

Corporation
File

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE:
MARCONI BUILDING
MONTREAL



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McGILL UNIVERSITY

FORTY-FIFTH ANNUAL REPORT
(1947)

CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE: MARCONI BUILDING
MONTREAL



*Directors for the year ending
December 31, 1947*

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

President:

A. H. GINMAN, ESQ.

Vice-Presidents:

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

(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 Monday the twenty-ninth day of April, 1946, 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.

Montreal, March 20, 1946,
Marconi Building,
St. Sacrament Street.

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 Share-
holders of this Company, advertised to be held in Montreal, on Monday, April 29th, 1946, and
at any adjournments thereof.

WITNESS my/our hand at..... this..... day
of....., 1946.

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

(LIMITED LIABILITY)

HEAD OFFICE: MARCONI BUILDING
MONTREAL

General Manager:
S. M. FINLAYSON

Assistant General Manager:
W. J. GRAY
Communications Equipment Division

Assistant General Manager:
M. M. ELLIOTT
Merchandising Division

Secretary and Treasurer:
JAMES FERGUS, F.C.I.S.

Comptroller:
W. H. HOPKINS

Chief Communications Engineer:
L. S. PAYNE

Chief Accountant:
J. HILL

Traffic Manager:
D. F. BOWIE

Factory Manager:
F. A. BARROW

Marine Superintendent:
A. WILKINS

Publicity Manager:
H. S. PUTMAN

Manager Personnel Relations:
J. C. PUDDINGTON

Manager, Station CFCF:
J. A. SHAW

DIVISIONAL OFFICES

British Columbia:

L. S. HAWKINS, *Manager*,
550 Burrard Street,
Vancouver, B.C.

Mid-Western:

W. F. SOUCH, *Manager*,
149 Portage Ave. East,
Winnipeg, Man.

Ontario:

G. F. EATON, *Manager*,
855 Bay Street,
Toronto, Ont.

Maritimes:

D. J. MURPHY, *Manager*,
572 Barrington St.,
Halifax, N.S.

Newfoundland:

W. A. BROWN, *Manager*,
3 Prescott Street,
St. John's, Nfld.

CANADIAN MAR (LIMITED) BALANCE SHEET —

ASSETS

Property, Plant and Equipment:

At revised values placed thereon by the Directors as at December 31, 1924, with subsequent additions at cost, less disposals and fully depreciated properties written off.....	\$2,659,358.25	
Less: Depreciation reserves.....	1,094,842.03	
		\$1,564,516.22

Patents and Patent Rights:

At revised values placed thereon by the Directors as at December 31, 1924, with subsequent additions at cost, less sales and amounts written off.....	1,863,307.64
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Investments in Associated Companies.....	106,250.00	
Deferred Accounts Receivable.....	\$ 76,762.68	
Refundable Portion of Excess Profits Tax.....	271,010.98	
		347,773.66

Current Assets:

Inventories of manufactured stock, work in process, materials and supplies, as determined and certified by responsible officials of the Company and valued at cost or lower (less reserves of \$1,118,623.14).....	\$3,244,477.88	
Accounts receivable (less reserve).....	1,867,172.79	
Newfoundland Government War Savings Certificates.....	1,000.00	
Cash in banks and on hand.....	95,601.18	
		5,208,251.85

Unexpired Insurance, Taxes and Other Prepaid Expenses.....	15,713.36	
		\$9,105,812.73
		=====

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the balance sheet of Canadian Marconi Company (Limited Liability) as at December 31 1947 and the information and explanations which we required. Our examination included such tests of the accounting records and other actions.

No provision has been made out of the operations of the year for the writing down of the book value of patents and trademarks. On this basis, we report that, in our opinion, the above balance sheet is properly drawn up so as to exhibit a true and correct loss and earned surplus present fairly the results of its operations for the year ending on that date, according to the best of our knowledge and belief.

Montreal, March 23, 1948.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1947

Profit from regular operations for the year before taking into account the items shown below....	\$ 377,940.52	
Income from investments.....	31,250.00	
		\$ 409,190.52
Deduct:		
Provision for depreciation of properties.....	\$ 202,827.08	
Directors' fees.....	7,271.24	
Executive remuneration.....	45,710.00	
Legal expenses.....	2,786.68	
		258,595.00
		\$ 150,595.52
Deduct:		
Expenses of plant reconversion.....	\$ 182,723.40	
Less: Amount transferred from general reserve.....	100,000.00	
		82,723.40
Net profit for year, carried to Earned Surplus.....	\$ 67,872.12	
		=====

CONI COMPANY

(LIABILITY)

DECEMBER 31, 1947

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
Mortgage Payable.....		25,000.00
Current Liabilities:		
Accounts payable and accrued liabilities.....	\$ 724,761.59	
Income and other taxes.....	189,026.76	
Unclaimed dividends.....	46,945.71	
Deferred revenue.....	5,125.00	
Bank overdraft.....	2,328,868.98	
	-----	3,294,728.04
Deferred Surplus:		
Refundable portion of excess profits tax.....		271,010.98
Surplus Account:		
Earned surplus, as per statement attached.....		960,391.71

		\$9,105,812.73
		=====
Approved on Behalf of the Board:		
A. H. GINMAN, Director.		
J. A. BOYD, Director.		

