



THE MOUNT ROYAL HOTEL COMPANY, LIMITED  
MONTREAL, CANADA

---

TENTH  
ANNUAL REPORT  
*December 31st, 1932*

---

MONTREAL, Que.  
LIBRARIES *January 21st, 1933*

MAR 6 1946

MCGILL UNIVERSITY



## PRESIDENT'S ADDRESS

Montreal, January 21st, 1933.

TO THE SHAREHOLDERS,

THE MOUNT ROYAL HOTEL COMPANY, LIMITED:

Your Directors herewith submit Balance Sheet as at December 31st, 1932, together with Profit and Loss Account setting forth the results of the year's operations, audited and approved by the Company's auditors.

Net earnings for the year, after deducting operating expenses, taxes, and provision for bad and doubtful debts, were \$151,489.56. Payment of interest on the First Mortgage Loan, amortization of bond discount, refunding and organization expense, together with provision of \$200,000 for depreciation resulted in a loss on the year's operations of \$296,176.54. This amount has been transferred to deficit account, to which there has also been charged an amount of \$50,000 to provide for depreciation on the Company's investment in the Canada West Indies Hotel Company, Limited, and an amount of \$20,000 as an additional provision against possible loss in connection with the claim now in litigation against the United Hotels Company of America. Both these latter items are liabilities incurred before the present Board took office. Deduction of the foregoing from Surplus Account left a deficit of \$348,312.00 to be carried forward as at December 31st, 1932.

The business experienced by your Company during 1932 was, frankly, disappointing. There was a noticeable decrease in the number of people travelling, reservations for a number of important conventions were cancelled, while the tourist business fell below even the most conservative expectations and marked what was probably the poorest season in the past quarter of a century. The spending power of the public patronizing the hotel was curtailed to a minimum, while competitive conditions forced a reduction in the charges for the Hotel's various services.

Your Management endeavoured to offset the decrease in revenues by drastic curtailment in operating expenses, but economies cannot be carried beyond the point where they become incompatible with the maintenance of an established standard of service and the efficiency of the building, plant and equipment. It has been evident for some time now that the accommodation of the hotel is considerably in excess of requirements, and in our programme of enforcing the strictest economies several hundred rooms remained closed during the year, enabling us to effect a considerable saving in operating cost.

There has been no relaxation in the effort to attract business to the Hotel, or in the determination to maintain the Company's standard of service, and for the co-operation to attain these ends, so loyally given by all members of the staff, your Directors wish to record their appreciation.

FOR THE DIRECTORS,

J. ALDERIC RAYMOND,  
President.



**THE MOUNT ROYAL HOTEL COMPANY, LIMITED**

**MONTREAL, CANADA**

**NOTICE OF**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of the Company will be held at the head office of the Company in The Mount Royal Hotel in the City of Montreal on Wednesday, the first day of February, 1933, at twelve o'clock noon, for the purpose of:

- (a) Receiving and, if thought fit, approving the reports of the Directors and Auditors of the Company; and
- (b) Electing Directors for the ensuing year; and
- (c) Appointing and fixing the remuneration of the Auditors; and
- (d) Transacting all such other business, if any, as may properly come before the Meeting.

MONTREAL, January 21st, 1933.

BY ORDER OF THE BOARD,

M. A. THOMSON,

Secretary-Treasurer.

NOTE: Any holder of Preferred or Common shares who cannot be present in person at the meeting is requested to sign and return to the Secretary at his office in the Mount Royal Hotel, Montreal, the enclosed form of Proxy in favor of J. Alderic Raymond, President, Vernon G. Cardy, Managing-Director, and P. A. Thomson, Director, or any one of them, in order that it may be in the hands of the Secretary not less than seventy (70) hours prior to the time fixed for the meeting. This proxy should be signed in the presence of a witness, who should affix his signature in the space left for that purpose.

**PROXY**

**THE MOUNT ROYAL HOTEL COMPANY, LIMITED**

KNOW ALL MEN BY THESE PRESENTS that the undersigned Shareholder of The Mount Royal Hotel Company, Limited, does hereby appoint J. Alderic Raymond, President, Vernon G. Cardy, Managing-Director, and P. A. Thomson, Director, or any one of them, to be the proxy of the undersigned for and in the name of the undersigned to attend, act and vote at the Annual General Meeting of Shareholders of The Mount Royal Hotel Company, Limited, to be held on Wednesday the first day of February, 1933, at The Mount Royal Hotel, Montreal, and at any adjournment or adjournments thereof the whole as fully and effectively to all intents and purposes as if the undersigned were personally present at the said meeting, hereby revoking and cancelling all former proxies made by me prior to the date hereof for the purposes of such meeting or adjournments thereof.

Executed at.....this.....day of January, 1933.

.....

IN THE PRESENCE OF:

.....

.....

NOTE: If executed by a Corporation, its corporate seal should be affixed.





