

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE:
MARCONI BUILDING
MONTREAL



FORTY-FIRST ANNUAL REPORT
(1943)

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE: MARCONI BUILDING
MONTREAL

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, St. Sacrament Street, Montreal, on Thursday, the twenty-seventh day of April, 1944, 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. XXXVII, amending By-law No. V "OFFICERS," providing for office of Treasurer, and By-law No. XXXVIII amending By-law No. XVII "SIGNING OF NEGOTIABLE PAPER," providing for additional signatures of General Manager and Treasurer; 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.

Montreal, March 22, 1944,
Marconi Building,
St. Sacrament Street.

By order of the Board.
JAMES FERGUS,
Secretary.

IF UNABLE TO BE PRESENT IN PERSON PLEASE DETACH, SIGN AND RETURN
THIS FORM OF PROXY.

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

SHAREHOLDER'S APPOINTMENT OF PROXY

COMMON STOCK

I/WE the undersigned.....
(Please print name in full)

of the City or Town of.....Province.....

being a holder of.....Shares of the COMMON STOCK of Canadian Marconi Company, hereby constitute and appoint A. H. Ginman, President, and Dr. M. L. Hersey, Vice-President, and J. A. Boyd, Vice-President of Canadian Marconi Company, or a majority of such of them as are present and acting to be my/our Attorney and Proxy, and in my/our name to act and vote on my/our behalf at the Annual General Meeting of Shareholders of this Company, advertised to be held in Montreal, on Thursday, April 27th, 1944, and at any adjournments thereof.

WITNESS my/our hand at.....this.....day
of....., 1944.

WITNESS Signature.....

.....
.....
N.B.—All proxies must be in favour of a Shareholder, and lodged with the Secretary of the Company before the Meeting.

CANADIAN MARCONI COMPANY

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*Directors for the year ending
December 31, 1943*

J. A. BOYD, ESQ.	DR. MILTON L. HERSEY
A. E. DYMENT, ESQ.	GORDON W. MACDOUGALL, ESQ., K.C.
A. H. GINMAN, ESQ.	W. M. NEAL, ESQ., C.B.E.
H. J. SYMINGTON, ESQ., C.M.G., 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

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General Manager:
R. M. BROPHY

Deputy General Manager:
S. M. FINLAYSON

Secretary and Treasurer:
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*

Superintendent of Telegraphs:
D. MACDONALD

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:

C. S. McDONALD, *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, 1943

ASSETS	LIABILITIES
Property, Plant and Equipment:	
At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions.....	\$7,500,000.00
Less: Depreciation Reserves.....	4,554,682.00
	<u>\$ 1,151,998.18</u>
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.....	\$5,032,995.82
Investments in Associated Companies.....	262,658.25
Trade.....	32,305.92
Refundable Portion of Excess Profits Taxes.....	182,187.28
	<u>785,000.00</u>
	137,476.62
	<u>6,432,625.89</u>
Current Assets:	
Inventories of Manufactured Stock, Work in Process, Materials and Supplies at the lower of cost or market values, as determined and certified by responsible officials (less reserves).....	250,000.00
Accounts Receivable (less reserve).....	150,000.00
Newfoundland Government War Savings Certificates.....	145,422.29
Dominion of Canada Bonds.....	
Cash in Banks and on Hand.....	37,835.55
	<u>8,940,012.86</u>
	21,382.61
	<u>\$12,276,602.58</u>
Unexpired Insurance, Taxes and Other Prepaid Expenses.....	<u>743,872.40</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1943

Profit from operations for the year ending December 31, 1943, before taking into account the items shown below..... \$1,328,047.53
 Add: Income from Investments..... 28,755.48
\$1,356,803.01

Deduct:
 Provision for Depreciation of Properties..... \$ 327,293.10
 Directors' Fees..... 6,740.00
 Executive Remuneration..... 51,236.00
 Legal Expenses..... 9,441.97
 Provision for Pension Fund..... 210,000.00
 Loss on Sale of Investments..... 452.92
605,163.99