1947 and the statements of profit and loss and earned surplus for the year ending on that date, and have obtained all the supporting evidence and such other procedures as we considered appropriate, but we did not make a detail audit of the trans-
and patent rights.

and correct view of the state of the Company's affairs as at December 31, 1947 and the related statements of profit and
our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,
Auditors.

STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDING DECEMBER 31, 1947

Balance at December 31, 1946.....	\$ 749,865.35	
Add: Net profit for the year as per statement attached.....	67,872.12	
	-----	\$ 817,737.47
Add:		
Adjustments (net) arising from settlement of war contracts and final determination of standard profits for purpose of excess profits taxes.....	\$ 892,654.24	
Amount transferred from reserve for staff pensions.....	150,000.00	
	-----	1,042,654.24

		\$1,860,391.71
Less: Amount appropriated as a special reserve against inventories.....		900,000.00

Balance at December 31, 1947.....		\$ 960,391.71
		=====

TO THE SHAREHOLDERS:

Gentlemen:—

Your Directors beg to submit the Balance Sheet and Profit and Loss Statement of the Company for the year ended December 31, 1947.

Throughout the war years, contracts accepted from Government Departments for production of war material varied considerably in terms and conditions. Certain of these contracts contained "ceiling price" clauses, limiting the amount of profit, but making no provision for possible losses, whilst others were at firm prices, and still others on a cost-plus basis. During 1947, your Company negotiated with the Government an over-all settlement of war contracts.

Concurrently, negotiations with the Department of National Revenue resulted in an upward revision of "Standard Profits", and, in consequence of the two adjustments referred to, Earned Surplus Account was credited with \$892,654.24.

The larger volume of business being done by your Company, coupled with enhanced labour and material costs and irregular deliveries of supplies and components, has resulted in a considerably-increased gross value of Inventory. Your Directors, therefore, decided that it would be prudent to transfer from Earned Surplus to Inventory Reserve an amount of \$900,000.00, bringing the total of this Reserve, as at December 31, 1947, to \$1,118,623.14, which is considered ample to provide for any foreseeable shrinkage in inventory value due to deflation or other causes.

During the year, your Company reduced its obligations under the heading of Accounts Payable and Accrued Liabilities by almost \$1,750,000.00. This, coupled with the increase in gross value of inventories, has resulted in a substantial bank overdraft.

The final establishment of "Standard Profits" brought about a slight downward adjustment in the refundable portion of Excess Profits Tax, which still remains at the substantial figure of \$271,010.98, of which \$39,856.00 is refundable in 1948.

A Retirement Income Plan for Salaried Employees becomes effective April 1, 1948. Provision for the past service portion of this Plan was made from funds appropriated for that purpose during 1943, 1944 and 1945. The former Staff Pension Fund Reserve of \$150,000.00, being no longer required, has been transferred back to Earned Surplus. The future service contributions will be shared by the Company and employees.

During 1947, your Company's manufacturing operations continued to be affected by irregular and short supply of certain materials and components, particularly cabinets for broadcast receivers. In spite of these difficulties, our sales of manufactured goods were double those of 1946. During the year, we were able to make available to the trade a number of new products not formerly handled by this Company, particularly in the field of merchandise sales. In each case, the results have been encouraging.

Your Company completed the construction of a new and thoroughly-modern transmitting installation for Broadcasting Station CFCF, which will be put into service

during the month of April, 1948. There was also constructed a new Frequency Modulation Broadcasting Station to be operated in conjunction with Station CFCF. This new service to the public, recently brought into operation, is expected materially to develop your Company's sales of Frequency Modulation broadcast receivers.

In the field of Marine Communications, almost one hundred new radiotelephone and radiotelegraph equipments were installed during the year, and a similar number of former installations were modernized.

In the field of mobile radiotelephone communications on land, your Company installed equipment in a substantial number of vehicles during 1947, and many others are now being fitted. Central station facilities for use by clients requiring this service have been established by us in Montreal.

The proposal of the Canadian Government to nationalize the overseas telecommunications facilities of your Company, referred to in previous Reports, has not yet been implemented, and no negotiations to that end have been initiated.

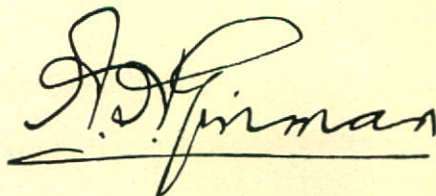
Reference was made in our 1946 Report to the installation of the first micro-wave relay communication circuit in this country. This system has now been under test for some months, and the results indicate that this new method of communication should have an important and promising future for your Company.

