

FORD MOTOR COMPANY OF CANADA,
L I M I T E D

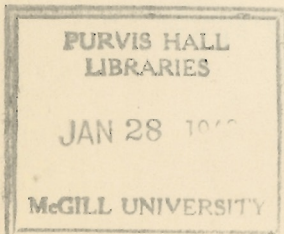
[Incorporated under the Dominion Companies Act]

WINDSOR

ONTARIO

A N N U A L
R E P O R T

Y E A R E N D E D
D E C E M B E R 3 1 S T ,
1 9 3 5



DIRECTORS

EDSEL B. FORD, *Chairman of the Board*

W. R. CAMPBELL, *President and Treasurer*

G. E. DICKERT, *First Vice-President*

P. E. MARTIN, *Second Vice-President*

HENRY FORD

—
D. B. GREIG, *Secretary and Assistant Treasurer*

G. G. KEW, *Assistant Secretary*

—
AUDITORS

CLARKSON, GORDON, DILWORTH & NASH

STATEMENT OF INCOME AND EXPENDITURE

For the year ended December 31st, 1935

Net Operating Loss after all charges, including Depreciation and Obsolescence \$331,095.67, Remuneration to Executive Officers \$161,533.33, Solicitors' Fees \$8,522.50, and Directors' Fees \$3,000.00			\$ 403,718.73
Investment Income -			
Interest on Bonds	\$	378,797.90	
Dividends received from Subsidiary Companies		1,903,605.76	
Profit on Sale of Investments		231,048.08	2,513,451.74
Net Profit before Income Taxes			2,109,733.01
Provision for Income Taxes -			
Payable in Canada		118,000.00	
Payable elsewhere		52,528.76	170,528.76
Net Profit for the year	\$		<u>1,939,204.25</u>

STATEMENT OF EARNED SURPLUS

December 31st, 1935

Earned Surplus -			
December 31st, 1934			\$ 16,027,640.68
Net Profit for the year ended December 31st, 1935			1,939,204.25
Adjustment of Prior Years' Reserve for Taxes			29,961.23
			<u>17,996,806.16</u>
Dividend No. 34 -			
Class "A" Shares	\$	794,480.00	
Class "B" Shares		35,000.00	829,480.00
Earned Surplus -			
December 31st, 1935			<u>\$ 17,167,326.16</u>

F O R D M O T O R C O M P A N Y O F C A N A D A , L I M I T E D

B A L A N C E S H E E T

A S S E T S

December 31st, 1935

L I A B I L I T I E S

Cash and Bonds—		
Cash on hand and in Banks	\$ 3,214,056.67	
Bonds issued or guaranteed by the Federal, Provincial or Municipal Governments in Canada - at not more than cost	9,715,199.99	
(Market Value \$ 9,697,453.26)		
Interest accrued on Bonds and Bank Balances	79,879.89	\$ 13,009,136.55
Accounts Receivable—		
Notes, Drafts and Open Accounts (less Reserve for Doubtful Debts)	1,740,761.92	
Customs Drawback and Refund Claims	1,105,239.18	
From Subsidiary Companies	5,168,302.85	8,014,303.95
Inventories - (as determined and certified by Company Officials and priced at not more than the lower of cost or market value)		3,832,740.87
Deferred Charges, Etc. - (including expenditures on account of 1936 production)		509,131.58
Shares of Subsidiary Companies (fully paid)		6,205,502.27
Land, Buildings, Plant and Equipment - at not more than cost -		26,693,631.45
Patents		1.00
		<u>\$ 58,264,447.67</u>

Accounts Payable—		
Purchase Creditors, Accrued Expenses and Pay Rolls	\$ 2,094,013.22	
Taxes payable in Canada	201,218.73	\$ 2,295,231.95
Reserves—		
Depreciation of Buildings, Plant and Equip- ment	21,172,789.56	
Investments	1,000,000.00	22,172,789.56
General Reserve		3,250,000.00
Capital—		
Authorized - 1,900,000 Shares Class "A" No Par Value		
100,000 Shares Class "B" No Par Value		
Issued and Fully Paid -		
1,588,960 Shares Class "A" } 70,000 Shares Class "B" }	13,379,100.00	
Earned Surplus	17,167,326.16	30,546,426.16
Contingent Liability for Plant under Construction - Uncompleted portion contracted for to date \$ 691,329.97		
		<u>\$ 58,264,447.67</u>

Approved on behalf of the Board,

W. R. CAMPBELL,
DIRECTOR

G. E. DICKERT,
DIRECTOR

A U D I T O R S ' R E P O R T T O S H A R E H O L D E R S

We have audited the books and accounts of Ford Motor Company of Canada, Limited for the year ended December 31st, 1935 and have obtained all the information and explanations which we have required. In our opinion the above Balance Sheet has been properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31st, 1935 according to the best of our information, the explanations given us and as shown by the books.

As required by the Dominion Companies Act, Section 114, we report that net profits of Subsidiary Companies for the year ended December 31st, 1935 have been taken into account only to the extent of the dividends received from these Companies as shown in the Statement of Income and Expenditure, and in the aggregate were in excess of such dividends.

Toronto, Ontario, March 24th, 1936

Clarkson, Gordon, Dilworth & Nash.
Chartered Accountants

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

The Board of Directors presents herewith the Annual Report of the Company for the year ended December 31st, 1935, including a Balance Sheet, properly certified by the Company's Auditors, a Statement of Income and Expenditure, and a Statement of Earned Surplus.

Net profit for the year amounted to \$1,939,204.25, as compared with \$1,878,112.91 for the previous year.

Assets—Cash and Bonds totalling \$13,009,136.55 decreased during the year by \$4,683,668.97, while Receivables totalling \$8,014,303.95 increased by \$4,685,452.25. Inventories also increased by \$921,496.25. These changes are the reflection of a greater volume of business and the introduction of 1936 models in November 1935. Shipments of new models to Subsidiary Companies were moving in volume before the close of the year.

Included in Deferred Charges are certain expenditures for tools pertaining to 1936 production. Such expenditures will be entirely absorbed in 1936.

Plant accounts increased \$1,074,107.65 during the year. This increase represents the cost of building and equipping a new foundry together with purchases of new machinery. As indicated by reference to Contingent Liability, further additions to plant are in progress.

Liabilities—Accounts Payable increased \$444,822.41 as the result of increased inventories.

Reserve for Depreciation amounting to \$21,172,789.56 includes full depreciation of a substantial proportion of Plant and Equipment. In view of this position the increase in the reserve in 1935, namely \$189,685.67, was relatively small.

Income and Expenditure—Total volume of Sales and Miscellaneous Income (exclusive of Investment Income) amounted to \$46,593,124.31.

Sales of automotive units, including sales to Subsidiary Companies, totalled 79,844, an increase of 30,927 over the previous year.

Net Operating Loss was \$403,718.73, which was offset by Investment Income of \$2,513,451.74, arising chiefly from dividends received from Subsidiary Companies amounting to \$1,903,605.76. The Net Profit before taxes was \$2,109,733.01 and the final result for the year, after provision for taxes, was \$1,939,204.25. This amount was transferred to Earned Surplus.

In conformity with the requirements of the Dominion Companies Act 1934 and Amendments, certain specific expenditures are itemized in the Statement of Income and Expenditure.

Earned Surplus—Net increase in Earned Surplus for the year was \$1,139,685.48.

A dividend of \$0.50 per share on all of the issued shares of the Capital of the Company was paid on May 28th, 1935.

For the Directors

W. R. CAMPBELL

PRESIDENT

Windsor, Ontario,
April 11th, 1936.