Deduct: Provision for Income and Excess Profits Taxes including Refundable Portion of Excess Profits Taxes of \$91,222.98.....
\$ 751,639.02
 571,000.00
\$ 180,639.02

EARNED SURPLUS DECEMBER 31, 1943

Balance at December 31, 1942..... \$ 745,420.66
 Add: Net Profit for the year, as above..... \$ 926,059.68
182,187.28
 Deduct: Amount transferred to Dividend Reserve.....
 Balance at December 31, 1943..... \$ 743,872.40

Approved on Behalf of the Board:
 MILTON L. HERSEY, Director.
 J. A. BOYD, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canadian Marconi Company (Limited Liability) for the year ending December 31, 1943, 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, 1943, 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, 1944.

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, 1943.

Net Profit from operations for the period amounted to \$751,639.02.

The Provision for Dominion, Provincial and other Taxes, \$262,658.25, is arrived at as follows:—

Amount transferred from Profits in 1943 to provide for Federal Income and Excess Profits Taxes.....	\$571,000.00
Plus: Balance of Reserve for this purpose carried over from 1942..	5,214.40
Total Provision for Income and Excess Profits Taxes.....	576,214.40
Less: Amount which has been paid on account, in monthly instalments since July 1st, as now required by law.....	409,998.00
Balance of Provision for Income and Excess Profits Taxes.....	166,216.40
Plus: Federal Sales Taxes and other Sundry Taxes.....	96,441.85
	<u>\$262,658.25</u>

Income and Excess Profits Taxes payable amount to \$575,710.99, which includes the portion refundable two years after the cessation of hostilities, amounting to \$91,222.98. This latter figure has been added to that for 1942 and, with a small adjustment of \$155.96, makes a total refundable amount of \$145,422.29, as shown on the Balance Sheet.

The regular Dividend of 4% has been declared—payable on June 1st to shareholders of record April 15th.

The "Standard Profits" of your Company have been established at \$256,277.36, and all above this figure is absorbed by Excess Profits Tax. In addition, "Standard Profits" are subject to taxation and provision for these two items leaves a net amount of \$180,639.02 available for distribution to Shareholders, the difference between that sum and the Dividend requirement of \$182,187.28 being deducted from Earned Surplus.

The Bank Loan of \$785,000.00 was negotiated to finance the Company's subscription to the Fifth Victory Loan, \$500,000.00, and that of the Staff, \$285,000.00—the latter is being deducted from salaries and will be repaid by

April 30th. This Loan carries the same rate of interest as that accruing upon the Bonds, namely: 3%.

It will be observed that Accounts Receivable and Inventory represent the substantial sum of \$8,401,177.31—almost double the value of our Issued Capital. Our ability to carry this financial load with a Bank Overdraft of only \$137,478.62 is due entirely to the hearty co-operation of the various Canadian Government Departments, by the prompt payment of our invoices on work in process and shipments.

Depreciation, at \$327,293.10, is \$142,455.66 less than was provided last year, and will continue to decrease until special depreciation allowances have been covered, after which normal depreciation only will be charged.

Mr. D. C. Coleman, Chairman and President of the Canadian Pacific Railway Company, resigned on December 2nd, and was succeeded by Mr. W. M. Neal, C.B.E., Vice-President of the same Company.

The second floor extension over the entire east wing of the Factory was completed during the year, bringing the total area of our Plant up to 211,616 square feet, which is utilized in the production of the many types of radio apparatus required by the various Armed Services. No further extensions are now contemplated.

The General Management has created a Planning and Co-ordinating Committee, charged with the responsibility of studying and recommending ways and means of utilizing our facilities for post-war production with the minimum of dislocation of labour on the cessation of hostilities.

Our Plant and Equipment—which have been considerably expanded during the past three years—are devoted solely to the manufacture of radio apparatus and, therefore, present no serious problem in converting to peace-time demands, except in the creation of new designs and the re-establishment of markets for our normal products.

Your Board pays a merited tribute to all members of the Staff, including the hourly-paid workers at the Factory, for their contribution to the Company's success in maintaining the high quality standard of our equipment, so vital to Canada's war effort in the Allied Cause.

