



THE MOUNT ROYAL HOTEL COMPANY, LIMITED  
MONTREAL, CANADA

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ELEVENTH  
ANNUAL REPORT  
*December 31st, 1933*

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MONTREAL, Que.

January 20th, 1934

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## PRESIDENT'S ADDRESS

MONTREAL, January 20th, 1934.

To the Shareholders,

*THE MOUNT ROYAL HOTEL COMPANY, LIMITED:*

Your Directors submit herewith Profit and Loss Account for the year ended December 31st, 1933, together with Balance Sheet as at that date, duly audited and certified by the Company's Auditors.

After providing for the full year's interest on the First Mortgage Loan, and after allowing for amortization charges and the usual provision of \$200,000. for depreciation, a total loss of \$468,832.54 was incurred for the year, which amount has been transferred to Deficit Account. There has also been charged to Deficit Account the sum of \$43,058.15, of which \$40,768.15 is additional provision against loss in connection with the claim against United Hotels Company of America (now in receivership), which amount, together with \$35,000. written off in previous years, represents the full and total claim of \$75,768.15. This liability was incurred before the present Board took office. The total deficit for the year amounted to \$511,890.69, which added to the previous deficit of \$348,312. makes a total of \$860,202.69 which has been carried forward.

Adverse business conditions prevailing during the year are, of course, responsible for the sharp decline in revenue. In common with other large hotels throughout the country your Company experienced a steady lowering of demand for the hotel's various services. There was a very marked decrease in the number of people travelling; the convention business was negligible, and the tourist business secured was the poorest ever experienced, due largely to the attractions of the World's Fair at Chicago. The competition which your Company had to meet in catering to the travelling public was intensified, while the restricted spending power of the public patronizing the hotel was even more pronounced.

Further substantial economies in operation were made during the year but uncontrollable expenses proved a heavy burden. Several hundred rooms remained closed throughout 1933 and every possible effort was made to cut operating expenses wherever possible without affecting the service or the maintenance of property, plant and equipment.

It is hoped that the improvement now being noted in general business activity will lead to a resumption of more normal conditions in the hotel industry. The trend in this direction is already discernible.

Your Management has not overlooked any opportunity or avenue to attract business to the Hotel, and to widen the appeal and scope of the Hotel's services. In this respect it has received, and desires to gratefully acknowledge, the co-operation and loyal service given by every member of the staff.

*For the Directors,*

J. ALDERIC RAYMOND,  
*President.*

# THE MOUNT ROYAL HOTEL COMPANY, LIMITED

BALANCE SHEET AS AT 31st DECEMBER, 1933

## ASSETS

### CURRENT ASSETS:

Cash in Banks and on Hand.....	\$ 72,184.52
Dominion Government Bonds and Other Marketable Securities (Approximate Market Value as at 31st December, 1933, \$296,100.)	397,074.00
Accounts Receivable, less Reserve for Doubtful Accounts.....	81,216.79
Accrued Interest Receivable.....	2,585.03
Inventories.....	28,385.70

TOTAL CURRENT ASSETS.....\$ 581,446.04

PREPAID OPERATING EXPENSES..... 57,035.91

OTHER INVESTMENTS AT COST, less amount written off 4,735.00

### FIXED ASSETS:

Land.....	\$ 1,397,413.50
Building and Permanent Installations.....	7,446,079.43
Furnishings and Equipment.....	1,246,451.33

10,089,944.26

LESS Reserve for Depreciation..... 2,345,006.40

7,744,937.86

8,388,154.81

### DEFERRED CHARGES:

Unamortized Discount on First Mortgage Bonds Redeemed in 1927.....	\$ 200,967.73
First Mortgage Bonds—Refunding Expense.....	181,648.70

382,616.43

Unamortized Organization Expense..... 16,000.00

398,616.43

GOODWILL..... 900,000.00

DEFICIT..... 860,202.69

\$ 10,546,973.93

## LIABILITIES

### CURRENT LIABILITIES:

Accounts Payable.....	\$ 51,059.95
Interest Due and Accrued, and Other Accrued Charges.....	109,043.27
Unclaimed Wages.....	1,170.71

TOTAL CURRENT LIABILITIES.....\$ 161,273.93

### FUNDED DEBT:

5½% First Mortgage Loan—Repayable in Annual Instalments of \$120,000 and balance on 1st December, 1947, (Instalments due 1st December, 1932 and 1933, deferred by arrangement with Mortgagee)\$ 3,560,000.00

### CAPITAL STOCK AND DEBENTURES:

#### AUTHORIZED:

70,000 6% Cumulative Preferred Shares of \$100 each.....	\$ 7,000,000.00
60,000 Common Shares of No Par Value....	.....

#### ISSUED:

68,148 6% Cumulative Preferred Shares of \$100 each.....	\$ 6,814,800.00
103 8% Cumulative Preferred Shares of \$100 each outstanding, convertible into 103, 6% Cumulative Preferred Shares of \$100 each.....	10,300.00
\$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

#### NOTE:

Dividends on Preferred Stock in arrears \$ 1,296,883.00  
Outstanding Script Dividend Certificates payable out of Surplus Earnings only \$ 1,706,425.00

\$ 10,546,973.93

Approved on behalf of the Board:

J. A. RAYMOND, DIRE TOR.  
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, 1933.

The reserve for depreciation of Fixed Assets as at 31st December, 1933, 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, 1933, 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, 18th January, 1934.

# THE MOUNT ROYAL HOTEL COMPANY, LIMITED

MONTREAL

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1933

Loss for Year ended 31st December, 1933, after Operating Expenses, Taxes and Provision for  
Bad and Doubtful Accounts, but before Interest, Amortization Charges and Depreciation \$ 22,576.90

ADD:

Interest on First Mortgage Loan.....	\$ 196,197.03	
Amortization of Bond Discount.....	30,406.31	
Amortization of Refunding Expenses.....	17,652.30	
Amortization of Organization Expense.....	2,000.00	
		<u>246,255.64</u>

Net loss before providing for Depreciation..... 268,832.54

ADD:

Provision for Depreciation.....	200,000.00	
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Net loss for Year transferred to Deficit Account..... \$ 468,832.54

## DEFICIT ACCOUNT

DEFICIT as at 31st December, 1932..... \$ 348,312.00

ADD:

Amount Reserved against Claim in Litigation.....	\$ 40,768.15	
Amount written off Other Investments.....	2,290.00	

43,058.15

Net Loss for Year ended 31st December, 1933..... 468,832.54

511,890.69

DEFICIT as at 31st December, 1933..... \$ 860,202.69