

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

*[Incorporated under the Dominion Companies Act]*

WINDSOR . . . . . ONTARIO

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FORD MOTOR COMPANY OF CANADA, LIMITED

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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

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

G. G. KEW, *Assistant Secretary*

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AUDITORS

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH

STATEMENT OF INCOME AND EXPENDITURE

For the year ended December 31st, 1936

Net operating profit of the Canadian factory and branches after all charges, including depreciation and obsolescence \$414,357.41, remuneration to executive officers \$252,880.00, solicitors' fees \$12,962.00 and directors' fees \$3,000.00		\$ 1,025,020.45
Portion of the aggregate operating profits for the year 1936 of overseas subsidiary automobile manufacturing and distributing companies, withdrawn in the form of dividends received or receivable	2,517,351.49	\$ 3,542,371.94
Add:		
Interest on bonds	290,768.98	
Net profit on sale of investments and fixed assets	55,392.93	346,161.91
Net profit before income taxes		3,888,533.85
Provision for income taxes:		
Payable in Canada	505,563.88	
Payable elsewhere	24,500.00	530,063.88
Net profit for the year		<u>\$ 3,358,469.97</u>

STATEMENT OF EARNED SURPLUS

December 31st, 1936

Earned surplus		
December 31st, 1935	.	\$ 17,167,326.16
Net profit for the year ended		
December 31st, 1936	.	3,358,469.97
		<u>20,525,796.13</u>
Deduct:		
Prior years' income tax adjustments	.	\$ 41,029.03
Dividends paid:		
{ Class "A" shares	.	1,588,960.00
{ Class "B" shares	.	70,000.00
		<u>1,699,989.03</u>
Earned surplus		
December 31st, 1936	.	<u>\$ 18,825,807.10</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

BALANCE SHEET

December 31st, 1936

ASSETS		LIABILITIES	
CASH AND BONDS		ACCOUNTS PAYABLE	
Cash on hand and in banks . . . . .	\$ 3,199,329.30	Purchase creditors, accrued expenses and pay rolls . . . . .	\$ 3,964,630.66
Bonds issued or guaranteed by the Federal, Provincial or Municipal Governments in Canada - at not more than cost . . . . .	9,601,040.24	Taxes payable in Canada . . . . .	729,500.76
( Market value \$ 9,587,047.74 )			\$ 4,694,131.42
Interest accrued on bonds and bank balances	73,414.32	RESERVES	
	\$ 12,873,783.86	Depreciation of buildings, plant and equipment . . . . .	21,011,229.77
ACCOUNTS RECEIVABLE		Investments . . . . .	1,000,000.00
Notes, drafts and open accounts less reserve for doubtful debts . . . . .	1,246,472.58		22,011,229.77
Customs drawback and refund claims . . . . .	745,124.33	GENERAL RESERVE . . . . .	3,250,000.00
From overseas subsidiary companies - fully covered by cash, net current accounts and inventories of those companies . . . . .	5,213,987.20	CAPITAL	
	7,205,584.11	Authorized :	
INVENTORIES - as determined and certified by company officials based on physical count at September 30th, 1936, adjusted for changes to December 31st, 1936, and priced at not more than the lower of cost or market value	4,931,137.37	1,900,000 shares class "A" no par value	
		100,000 shares class "B" no par value	
DEFERRED CHARGES ETC. - including expenditures on account of 1937 production	666,788.02	Issued and fully paid :	
		1,588,960 shares class "A" no par value	13,379,100.00
SHARES OF SUBSIDIARY COMPANIES fully paid . . . . .	8,520,824.18	70,000 shares class "B" no par value	
LAND, BUILDINGS, PLANT AND EQUIPMENT - at not more than cost . . . . .	27,962,149.75	EARNED SURPLUS . . . . .	18,825,807.10
PATENTS . . . . .	1.00		32,204,907.10
	\$ 62,160,268.29	CONTINGENT LIABILITY	
		for uncompleted portion of plant under construction contracted for to date \$ 436,739.50	
		Approved on behalf of the Board,	\$ 62,160,268.29
		W. R. CAMPBELL, DIRECTOR	G. E. DICKERT, DIRECTOR

AUDITORS' REPORT TO SHAREHOLDERS

We have audited the accounts of Ford Motor Company of Canada, Limited for the year ended December 31st, 1936, and have received all the information and explanations we have required. We report that in our opinion the accompanying balance sheet and related statements of income and expenditure and earned surplus have been drawn up in accordance with accepted principles of accounting and on a basis consistent with the preceding year, so as to exhibit a true and correct view of the state of the company's affairs at December 31st, 1936, and of the results of its operations for the year ended on that date, 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, 1936 have been taken into account only to the extent of the dividends received or receivable from those companies as shown in the statement of income and expenditure, and in the aggregate were in excess of such dividends.

Toronto, Canada, March 9th, 1937

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, 1936, including a statement of income and expenditure, a statement of earned surplus, and a balance sheet certified by your auditors.

Net profit for the year amounted to \$3,358,469.97, and was the highest since 1929. This compares with a profit of \$1,939,204.25 for the previous year. Earnings per share were \$2.02 in 1936, as compared with \$1.17 in 1935.

*Income and Expenditure*—Gross operating income amounted to \$37,465,682.24 and sales of automotive units, including sales to subsidiary companies, totalled 59,971. This compares with gross income of \$46,593,124.31 and unit sales of 79,844 in 1935. Notwithstanding the reduced sales volume, the net financial result for the year was a decided improvement over the previous year, owing to substantial reductions in the cost of production. Net operating income, including dividends from subsidiary companies amounting to \$2,517,351.49, totalled \$3,542,371.94, in comparison with \$1,499,887.03 in 1935.

*Assets*—Cash and bonds totalling \$12,873,783.86 decreased \$135,352.69 during the year. Receivables totalling \$7,205,584.11 decreased \$808,719.84, owing principally to lower volume of business. Inventories increased by \$1,098,396.50 as the result of anticipated improvement in volume of sales in 1937. Furthermore our materials were inventoried at September 30th, 1936, rather than at the year end and consequently there was no interruption of the flow of materials at the end of the year as heretofore.

Included in deferred charges are certain expenditures for tools pertaining to 1937 production. Such expenditures will be entirely absorbed in 1937.

Investment in shares of subsidiary companies increased by \$2,315,321.91. On January 9, 1936, Ford Motor Company of New Zealand Limited was incorporated, the necessary capital amounting to \$1,585,076.91 being subscribed by this company. A further investment in the shares of Ford Motor Company of South Africa Limited amounting to \$730,245.00 was also made in order to provide that company with adequate working capital. Our investment in the South African company now totals \$969,243.60.

Plant accounts increased a net amount of \$1,268,518.30. The additions to these accounts totalling \$1,902,730.64 consisted of expenditures for foundry and power house expansion and modernization, together with purchases of machinery and equipment. Certain deductions were made in respect of plant and equipment sold or otherwise disposed of amounting to \$634,212.34.

*Liabilities*—Accounts payable increased \$2,398,899.47 largely as the result of increased inventories, payrolls and taxes.

Reserve for depreciation amounting to \$21,011,229.77 is \$161,559.79 less than last year. Disposal of plant items, largely depreciated, was responsible for this reduction.

*Earned Surplus*—Net increase in earned surplus for the year was \$1,658,480.94.

Dividend disbursements during the year amounted to \$1.00 per share. A policy of regular quarterly dividends at the rate of twenty-five cents (25c) per share, being the equivalent of \$1.00 per share annually, was adopted.

For the Directors

W. R. CAMPBELL

PRESIDENT

Windsor, Ontario,  
March 20th, 1937.



