

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.

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, 1931.

Negotiations with Imperial & International Communications Limited have been continued but no definite result has been arrived at. Your Directors, therefore, will defer making a statement on the matter at present.

Business throughout the year was carried on under difficult conditions mainly arising out of the depressed state of trade generally.

On the manufacturing side the total value of gross sales was practically the same as last year. The volume of business done was greater as prices were substantially lower, but profits on this branch were very small and were converted into a loss by the general price cutting which took place in the receiving set trade in connection with the disposal of the balance of the 1930 inventory stocks.

On the traffic side the gross receipts again fell off very substantially. It was impossible to reduce expenses as the system was already being operated at a minimum cost. The same staff has to be maintained to operate the system even if the number of messages carried falls off considerably. Consequently there was a substantial loss on this branch of the business.

There was a comparatively small decrease in the revenue from the marine business. Broadcasting on the other hand showed a small improvement. The Company's income from investments (including royalties) also fell off.

In the final result the accounts show a loss for the year of \$98,651.29. This is after making full provision for depreciation on the usual scale. Nothing, however, has been written off patent rights in the year's accounts other than the amount of \$10,000. referred to in the auditors' certificate.

The negotiations with the British Post Office and the Bell Telephone Company for the establishment of a direct trans-Atlantic telephone service have been brought to a successful conclusion and agreements for a long term contract have been signed between the parties. The service was established in July and appears to be working satisfactorily, having been in frequent use at the time of the Imperial Conference at Ottawa.

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

Respectfully submitted,

J. W. FLAVELLE,

Chairman of the Board and President.

Montreal, October 4, 1932.

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

BALANCE SHEET

DECEMBER 31, 1931

ASSETS		LIABILITIES	
Property, Plant and Equipment:		Capital Stock:	
LESS Reserve.....	\$1,292,261.05	Authorized—7,500,000 Shares of \$1.00 each.....	\$7,500,000.00
Patent and Patent Rights.....	2,241,875.00	Subscribed and Issued—4,554,682 Shares of \$1.00 each.....	<u>\$4,554,682.00</u>
Investments in other Companies.....	105,000.00	Mortgages.....	50,535.78
Current Assets:		Current Liabilities:	
Manufactured Stock, Materials and Supplies, less Reserve.....	\$458,616.01	Accounts Payable and Accrued Liabilities.....	184,111.51
Accounts Receivable, less Reserve.....	686,763.96	Surplus:	
Investments in Government and Government Guaranteed Bonds at cost.....	281,062.50	Balance at December 31, 1930..	\$457,814.24
(NOTE: Quoted prices of these Bonds at December 31, 1931 show a valuation of \$276,500.00)		DEDUCT: Loss for the year ending December 31, 1931, as per statement attached.....	98,651.29
Cash in Banks and on hand.....	59,908.98		<u>359,162.95</u>
	1,486,351.45		
Deferred Charges:			
Unexpired Taxes and Prepaid In- surance, etc.....	\$ 16,159.17		
Alterations to Marconi Building...	6,845.57		
	23,004.74		
	\$5,148,492.24		\$5,148,492.24

Approved on Behalf of the Board:

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING DECEMBER 31, 1931

Revenue from Operations for the year ending Decem- ber 31, 1931, and Interest and Dividends from Subsidiary Companies and other Investments after deduction of all operating and admini- stration expenses.....	\$136,078.33
Deduct:	
Depreciation on Plant.....	234,729.62
Loss for the year.....	\$ 98,651.29

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of the Canadian Marconi Company (Limited Liability) for the year ending December 31, 1931, and have obtained all the information and explanations which we have required; and we certify that, in our opinion, the above Balance Sheet at December 31, 1931, 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, beyond a sum of \$10,000.00 arising from the proceeds of certain sub-licenses, according to the best of our information and the explanations given to us and as shown by the books of the Company.

MONTREAL, October 19, 1932.

PRICE, WATERHOUSE & CO.
Auditors.

Canadian Marconi Company

ANNUAL REPORT
for the year ending
31st December, 1931.

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 Monday, the 31st day of October, 1932, 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, October 4th, 1932.
211 St. Sacramento Street.