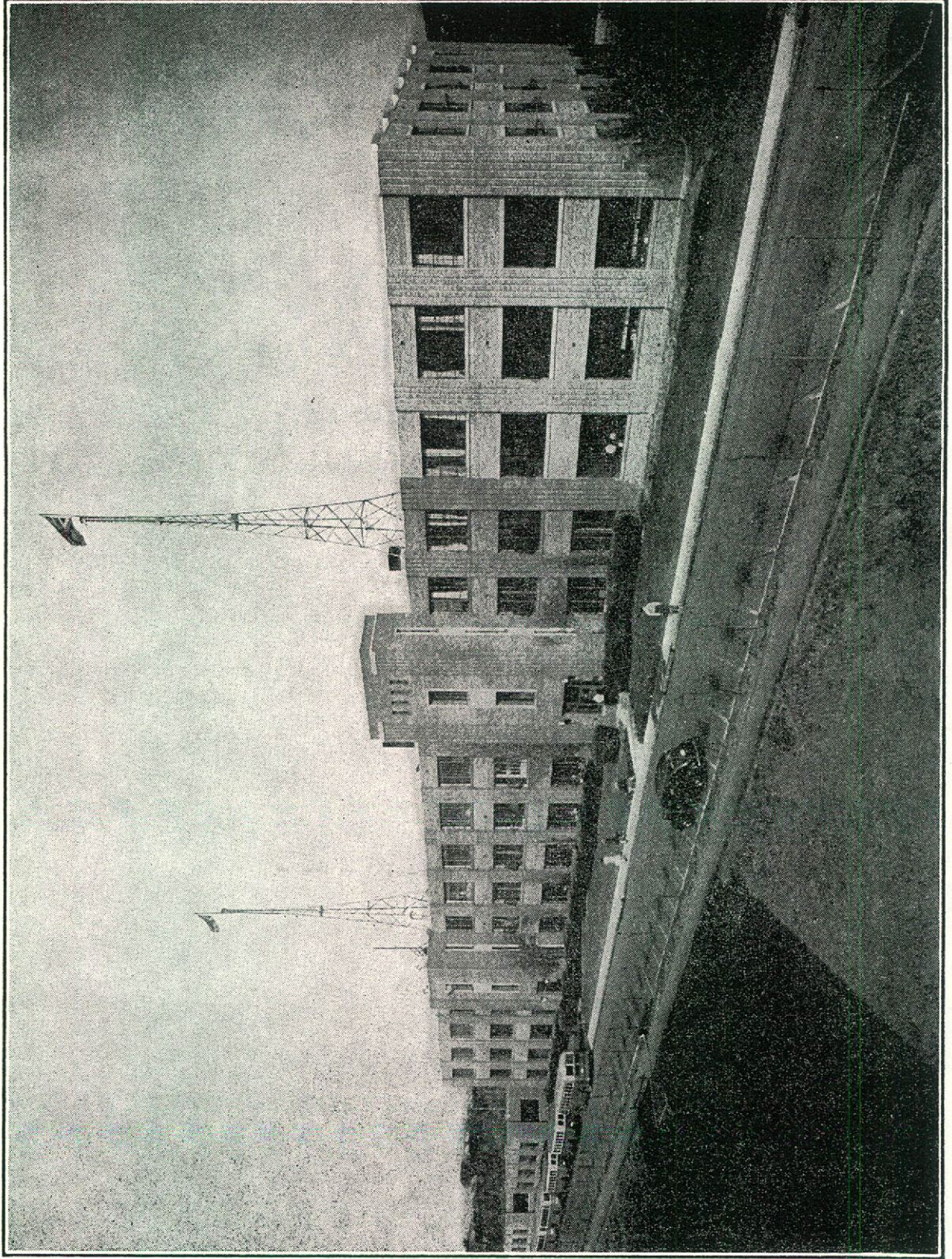
Respectfully submitted,



J. D. Firman
President.

Montreal, March 6, 1944.

CANADIAN MARCONI COMPANY
(LIMITED LIABILITY)



FACTORY — MONTREAL

