

Canadian Marconi Company

Directors for the year ending December 31, 1935

Chairman of the Board:

SIR JOSEPH FLAVELLE, BART.

President:

A. H. GINMAN, ESQ.

Vice-Presidents:

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

Directors:

D. C. COLEMAN, ESQ.
A. E. DYMENT, ESQ.
J. E. LABELLE, ESQ., K.C.
GORDON W. MACDOUGALL, 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, 1935

*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 thirtieth day of April, 1936, 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, April 7th, 1936.
211 St. Sacramento Street.

CANADIAN MARCONI COMPANY

(LIMITED)

BALANCE SHEET—DECEMBER 31, 1935

ASSETS

Property, Plant and Equipment: At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions.....	\$2,850,245.96
Less: Depreciation Reserve.....	1,414,695.69
	\$1,435,550.27
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.....	58,136.69
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.....	\$ 519,669.32
Accounts Receivable (less Reserve).....	450,168.17
Investments in Government and Government Guaranteed Bonds, at cost (Market value \$262,312.00).....	219,312.50
Cash in Banks and on Hand.....	80,759.36
	1,269,909.35
Unexpired Insurance, Taxes and other Prepaid Expenses.....	23,583.45
	\$4,830,929.76

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.....	\$ 127,922.48
Provision for Dominion, Provincial and other Taxes.....	16,725.51
Mortgage Payable, due September 8, 1936.....	35,000.00
	179,647.99
Earned Surplus: As per statement attached.....	96,599.77

Approved on Behalf of the Board:
MILTON L. HERSEY, Director.
H. M. SHORT, Director.

\$4,830,929.76

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1935

Profit from Operations for the year ending December 31, 1935, before taking into account the items shown below.....	\$254,055.24
Add:	
Income from Investments.....	\$ 12,038.01
Profit on Sale of Investments.....	1,900.00
Dividend declared out of Profits and accumulated Surplus of Associated Company.....	37,500.00
	\$305,493.25
Deduct:	
Provision for Depreciation of Properties.....	\$164,100.12
Directors' Fees.....	7,479.24
Executive Remuneration.....	34,742.76
Legal Expenses.....	3,011.15
	209,333.27
Net Profit for the year.....	\$ 96,159.98
Deduct: Provision for Income Taxes.....	7,500.00
	\$ 88,659.98
Balance.....	\$ 88,659.98
	\$ 7,939.79
Earned Surplus, balance at December 31, 1934.....	88,659.98
Net Profit for the year, balance as above.....	\$ 96,599.77
	\$ 96,599.77

EARNED SURPLUS, DECEMBER 31, 1935

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of the Canadian Marconi Company (Limited) for the year ending December 31, 1935, 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, 1935, 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 28, 1936.

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, 1935.

The results of the year show an encouraging improvement over those for the preceding year, and it is gratifying to report that every Department, with one small exception, of your Company's activities was productive of larger revenue and increased profits.

Sales of broadcast receivers and telegraph traffic receipts show a progressively upward trend which, it is believed, may be cited as a barometer of generally improving business conditions throughout the Dominion.

Your Company's property and equipment were efficiently maintained during the year and additions made as required by the exigencies of your telegraph services.

It is to be noted that Investments in Government and Government Guaranteed Bonds were reduced by \$40,000.00, but on the other side of the Balance Sheet it will be observed that the Bank Overdraft of \$89,761.45 as of December 31, 1934, has been liquidated. Cash in Banks and on hand is increased from \$27,655.96 in December 1934 to \$80,759.36 in the Balance Sheet now submitted. Since the Accounts were closed, the Mortgage of \$35,000.00 has been paid off.

Mr. A. H. Ginman was, in May 1935, appointed as President, succeeding the late Mr. F. Perry. He brought to his duties as President a long experience in wireless and telegraphic services which already has proved to be of signal value in counsel with the senior administrative officers of the Company.

Your Directors desire to express their appreciation of the efficient services rendered by the Management and Staff of the Company throughout the year.

Respectfully submitted,

J. W. FLAVELLE,

Chairman of the Board.

Montreal, April 8th, 1936.