It will be recalled that, during 1945, your Company purchased a building in Toronto, to house the activities of our Branch Office at that point. The modernization of this building, deferred until late in 1947, is now essentially complete, providing thoroughly up-to-date facilities for the carrying-on of our business throughout Ontario.

It is with deep regret that reference is made to the death, on July 26, 1947, of Mr. Gordon W. MacDougall, K.C. Your Company thereby lost the services of a Director of long standing, whose wise counsel and business experience will be greatly missed.

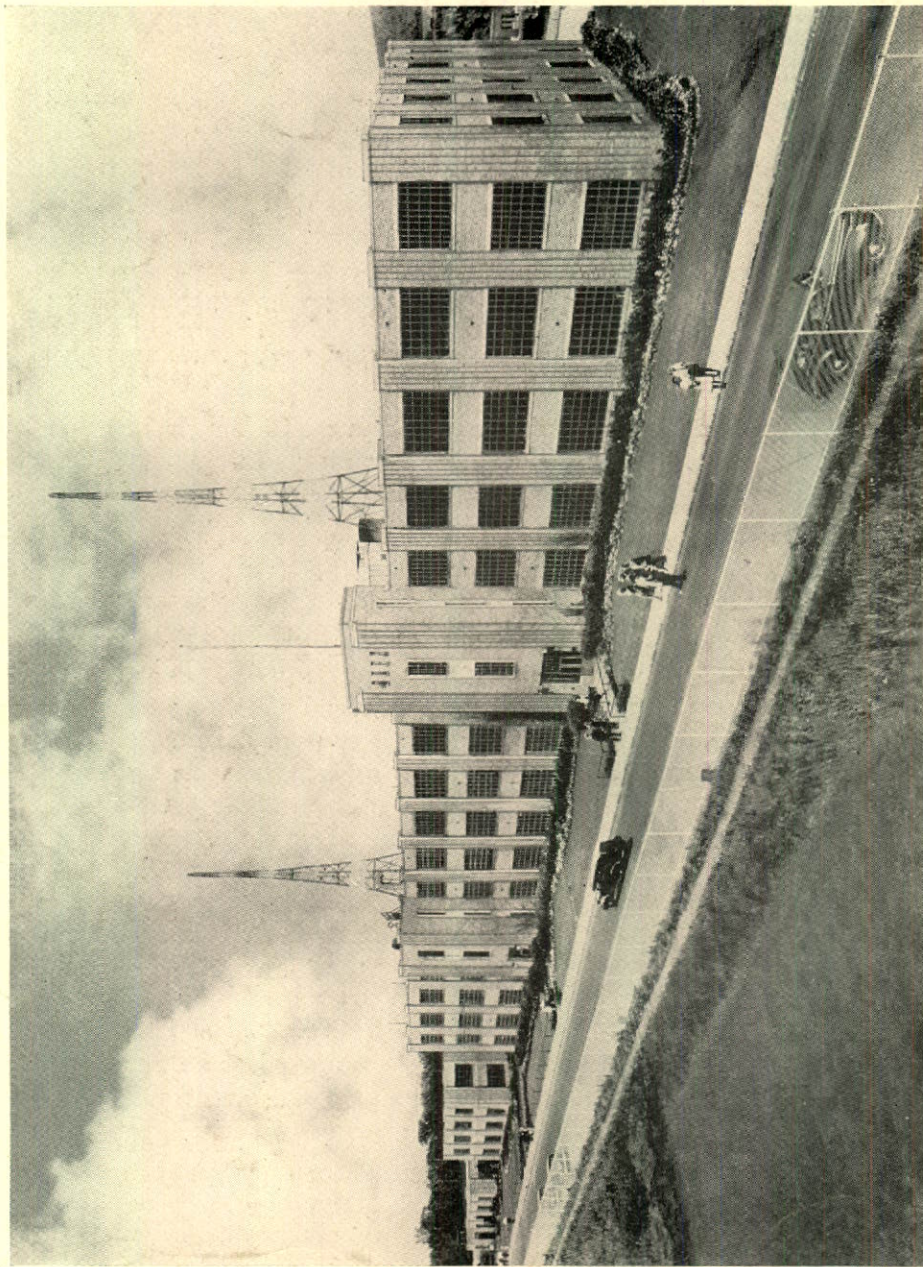
In conclusion, your Board wishes to record its appreciation of the efforts of all employees during the year.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "H. J. Pirman". The signature is written in a cursive style with a horizontal line underneath the name.

President.

CANADIAN MARCONI COMPANY
(LIMITED LIABILITY)



FACTORY — MONTREAL