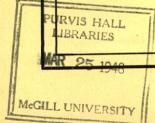
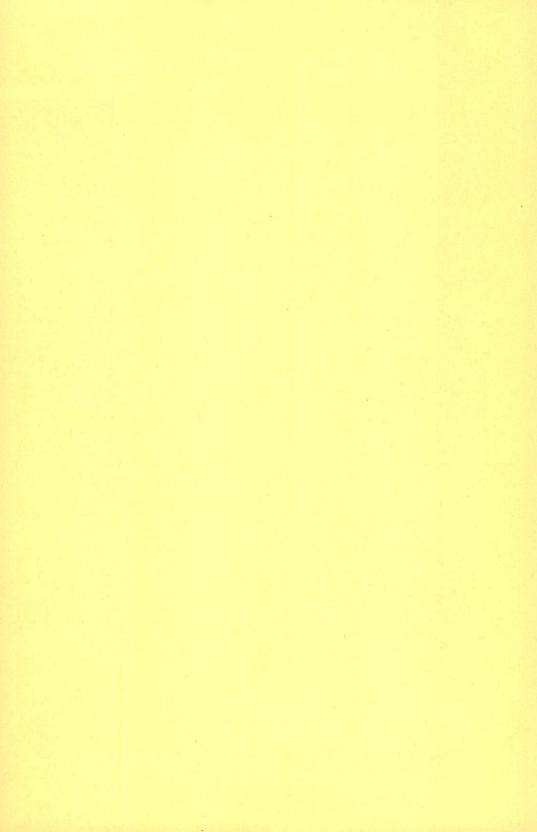
Anglo-Canadian Telephone Company

Thirteenth Annual Report 1947

231 ST. JAMES STREET, WEST MONTREAL





ANGLO-CANADIAN TELEPHONE COMPANY

231 St. James Street, West MONTREAL

23rd March, 1948.

TO THE SHAREHOLDERS:

There is submitted herewith on behalf of the Board of Directors, the Thirteenth Annual Report of the Anglo-Canadian Telephone Company covering the calendar year 1947.

In the year under review the Company sold a further 10,000 shares of 4½% Cumulative Preferred Stock and the proceeds from the sale of these shares, amounting to \$500,000.00, together with \$300,000.00 from the general funds of this Company, were advanced to its subsidiary, British Columbia Telephone Company to be used for the extension of that Company's properties. In due course consideration will be given to converting these advances, together with \$500,000.00 previously advanced to British Columbia Telephone Company, into Ordinary Shares of British Columbia Telephone Company after that company has applied and received approval from the Board of Transport Commissioners to allow said company to issue additional shares of Ordinary Stock.

Reference has been made in previous years to this Company's direct and indirect investment in Philippine Long Distance Telephone Company. The Philippine Company is continuing to improve and extend its services and facilities but the program is necessarily slow due to the difficulty in obtaining badly needed equipment. No settlement has as yet been made with the U.S.-Philippine War Damage Commission relative to the loss or damage incurred to the property during the war.

As in the past, and because of our substantial interest in the British Columbia Telephone Company, we are enclosing their Annual Report for the year 1947, which should be of interest to the Shareholders.

For the Board of Directors,

F. S. SPRING,
President.

RIDDELL, STEAD, GRAHAM & HUTCHISON CHARTERED ACCOUNTANTS

ESTABLISHED 1869
CABLES RIDSTED MONTREAL

460 St. John Street P.O. BOX 2398 PLACE D'ARMES

MONTREAL.I

EDMONTON VANCOUVER LONDON, ENG. EDINBURGH, SCOT

REPRESENTING ARTHUR ANDERSEN & CO. CHICAGO-NEW YORK AND BRANCHES

John Paterson
H.D.Clapperton
C.Gordon Wallace
Gordon S. Small
A.lan Fleming
J Cordon Hutchison
John P. Knighorn
N.C. D. Hactaggert
Alex E. Pierce
W. Dick Thomson
James W. Mt-Lood
Allan B. Smith

TO THE SHAREHOLDERS,

ANGLO-CANADIAN TELEPHONE COMPANY:

We have made an examination of the Balance Sheet as at 31st December, 1947, of Anglo-Canadian Telephone Company. In connection therewith, while we did not make a detailed audit of the transactions, we examined or tested accounting records of the Company and other supporting evidence and also made a general review of its accounting methods for the year ended 31st December, 1947.

We have not examined the accounts of all of the Company's subsidiary companies but have received and examined reports rendered by other independent auditors on the accounts of such companies not examined by us for the year ended 31st December, 1947.

