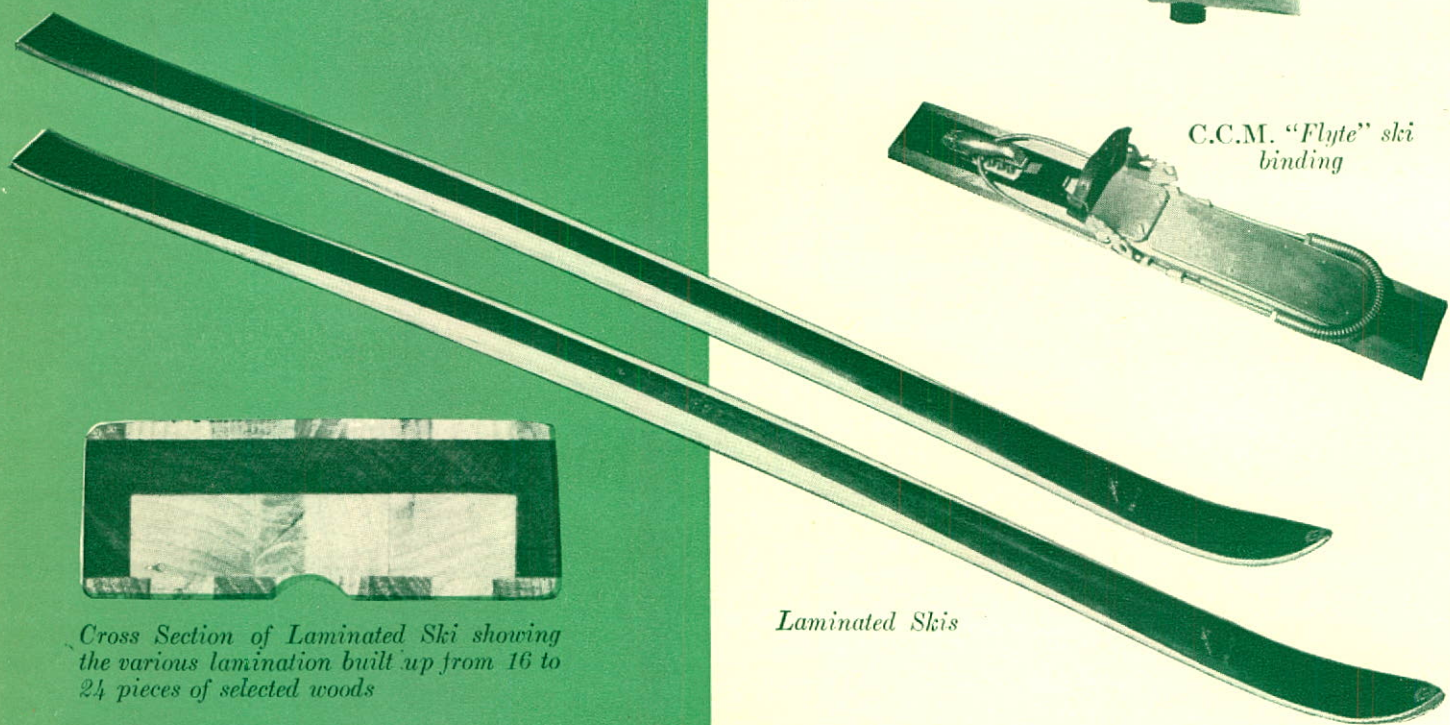
C.C.M. Prolite Skate and
Tackaberry Shoe
"Matched-Set"



Laminated Hockey Sticks
—the universal choice of
hockey players



C.C.M. Skates for hockey
—pleasure and figure
skating



C.C.M. "Flyte" ski
binding



Cross Section of Laminated Ski showing
the various lamination built up from 16 to
24 pieces of selected woods

Laminated Skis

