

Canadian Marconi Company

Directors for the year ending December 31, 1936

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.
H. M. SHORT, Esq., *Managing Director*

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, 1936

*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 Thursday the twenty-ninth day of April, 1937, at 11.30 o'clock in the forenoon, to receive the report of the Directors and Auditors; to consider and if deemed advisable to ratify and confirm By-Law No. XXXVI, fixing the number of Directors at not more than eleven and not less than three; 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 30th, 1937.
211 St. Sacramento Street.

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

BALANCE SHEET—DECEMBER 31, 1936

ASSETS

Property, Plant and Equipments At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions.....	\$2,891,196.00
Less: Depreciation Reserve.....	1,567,305.85
	\$1,323,890.15
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	37,945.31
Current Assets:	
Inventories as determined and certified by responsible officials; manufactured stock at the lower of cost, estimated cost or market value, work in process at cost, and materials and supplies at the lower of cost or market.....	\$ 496,536.59
Accounts Receivable (less Reserve).....	587,286.58
Investments in Government and Government Guaranteed Bonds, at cost (Market value \$273,719.00).....	219,312.50
Cash in Banks and on Hand.....	292,944.83
Unexpired Insurance, Taxes and other Prepaid Expenses	1,586,080.50
	12,940.25
	\$5,004,606.21

LIABILITIES

Capital Stocks 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.....	\$ 146,032.15
Provision for Dominion, Provincial and other Taxes.....	52,976.14
Earned Surplus As per statement attached.....	250,915.92

Approved on Behalf of the Board:
J. A. BOYD, *Director*,
H. M. SHORT, *Director*.

\$5,004,606.21

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1936

Profit from Operations for the year ending December 31, 1936, before taking into account the items shown below.....	\$359,404.47
Add:	
Income from Investments.....	\$ 10,973.34
Dividend declared out of Profits of Associated Company.....	37,500.00
	48,473.34
	\$407,877.81
Deduct:	
Provision for Depreciation of Properties.....	\$171,499.93
Directors' Fees.....	6,404.34
Executive Remuneration.....	39,266.64
Legal Expenses.....	1,390.75
Net Profit for the year.....	\$189,316.15
Deduct: Provision for Income Taxes	35,000.00
Balance.....	\$154,316.15

EARNED SURPLUS, DECEMBER 31, 1936

Earned Surplus, balance at December 31, 1935.....	\$ 96,599.77
Net Profit for the year, balance as above.....	134,316.15
Earned Surplus, balance at December 31, 1936.....	\$250,915.92

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, 1936, 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, 1936, 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 as shown by the books of the Company.

Montreal, March 23, 1937.

PRICE, WATERHOUSE & CO.,
Auditors

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, 1936.

The results for the year show a material improvement over those of the preceding period and represent, in two important departments, a record turnover in your Company's history.

Expansion of our activities and the larger volume of business developed during 1936 placed a heavy strain upon our factory, which, at times, became so congested that excessive handling charges and other abnormal costs could not be avoided. Orders already in hand and actively pending for the current year render it necessary to extend our manufacturing facilities, and your Directors have recently authorized an extension of our factory, which will substantially increase its productive capacity and relieve the congestion experienced last year.

Your Company's property and equipment continue to be maintained at maximum efficiency and our radio telegraph and radio telephone services are capable of meeting the anticipated increasing public demand.

Immediately prior to the last Annual Meeting Sir Joseph Flavelle, Bart., resigned from the Board, in pursuance of his desire to reduce the number of his active business interests. Sir Joseph was Chairman of the Board from 1927 until his retirement, and his advice and counsel were always of great value to the Company. His resignation was accepted by your Directors with great regret.

Mr. J. Edouard Labelle, K.C., resigned on September 30th, being succeeded by Mr. H. J. Symington, K.C.

Your Board wishes to record its appreciation of the excellent services rendered by the Management and Staff, which contributed, in no small measure, to the satisfactory results disclosed in the accompanying financial statements.

Respectfully submitted,

A. H. GINMAN,

President.

Montreal, March 30th, 1937.

