

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE:
MARCONI BUILDING
MONTREAL



THIRTY-NINTH ANNUAL REPORT

1941

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE: MARCONI BUILDING
MONTREAL

*Directors for the year ending
December 31, 1941*

J. A. BOYD, ESQ.	A. H. GINMAN, ESQ.
D. C. COLEMAN, ESQ.	DR. MILTON L. HERSEY
A. E. DYMENT, ESQ.	GORDON W. MACDOUGALL, ESQ., K.C.
H. J. SYMINGTON, ESQ., K.C.	

President:

A. H. GINMAN, ESQ.

Vice-Presidents:

DR. MILTON L. HERSEY

J. A. BOYD, ESQ.

Secretary:

JAMES FERGUS, ESQ., F.C.I.S.

Registrars:

MONTREAL TRUST COMPANY

Transfer Agents:

CHARTERED TRUST & EXECUTOR CO.

Auditors:

PRICE, WATERHOUSE & CO.

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE: MARCONI BUILDING MONTREAL

General Manager:

R. M. BROPHY

Deputy General Manager:

S. M. FINLAYSON

Secretary:

JAMES FERGUS, F.C.I.S.

Comptroller:

A. UNDERWOOD

Chief Communications Engineer:

L. S. PAYNE

Chief Accountant:

W. HOPKINS

General Sales Manager:

M. M. ELLIOTT

Marine and Inland Services:

W. J. GRAY, *Manager*

Traffic Manager:

P. J. MURPHY

Factory Manager:

J. A. BECKINGHAM

Publicity Department:

H. S. PUTNAM

Manager, Station CFCF:

J. A. SHAW

DIVISIONAL OFFICES

British Columbia:

L. S. HAWKINS, *Manager*,
500 Beatty Street,
Vancouver, B.C.

Mid-Western:

W. F. SOUCH, *Manager*,
356 Main Street,
Winnipeg, Man.

Ontario:

G. F. EATON, *Manager*,
92 Adelaide St. West,
Toronto, Ont.

Maritimes:

F. T. WINTER, *Manager*,
47 Argyle Street,
Halifax, N.S.

Newfoundland:

J. J. COLLINS, *Manager*,
New Gower and Adelaide Sts.;
St. John's.

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

BALANCE SHEET - DECEMBER 31, 1941

ASSETS

Property, Plant and Equipment:
At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions.....
Less: Depreciation Reserves.....

\$3,297,360.23
1,844,927.65

\$1,452,432.58

Patents and Patent Rights:

At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions, less sale and amounts written off.....
Investments in Associated Companies.....
Defered Accounts Receivable.....

1,883,193.18
106,250.00
15,777.94

Current Assets:

Inventories of manufactured stock, work in process, materials and supplies, at the lower of cost or market value, as determined and certified by responsible officials (less reserves).....
Accounts Receivable (less reserve).....
Newfoundland Government War Savings Certificates.....
Cash in Banks and on Hand.....

\$2,428,282.17
1,667,679.17
1,000.00
25,601.07

4,122,562.41
22,248.26

Unexpired Insurance, Taxes and Other Prepaid Expenses.....

\$7,602,464.37

LIABILITIES

Capital Stock:
Authorized—7,500,000 shares of \$1.00 each.....
Subscribed and Issued—4,554,682 shares of \$1.00 each.....

\$7,500,000.00
\$4,554,682.00

Current Liabilities:

Accounts Payable and Accrued Liabilities.....
Provision for Dominion, Provincial and Other Taxes.....
Unclaimed Dividends.....
Reserve for Dividend.....
Bank Overdraft.....

\$ 544,335.54
372,106.01
17,428.61
182,187.28
934,076.34

General Reserve.....

2,050,133.78

Reserve for Staff Pensions.....

250,000.00

Earned Surplus:

50,000.00

As per statement attached.....

697,648.59

Approved on Behalf of the Board:
A. H. GINMAN, Director.
J. A. BOYD, Director.

\$7,602,464.37

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1941

Profit from operations for the year ending December 31, 1941, before taking into account the items shown below.....
Add:
Income from Investments.....
Profit from Sale of Bonds.....

