

Canadian Marconi Company

Chairman of the Board and President:

SIR JOSEPH FLAVELLE, BART.

Deputy Chairman:

F. PERRY, ESQ.

Vice-Presidents:

F. PERRY, ESQ.

DR. MILTON L. HERSEY

Directors:

RT. HON. F. G. KELLAWAY, P.C.

A. E. DYMENT, ESQ.

GORDON W. MACDOUGALL, ESQ., K.C.

GRANT HALL, ESQ.

D. E. GALLOWAY, ESQ.

H. M. SHORT, ESQ.,

Managing Director

Secretary:

JAMES FERGUS, ESQ.

Registrars:

MONTREAL TRUST COMPANY

Transfer Agents:

QUEBEC SAVINGS & TRUST CO.

Auditors:

PRICE, WATERHOUSE & CO.

1932

TO THE SHAREHOLDERS:

GENTLEMEN:—

Your Directors beg to submit the Balance Sheet and Profit and Loss Account of the Company for the year ending the 31st December 1932.

The presentation of the report has been delayed on account of the protracted negotiations with Imperial & International Communications Limited. It was hoped that a settlement would have been arrived at before the end of this year. Your Directors regret to state however that this has not been the case and they feel they cannot hold up the issue of the report and accounts any longer.

Conditions in 1932 were substantially worse than in 1931. On the manufacturing side the volume of business was reduced by more than 50% and in consequence this department showed a heavy loss instead of a profit. On the traffic side there was comparatively a small reduction in gross receipts which was nearly compensated by the reduction in expenses arising in part out of the all round reduction in wages and salaries which was put into effect towards the end of the year. Although the scale of remuneration before was not a high one the reduction was accepted in the best possible spirit by the staff, who recognized the difficult conditions under which the Company was working.

There was little change in the result of the land stations. The ship stations showed a falling off as business substantially decreased. There was an improvement in the broadcasting revenue. There was a reduction in the income from investments (including royalties) which is largely dependent on the general conditions of the receiving set business.

The properties and equipment were fully maintained during the year and are in first class working condition. For this reason your Directors consider that in view of the substantial provision for depreciation made in past years the rates then applied can now safely be reduced. The depreciation provision for the year has therefore been fixed at \$131,467.72 as compared with \$234,729.62 for the previous year. In the final result a loss of \$188,085.96 is shown, after providing for depreciation, as compared with \$98,651.29 for 1931.

On account of the very poor trade conditions the auditors recommended that special provision should be made against bad debts. An additional amount of \$50,000. (in addition to the usual reserve) has therefore been set aside for this purpose out of the Company's accumulated surplus.

The direct telephone service with Great Britain which is carried on by your Company and the Bell Telephone Company on this side and the British Post Office on the other side is working very satisfactorily. The receipts are small at present as the traffic is not large, but there is every hope that they will increase as general business conditions improve, while your Company feels that in working for and eventually obtaining the establishment of this direct service, it has, in conjunction with the Bell Telephone Company, performed a substantial public service to Canada.

The Board deeply regrets to have to record the death during the present year of the Right Honourable F. G. Kellaway who had been a Director of your Company for many years. During his long connection with the British Marconi Company and with your Company Mr. Kellaway played a principal part in building up the system of wireless telegraphy in its most critical years, and his loss at the time when he was still in the prime of life will be severely felt.

The Board desires to thank the Management and Staff of the Company for their work during the year.

Respectfully submitted,

J. W. FLAVELLE,

Chairman of the Board and President.

Montreal, November 28th, 1933.

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

BALANCE SHEET

DECEMBER 31, 1932

ASSETS

Property, Plant & Equipment:		
LESS Reserve.....	\$1,271,109.84	
Patents and Patent Rights.....	2,241,875.00	
Investments in other Companies.....	105,000.00	
Current Assets:		
Manufactured Stock, Materials and Supplies, less Reserve.....	\$694,408.75	
Accounts Receivable, less Reserve..	428,274.18	
Investments in Government and Government Guaranteed Bonds at cost.....	281,062.50	
(Deposited with Bank as security for overdraft—market value at December 31, 1932— (\$297,000.00))		
Cash in Banks and on hand.....	31,479.18	
	1,435,224.61	
Deferred Charges:		
Unexpired Taxes and Prepaid In- surance, etc.....	\$ 27,517.83	
Alterations to Marconi Building...	3,245.52	
	30,763.35	
	\$5,083,972.80	

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
Mortgages:		
(\$15,535.78 payable April 1, 1933) .		50,535.78
Current Liabilities:		
Accounts Payable and Accrued Liabilities.....	\$ 106,025.57	
Bank Overdraft (secured per contra)	251,652.46	
		357,678.03
Profit and Loss Account:		
Balance at December 31, 1931....	\$ 359,162.95	
DEDUCT: Deficit for the year ending December 31, 1932, per statement attached.....	188,085.96	
		\$ 171,076.99
DEDUCT: Special Provision for Doubtful Accounts.....	50,000.00	
		121,076.99
		\$5,083,972.80

Approved on Behalf of the Board:

J. W. FLAVELLE, Director
F. PERRY, Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING DECEMBER 31, 1932

Deficit from Operations for the year ending Decem- ber 31, 1932, and Revenue from Investments (including Dividends of \$93,125.00 declared out of the profits and accumulated surpluses and reserves of Associated Companies) after deducting all operating and administration expenses.....	\$ 56,618.24
Add:	
Provision for Depreciation of Properties.....	131,467.72
Deficit for year.....	\$188,085.96

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, 1932, 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, 1932, 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 during 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.

PRICE, WATERHOUSE & Co.

Auditors.

MONTREAL, December 2, 1933.

Canadian Marconi Company

ANNUAL REPORT
for the year ending
31st December, 1932

*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 21st day of December, 1933, 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, November 27th, 1933.
211 St. Sacramento Street.

