

CANADIAN MARCONI COMPANY

OFFICIAL COPY

1920 ANNUAL REPORT

WIRELESS TELEGRAPH

Annual Report and Statement of Accounts for  
Year ending 31st December, 1920.

DIRECTORS:

Lt. Col. THE HON. FREDERIC NICHOLLS, SENATORE G. MARCONI, G. C. V. O., LL.D., D.Sc.  
President. Vice-President.  
A. E. DYMENT, Esq., Vice-President. ROBERT BICKERDIKE, Esq., Vice-President.  
SIR WILLIAM MACKENZIE. GODFREY C. ISAACS, Esq.  
G. M. BOSWORTH, Esq. C. G. GREENSHIELDS, Esq., K.C.  
A. H. MORSE, Esq., A.M.I.E.E. (Lond.) Mem. I.R.E. (N.Y.)  
(Managing Director)

ACTING SECRETARY: J. P. FLEMING, Esq.

SOLICITORS:

GREENSHIELDS, GREENSHIELDS, LANGUEDOC & PARKINS.

AUDITORS:

PRICE, WATERHOUSE & CO.

TRANSFER AGENTS:

QUEBEC SAVINGS & TRUST CO.

REGISTRARS:

MONTREAL TRUST CO.

Offices of the Company - MARCONI BUILDING, 11 ST. SACRAMENT STREET, MONTREAL

REPORT OF DIRECTORS

Your Directors herewith submit their Annual Report and Statement of Accounts for the year ending December 31st, 1920.

It will be noted that the capital stock of the Company has been increased since the last Annual Report; the increase being in accordance with a resolution of a Special General Meeting held on the 23rd November, 1920.

Pursuant to an agreement dated the 1st October, 1920, eight hundred thousand of the new shares have been issued to the Canadian General Electric Company, Limited, in consideration of their having assigned to your Company the exclusive wireless rights to all Canadian and Newfoundland patents owned or controlled by them.

As a consequence of this transaction your Company has secured the co-operation of the Canadian General Electric Company, Limited; which co-operation has already been beneficial. The Canadian General Electric Company also undertakes to subscribe for a further two hundred thousand shares at par, as additional working capital is required.

A very considerable proportion of your Company's activities consists of the operation and maintenance of some 30 Coast Wireless Stations, under contracts made in 1911 and 1912 with the Dominion Government. As was pointed out in our last Annual Report, your Company has had to respond to the general demand for higher wages. The effect of these higher wages was an increased cost of nearly eighty thousand dollars in respect of the operation and maintenance of the said Coast Stations in 1920, the wages being in accordance with the schedule recommended by a Board of Conciliation set up by The Honourable the Minister of Labour in the Fall of 1919.



Mr. A. E. Dyment, President of the Canadian General Electric Co. and Vice-President of your Company, accompanied by Mr. A. H. Morse, made a trip to England this summer in order to make an adjustment and settlement with the British Marconi Company of some matters which were in dispute, and also to advise with them with regard to the future development of this Company.

I am glad to say that satisfactory arrangements were concluded, and your Officials are in accord with the views of the Officials of the British Company regarding the development in Canada of Wireless Telegraphic Communication.

You will also be pleased to know that Mr. Dyment reports the greatest enthusiasm on the part of the leading Officials of the British Company with regard to the development of Wireless Telegraphy.

Your Company's Trans-Atlantic telegraphic service continues to give satisfaction and your Directors are pleased to report that, as a result of improvements which are now being effected, the efficiency of the said service will shortly be materially increased.

The business in amateur wireless apparatus, which is carried on by your subsidiary-Scientific Experimenter, Ltd. continues to grow.

Towards the end of the period under review your Company placed in operation in Nova Scotia, a transmitting station of the latest type, for the purpose of radiating Canadian news to subscribing ships in the North Atlantic. This station is giving entire satisfaction, and its operation is profitable.

Your Company gave a demonstration of wireless telephony at St. John's, Newfoundland, in 1920, on the occasion of the visit of the Imperial Press delegates to Canada. The demonstration, which incidentally involved considerable expense, was, as you know, an unqualified success, and your Directors feel sure that you will consider it to have been worth while, having regard to the effect which it must have upon your Company's prestige and future prosperity.

Your attention is directed to the fact that your Board is now under full Canadian control and your Directors, relying on the continued zealous support and efficient co-operation of their officers and staff, look forward to a radical improvement in the Company's affairs in the near future.

Respectfully submitted,

FREDERIC NICHOLLS,

President.



# The Marconi Wireless Telegraph Company of Canada, Limited

BALANCE SHEET - 31st December, 1920

<u>ASSETS</u>	<u>LIABILITIES</u>
<b>CAPITAL ASSETS:</b>	
Real Estate, Buildings, Machinery, Power and Ship Stations, etc.....	\$1,092,440.64
Property Rights, Patents, Titles, Etc.....	4,491,881.03
INVESTMENT, Scientific Experimenter Limited- 500 Shares of a par value of \$20.00 each.....	\$ 10,000.00
Balance on Current Account	27,519.42
	5,621,841.09
<b>CURRENT ASSETS:</b>	
Apparatus and Stores on hand and in transit as certified by responsible officials of the Company	289,401.48
Accounts Receivable, less Reserve of \$10,000.00 for Bad and Doubtful Debts	171,096.91
Balances receivable from Associated Companies less reserve of \$35,000.00	171,271.57
Working Funds in hands of Divisional Superintendents.....	18,200.00
Cash on hand and in Bank Societe Marseillaise, Paris Deposit.....	12,627.98
Dominion of Canada War Loan Bonds, par value..	4,859.26
	55,600.00
	723,057.20
<b>DEFERRED CHARGES:</b>	
Cost of rebuilding Cape Race Station after fire, less amounts written off to date.....	15,405.33
Prepaid Taxes, Unexpired Insurance, etc.....	14,205.46
Reorganization Expense...	20,218.28
	49,829.07
	\$6,394,727.36
<b>CAPITAL STOCK:</b>	
Authorized-3,000,000 Shares of \$2.50 each....	\$7,500,000.00
Subscribed and Issued- 2,200,000 Shares of \$2.50 each.....	\$5,500,000.00
Mortgages Payable.....	49,000.00
<b>CURRENT LIABILITIES:</b>	
Accounts Payable.....	188,382.59
<b>RESERVES:</b>	
For Depreciation.....	244,048.90
For Insurance of Ship Station Equipment.....	2,920.60
	246,969.50
<b>SURPLUS ACCOUNT:</b>	
Profits from Operations for the year ending December 31, 1920 after deducting all expenses of operations and management, but before providing for Depreciation and Government Taxes.....	69,906.38
Deduct: Reserve for Depreciation of Buildings, Plant and Equipment and Power and Ship Stations	55,449.41
Balance of Profits.....	14,456.97
Surplus Balance December 31, 1919.....	\$ 395,918.30
Balance, December 31, 1920 subject to Government Taxes .....	410,375.27
	\$ 6,394,727.36

Approved on behalf of the Board:

Frederic Nicholls, *Director.*  
A. H. Morse, *Director.*

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of The Marconi Wireless Telegraph Company of Canada Limited for the year ending December 31 1920, and have obtained all the information and explanations which we required; and we certify that in our opinion the above Balance Sheet at December 31 1920 is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the Books of the Company.

(Signed) PRICE, WATERHOUSE & CO.  
*Auditors.*

real, July 14, 1921.