\$ 3,941.31
5,143.63

\$1,121,479.03

Deduct:

Provision for Depreciation of Properties.....
Directors' Fees.....
Executive Remuneration.....
Legal Expenses.....

\$ 498,149.44
6,520.00
51,236.00
2,449.13

9,084.94

\$1,130,563.97

Net Profit for the year.....

\$ 572,209.40

Deduct: Provision for Income and Excess Profits Taxes.....

\$ 300,000.00

Balance.....

\$ 272,209.40

EARNED SURPLUS DECEMBER 31, 1941

Balance at December 31, 1940.....

\$ 657,626.47

Add: Net Profit for the year, Balance as above.....

272,209.40

Transferred to Dividend Reserve.....

\$ 929,835.87

Transferred to Staff Pension Reserve.....

\$ 182,187.28

Balance at December 31, 1941.....

232,187.28

\$ 697,648.59

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of the Canadian Marconi Company (Limited Liability) for the year ending December 31, 1941, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Balance Sheet at December 31, 1941, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs (before making any provision from the operations of the year for writing down of Patents), according to the best of our information and the explanations given to us and as shown by the books of the Company.

Montreal, March 21, 1942.

PRICE, WATERHOUSE & CO.,
Auditors.

TO THE SHAREHOLDERS:

Gentlemen:—

Your Directors beg to submit the Balance Sheet and Profit and Loss Statement of the Company for the year ending December 31, 1941.

Although gross profit from operations for the year increased by \$390,113.85 over the previous period, income from investments and profit from sale of bonds decreased from \$101,643.28 to \$9,084.94. No dividends from commercial investments were received during the year, as the undertakings in which your Company is interested found it necessary to conserve their cash resources due to war conditions. It will be observed that your Company liquidated holdings of bonds and resorted to Bank overdrafts to provide the funds necessary to finance the substantial increase of \$1,757,009.46 carried in accounts receivable and work in progress—i.e. from \$2,338,951.88 to \$4,095,961.34.

It is to be noted that \$300,000 is provided for income and excess profits taxes, against \$220,000 last year, and depreciation of properties is \$498,149.44, compared with \$280,981.35 in 1940, the increase resulting from the writing-down of plant extensions and machinery acquired for the sole purpose of producing materials of war.

Having regard to the reserves set up in the accounts, the final net profit of \$272,209.40, substantially equal to that of last year, is considered eminently satisfactory.

Your Directors declared a dividend of 4%—the same as that for the two previous years—payable on June 1st to holders of record April 15th.

As an initial step in setting up a Staff Pension Fund, a reserve of \$50,000 has been established.

Your Company's manufacturing facilities are now devoted almost entirely to the manufacture of equipment for war purposes. No further broadcast receivers will be produced by your Company after April 30, 1942, the present production being limited to the assembly of components and materials acquired prior to the Government order prohibiting further manufacture of this type of apparatus.

Government orders in hand represent a value of several times our output in a normal year, necessitating a further extension to our factory buildings and other facilities.

The Quartz Crystal Grinding Laboratory, referred to in your Directors' last report, has been in production during the past twelve months, and quartz crystals in large quantities are being supplied for the requirements of the Canadian Government, in addition to which we are rapidly becoming a source of supply for our American Allies.

Since the declaration of war, one hundred and eighty-three members of the staff have gone On Active Service, with many others in reserve units, not yet called up.

As in all Canadian industries engaged on war work, the competition of peace-time is now replaced by a spirit of whole-hearted co-operation and those companies producing radio equipment are no exception. It can truly be said that the Industry is combined in the single purpose of assisting Government to "furnish the tools to finish the job" in the most expeditious manner, and the Officials of your Company pay tribute to those associated with them in acknowledging their zeal in our common cause.

Your Company's property and equipment have been maintained at the same high standard, and adequate depreciation has been provided, as in previous years.

Your Board records its pride in the manner in which all members of the staff have faced, and met, the many problems arising from the magnitude and urgency of the work they are performing. Credit is also due to the General Management for its leadership in a considerably-enlarged organization—consisting of many departments, but so co-ordinated as to constitute a single, smoothly-running unit.

Respectfully submitted,

A. H. GINMAN

Montreal, March 25, 1942.

President.

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