**THE MOUNT ROYAL HOTEL COMPANY, LIMITED**  
**BALANCE SHEET AS AT 31ST DECEMBER, 1932**

**ASSETS**

<b>CURRENT ASSETS:</b>	
Cash in Banks and on Hand.....	\$ 165,583.08
Call Loans.....	70,842.50
Dominion Government Bonds and Other Marketable Securities (Approximate Market Value as at 31st December, 1932, \$311,650.)	415,655.00
Accounts Receivable, less Reserve for Doubtful Accounts.....	79,006.45
Accrued Interest Receivable.....	4,007.60
Inventories.....	35,516.72
<b>TOTAL CURRENT ASSETS.....</b>	<b>\$ 770,611.35</b>
PREPAID OPERATING EXPENSES.....	63,482.72
OTHER INVESTMENTS AT COST.....	\$ 57,025.00
LESS Reserve.....	50,000.00
	7,025.00
<b>FIXED ASSETS:</b>	
Land.....	\$ 1,397,413.50
Building and Permanent Installations.....	7,446,079.43
Furnishings and Equipment.....	1,257,519.69
	10,101,012.62
LESS Reserve for Depreciation.....	2,145,006.40
	7,956,006.22
Claim in Litigation.....	75,768.15
LESS Reserve.....	35,000.00
	40,768.15
	8,837,893.44
<b>DEFERRED CHARGES:</b>	
Unamortized Discount on First Mortgage Bonds Redeemed in 1927.....	\$ 231,374.04
First Mortgage Bonds—Refunding Expense.....	199,301.00
	430,675.04
Unamortized Organization Expense.....	18,000.00
	448,675.04
GOODWILL.....	900,000.00
DEFICIT.....	348,312.00
	<u>\$ 10,534,880.48</u>

**LIABILITIES**

<b>CURRENT LIABILITIES:</b>	
Accounts Payable.....	\$ 104,474.39
Accrued Interest and Other Charges.....	43,470.96
Unclaimed Wages.....	1,235.13
<b>TOTAL CURRENT LIABILITIES.....</b>	<b>\$ 149,180.48</b>
<b>FUNDED DEBT:</b>	
5½% First Mortgage Loan—Repayable in Annual Instalments of \$120,000 and balance on 1st December, 1947, (Instalment due 1st December, 1932, deferred by arrangement with Mortgagee).....	\$ 3,560,000.00
<b>CAPITAL STOCK AND DEBENTURES:</b>	
<b>AUTHORIZED:</b>	
70,000 6% Cumulative Preferred Shares of \$100 each.....	\$ 7,000,000.00
60,000 Common Shares of No Par Value.....	.....
<b>ISSUED:</b>	
68,141 6% Cumulative Preferred Shares of \$100 each.....	\$ 6,814,100.00
110 8% Cumulative Preferred Shares of \$100 each, outstanding convertible into 110, 6% Cumulative Preferred Shares of \$100 each.....	11,000.00
\$600 8% Convertible Debentures outstanding convertible into 6, 6% Cumulative Preferred Shares of \$100 each....	600.00
	6,825,700.00
60,000 Common Shares of No Par Value.....	\$ 6,825,700.00
<b>NOTE:</b>	
Dividends on Preferred Stock in arrears \$	887,341.00
Outstanding Scrip Dividend Certificates payable out of Surplus Earnings only \$	1,706,425.00
	<u>\$ 10,534,880.48</u>

Approved on behalf of the Board:

J. A. RAYMOND, DIRECTOR.  
V. G. CARDY, DIRECTOR.

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the books and accounts of The Mount Royal Hotel Company Limited, for the year ended 31st December, 1932.

The reserve for depreciation of Fixed Assets as at 31st December, 1932, is, in our opinion, inadequate in respect of the provisions made in the years prior to 1929.

In accordance with the provisions of the Companies Act (Quebec) we have to report that we have obtained all the information and explanations we have required and, subject to the foregoing, in our opinion, the above Balance Sheet, as at 31st December, 1932, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PEAT, MARWICK, MITCHELL & CO.,  
CHARTERED ACCOUNTANTS.

Montreal, 20th January, 1933.

# THE MOUNT ROYAL HOTEL COMPANY, LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1932

Earnings for Year ended 31st December, 1932, after Operating Expenses, Taxes and Provision for Bad and Doubtful Accounts, but before Interest, Amortization Charges and Depreciation.....	\$ 151,489.56
DEDUCT:	
Interest on First Mortgage Loan.....	\$ 195,891.13
Amortization of Bond Discount.....	31,502.70
Amortization of Refunding Expenses.....	18,272.27
Amortization of Organization Expense.....	2,000.00
	<u>247,666.10</u>
Net loss before providing for Depreciation.....	\$ 96,176.54
ADD:	
Provision for Depreciation.....	200,000.00
Net Loss for Year transferred to Deficit Account.....	<u>\$ 296,176.54</u>

## DEFICIT ACCOUNT

Net Loss for Year ended 31st December, 1932.....	\$ 296,176.54
ADD:	
Amount Reserved for Depreciation of Investments.....	\$ 50,000.00
Amount Reserved against Claim in Litigation.....	20,000.00
	<u>70,000.00</u>
LESS:	
Adjustment affecting prior year.....	6,132.89
	<u>63,867.11</u>
	\$ 360,043.65
DEDUCT:	
Surplus as at 31st December, 1931.....	11,731.65
Deficit as at 31st December, 1932.....	<u>\$ 348,312.00</u>