

CANADIAN MARCONI COMPANY

OFFICIAL COPY

1919 ANNUAL REPORT

**THE MARCONI WIRELESS TELEGRAPH**

**Annual Report and Statement of Accounts for  
Year ending 31st December, 1919**

**DIRECTORS:**

|  |  |
|--|--|
| J. N. GREENSHIELDS, Esq., K.C., President                        | G. M. BOSWORTH, Esq.   |
| SENATORE G. MARCONI, G.C.V.O., LL.D., D.Sc.,<br>(Vice-President) | A. E. FRANCIS, Esq.  |
| THOMAS ROBB, Esq., (2nd Vice-President)                          | C. G. GREENSHIELDS, Esq., K.C.   |
| W. D. BIRCHALL, Esq., (3rd Vice-President)                       | GODFREY C. ISAACS, Esq.  |
| ROBERT BICKERDIKE, Esq.,   | A. H. MORSE, Esq., A.M.I.E.E. (Lond.), Mem. I.R.E.,<br>(Managing Director) |

Acting Secretary - J. P. FLEMING, Esq.

**SOLICITORS**

GREENSHIELDS, GREENSHIELDS & LANGUEDOC

**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 31st December 1919.

It will be noted that the capital adjustment and issue of new stock of which you approved at the last General Meeting have been put into effect. Although the same were not financially consummated until after the period under review, the effect of the new issue appears in the Balance Sheet, which shows your Company to be on a very sound financial basis.

During the period under review, as the Accounts will indicate, the affairs of the Company underwent healthy and substantial development.

It became apparent to your Directors that the growth of the Company and its daily increasing importance, made it almost imperative that it should have, and own, its office premises in a central locality. This building was therefore purchased, and is already proving to have been a profitable investment.

New and improved apparatus has been designed and developed at our Works; the result being that your Directors now look forward, without concern, to the possibility of competition.

In common with other enterprises, your Company has been forced to meet the general demand for higher wages; consequently manufacturing and operating expenses have been very greatly increased, necessitating a corresponding increase in charges.



Your Company's Transatlantic telegraphic service continues to give satisfaction and is now firmly established in the public esteem. The full service was opened on March 10th, 1919, and the results for the period under review were better than any hitherto obtained. The introduction of new methods of reception has practically eliminated interference, and the data now available will enable the Company, in the near future, to make still further improvements which will be announced in due course and which should have a very marked effect on the earning capacity of the service.

During the fall of 1919, it became apparent to your Directors that the business in amateur wireless apparatus, which was being done in Canada by manufacturers in the United States, was assuming considerable proportions. Your Directors, therefore, decided to enter this field and forthwith registered a separate Company for that purpose. This Company is named "Scientific Experimenter, Limited," and is already well-known and doing a very profitable business. The issued stock of Scientific Experimenter, Ltd., is almost wholly owned by your Company and the business of the new Company is administered by the Officers of your Company, presided over by your President.

With reference to the compulsory closing down of the East Coast Stations during the War, your Directors are pleased to report that an arrangement regarding compensation has been made with the Department of the Naval Service.

Our claim for compensation for the compulsory suspension of our Transatlantic Service, is now before the Imperial Authorities.

The number of ships fitted with wireless telegraphy by your Company during the period under review was one hundred and twenty-six, and the number now operated by your Company under contract with shipowners is one hundred and sixty-eight.

The good results obtained during the year under review, were due, in a very large measure, to the excellent work of the entire personnel of your Company.

Respectfully submitted,

J. N. GREENSHIELDS,

President.



# The Marconi Wireless Telegraph Company of Canada, Limited

## BALANCE SHEET - 31st December, 1919

| <u>ASSETS</u>   |                       | <u>LIABILITIES</u>  |                       |
|---|-----------------------|---|-----------------------|
| <b>CAPITAL ASSETS (Book Values):</b>  |                       | <b>CAPITAL STOCK:</b>   |                       |
| Montreal Real Estate,<br>Buildings, Machinery,<br>School Equipment, etc.,<br>less Depreciation..... | \$189,130.28          | Authorized—1,500,000<br>Shares of \$2.50 each.....  | \$3,750,000.00        |
| High Power Stations, less<br>Depreciation.....  | 289,273.74            | Subscribed—1,400,000 Shares<br>of \$2.50 each.....  | \$3,500,000.00        |
| Coast Stations, less Depre-<br>ciation.....   | 16,506.12             | Less:—Amount due on<br>Subscription.....  | 1,000,000.00          |
| Ship Stations, less Depre-<br>ciation.....  | 153,051.86            | Issued.....   | \$2,500,000.00        |
| Newcastle Station at cost..   | 73,000.00             | MORTGAGE PAYABLE...   | 35,000.00             |
|   | \$ 720,962.00         |   |                       |
| Property Rights, Patents,<br>Titles, etc.....   | 2,491,881.03          | <b>CURRENT LIABILITIES:</b>   |                       |
|   | <u>\$3,212,843.03</u> | Bank Overdraft.....   | \$ 58,180.65          |
| <b>CURRENT ASSETS:</b>  |                       | Bank Loan (secured by de-<br>posit of Dominion of<br>Canada War Loan Bonds)               | 55,600.00             |
| Apparatus and Stores on<br>hand and in transit.....   | \$155,732.99          | Accounts Payable.....   | 121,082.69            |
| Accounts Receivable, less<br>Reserve of \$38,000.00<br>for Bad and Doubtful<br>Debts.....           | 240,481.88            | Marconi's Wireless Telegraph<br>Company Ltd., London,<br>England.....                     | 646,839.53            |
| Balances Receivable from<br>Associated Companies..  | 102,453.27            |   | 881,702.87            |
| Cash on hand and in Bank<br>Dominion of Canada 5½%<br>War Loan Bonds.....                           | 8,657.21              | Reserve for Insurance on<br>Ship Station Equipment.....                                   | 5,000.00              |
|   | 55,600.00             |   |                       |
|   | 562,925.35            | <b>SURPLUS ACCOUNT:</b>   |                       |
| <b>DEFERRED CHARGES:</b>  |                       | Balance at credit December<br>31st, 1918.....   | \$ 293,787.46         |
| Cost of rebuilding Cape<br>Race Station after Fire,<br>less amounts written off<br>to date.....     | \$ 16,907.57          | Add: Profit for the year<br>ending December 31st,<br>1919, as per Statement<br>below..... | 102,130.84            |
| Prepaid Taxes, Unexpired<br>Insurance, etc.....   | 4,726.94              | Balance, December 31st,<br>1919, subject to Gov-<br>ernment Taxes.....                    | 395,918.30            |
| Re-organization Expense..   | 20,218.28             |   |                       |
|   | 41,852.79             |   |                       |
|   | <u>\$3,817,621.17</u> |   | <u>\$3,817,621.17</u> |

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31st, 1919

|  |                     |
|--|---------------------|
| Profit from the operations of the year before charging<br>Interest and providing for Depreciation..... | \$170,561.54        |
| <b>Deduct:</b>   |                     |
| Interest.....  | 786.04              |
| Depreciation.....  | 52,644.66           |
| Loss by fire at Sable Island Station.....  | 15,000.00           |
|  | <u>68,430.70</u>    |
| Profit for the year before providing for Government<br>Taxes thereon.....                              | <u>\$102,130.84</u> |

Note:—The above Balance Sheet gives effect to the reduction in the Capital of the Company, which at December 31st, 1918, was represented by 1,000,000 Shares of \$5.00 each.

Approved on behalf of the Board:  
J. N. GREENSHIELDS,  
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, 1919, 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, 1919, 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.

Montreal, June 7, 1920.

