

Canadian Marconi Company

Directors for the year ending December 31, 1937

President:

A. H. GINMAN, ESQ.

Vice-Presidents:

DR. MILTON L. HERSEY,
J. A. BOYD, ESQ.

Directors:

D. C. COLEMAN, ESQ.
A. E. DYMENT, ESQ.
GORDON W. MACDOUGALL, ESQ., K.C.
H. J. SYMINGTON, ESQ., K.C.

Secretary:

JAMES FERGUS, ESQ.

Registrars:

MONTREAL TRUST COMPANY

Transfer Agents:

CHARTERED TRUST & EXECUTOR CO.

Auditors:

PRICE, WATERHOUSE & CO.

Canadian Marconi Company

ANNUAL REPORT
for the year ending
31st December, 1937

*Notice of Annual General
Meeting of Shareholders.*

The Annual General Meeting of the Shareholders of Canadian Marconi Company will be held at the Head Office of the Company, Marconi Building, 211 St. Sacramento Street, Montreal, on Friday the twenty-ninth day of April, 1938, at 11.30 o'clock in the forenoon, to receive the report of the Directors and Auditors; to elect Directors for the ensuing year; to appoint Auditors; and for the transaction of such other business as may properly come before the Meeting.

By order of the Board.

JAMES FERGUS,
Secretary.

Montreal, March 29th, 1938.
211 St. Sacramento Street.

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

BALANCE SHEET — DECEMBER 31, 1937

ASSETS

Property, Plant and Equipment: At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions.....	\$2,695,273.37
Less: Depreciation Reserve.....	1,208,467.41
	\$1,486,805.96
Patents and Patent Rights: At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions, less amounts written off.....	1,937,500.00
Investments in Associated Companies:	106,250.00
Deferred Accounts Receivable:	26,652.82
Currents Assets: Inventories as determined and certified by responsible officials; manufactured stock at the lowest of cost, estimated cost, or market value; work in process at cost, and materials and supplies at the lower of cost or market.....	\$ 733,042.69
Accounts Receivable (less reserve).....	561,838.25
Investments in Government and Government Guaranteed Bonds, at cost (Market value \$268,906.25).....	219,312.50
Cash in Banks and on Hand.....	285,733.14

Unexpired Insurance, Taxes and other Prepaid Expenses:	1,799,926.58
	22,147.20
	\$5,379,282.56

Approved on Behalf of the Board:
J. A. BOYD, *Director*,
GORDON W. MacDOUGALL, *Director*.

\$5,379,282.56

LIABILITIES

Capital Stock: Authorized—7,500,000 shares of \$1.00 each.....	\$7,500,000.00
Subscribed and Issued—4,554,682 shares of \$1.00 each.....	\$4,554,682.00
Current Liabilities: Accounts Payable and Accrued Liabilities.....	\$ 272,451.36
Provision for Dominion, Provincial and other Taxes.....	72,856.32
Earned Surplus: As per statement attached.....	345,307.68
	479,292.88

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1937

Profit from operations for the year ending December 31, 1937, before taking into account the items shown below.....	\$493,246.20
Add:	
Income from Investments.....	48,283.77
	\$541,529.97
Deduct:	
Provision for Depreciation of Properties.....	\$172,339.51
Directors' Fees.....	6,220.00
Executive Remuneration.....	40,456.21
Legal Expenses.....	3,423.47
Sundry Property Expense and other Non-Recurring Items.....	50,713.82
	273,153.01
Net Profit for the year.....	\$268,376.96
Deduct: Provision for Income Taxes:	40,000.00
Balance.....	\$228,376.96

EARNED SURPLUS, DECEMBER 31, 1937

Balance at December 31, 1936.....	\$250,915.92
Net Profit for the year, balance as above.....	228,376.96
Balance at December 31, 1937.....	\$479,292.88

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, 1937, 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, 1937, 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 23, 1938.

PRICE, WATERHOUSE & CO.,
Auditors.

In Memoriam
MARCHESE MARCONI, G.C.V.O., LL.D., D.Sc.
Born 1874 - **Died 1937**

TO THE SHAREHOLDERS:

Gentlemen:

Your Directors beg to submit the Balance Sheet and Profit and Loss Account of the Company for the year ending 31st December, 1937.

Again the results for the year show a substantial improvement over those of the preceding period; net profits, after all deductions including Income Tax, amounted to \$228,376.96, compared with \$154,316.15 for 1936.

In each field of our various activities, marked progress was made until the closing months of the year when, in common with all industries, a slackening of demand developed, and this was particularly true in our telegraph services, a fairly reliable barometer of general business conditions.

The extension of our factory, referred to in the last annual report, was completed and equipped, in July, considerably increasing our productive capacity, the full benefits of which will, it is confidently believed, find reflection in our operations during the current year.

Your Company's property and equipment have been maintained at the same high standard of efficiency demanded by the tradition of our Organization, of which we are all justifiably proud.

During the year under review, in collaboration with the Radio Department of the Ministry of Transport, a new radio-telephone service has been made available to ships trading on the Great Lakes.

Further important extensions in your Company's activities include the provision of a comprehensive system of radio-telephony and radio-telegraphy for operation by the Department of Lands and Forests of the Province of Ontario. A similar system has been established to give radio-telephone service between communities on the North Shore of the River St. Lawrence and, through Rimouski, P.Q., with all parts of the Dominion. Both these systems provide for service to and from aircraft operating in these areas.

Mr. H. M. Short resigned on July 14th. Mr. R. M. Brophy was appointed General Manager on September 10th, and Mr. S. M. Finlayson, Deputy General Manager, on October 15th.

Your Board acknowledges with keen appreciation the zeal and loyalty of the Management and Staff, both collectively and individually. Some thirty-one members of our Staff have been in the Company's service for over twenty-five years, and your Directors voice the hope that the time is not far distant when they may be able to recommend establishing the nucleus of a pension scheme as a tangible token of their appreciation of those who have served the Company faithfully and well.

Respectfully submitted,

A. H. GINMAN,
President.

Montreal, March 29th, 1938.