The Company owns, or controls through its subsidiary, 24,019 shares of 100 Pesos each of Philippine Long Distance Telephone Company (Incorporated in the Philippine Islands) out of a total issued capital of 70,571 shares. The physical assets of that company are situated in the Philippine Islands and no provision has been made for possible capital losses resulting from the occupation of these Islands by the enemy. Audited accounts of that company are not available.

Subject to the above, we report that we have obtained all the information and explanations we have required and that, in our opinion, based upon the examination referred to above and reports of subsidiary companies rendered by other independent auditors, the accompanying Balance Sheet as at 31st December, 1947 is 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.

RIDDELL, STEAD, GRAHAM & HUTCHISON, Auditors.

MONTREAL, 28TH FEBRUARY, 1948.

ANGLO-CANADIAN TELEPHONE COMPANY

(An Investment Company)

BALANCE SHEET

As at 31st December, 1947

ASSETS

INVESTMENTS: Subsidiary and affiliated companies (less reserve) Other investments	\$1	12,663,973.43 85,000.00	\$ 12,748,973.43	
DUE FROM SUBSIDIARY COMPANIESCURRENT ASSETS: Cash	\$	490,386.58 173.51	155,348.35	
CAPITAL STOCK: LIABILITIES			\$13,394,881.87	
CUMULATIVE PREFERRED—par value \$50.00 per share—authorized 250,000 shares, issued and outstanding 110,000 shares of 4½% Preferred	\$	5,500,000.00		
CLASS A—par value \$10.00 per share—authorized 850,000 shares, issued and outstanding 487,100 shares DEFERRED—par value \$10.00 per share—author-		4,871,000.00		
ized 200,000 shares, issued and outstanding 200,000 shares	-	2,000,000.00	\$12,371,000.00 5,000.00	
			5,000.00	
CURRENT LIABILITIES: Accounts payable	\$	1,859.25 15,466.30		
Dividends accrued (subsequently declared)	_	41,250.00	58,575.55	
RESERVE FOR EMPLOYEES' BENEFITS			25,000.00	
SURPLUS: Reserved for general contingencies Unappropriated surplus	\$	75,000.00 860,306.32	935,306.32	
			\$13,394,881.87	
Ammound on Robalf of the Roard of Directors:				

Approved on Behalf of the Board of Directors:

F. S. SPRING, Director

THEODORE S. GARY, Director

This is the Balance Sheet referred to in our Report of this date.

RIDDELL, STEAD, GRAHAM & HUTCHISON,

Chartered Accountants, Auditors.

MONTREAL, 28th February, 1948.

ANGLO-CANADIAN TELEPHONE COMPANY

(An Investment Company)

STATEMENT OF INCOME AND SURPLUS

For the Year Ended 31st December, 1947

INCOME ACCOUNT

INCOME:			
Subsidiary and affiliated companies (dividends,	\$757,571.55 540.29	\$758,111.84	
EXPENSES:			
General and administrative expenses	\$ 75,235.84		
Provision for Dominion and Provincial Income	12,841.66		
Other taxes	1,294.47		
		89,371.97	
Net Income		\$668,739.87	
APPROPRIATIONS FROM INCOME:			
10 10001.0 101 8	\$ 50,000.00		
To reserve for employees' benefits	3,400,00	53,400.00	
Balance of Income	\$615,339.87		
SURPLUS ACCOUN	Т		
BALANCE AS AT 31ST DECEMBER, 1946		\$ 771,601.45	
Add:			
Balance of Income for the year ended 31st December,	615,339.87		
		\$1,386,941.32	
DEDUCT:			
Dividends paid or provided for: 4½% Cumulative Preferred Stock	\$234,375.00		
Class A Stock	292,260.00	#04 40F 00	
		526,635.00	
Balance as at 31st December, 1947		\$860,306.32	

DIRECTORS

A. F. ADAMS
W. F. BENOIST
R. L. BENSON
A. E. CARLSON
JAMES A. CODE, JR.
M. A. COLEFAX
ERNEST E. EVANS
GORDON FARRELL
THEODORE S. GARY

G. L. GRAWOLS

VISCOUNT HINCHINGBROOKE

HUGH MACKAY

J. C. NEWMAN

SIR ALEXANDER ROGER

F. S. SPRING

EMMETT SWANSON

A. S. TORREY

F. H. WOODS, JR.

T. C. WOODS

OFFICERS

A. F.	ADAMS	-	-	-	-	-	-	-	-	-	-	-	-	-	Chairman
F. S.	SPRING	-	-	_	-	-	-	-	-	-	-	-	-	-	President
JAMI	ES A. COD	E,	Jr.	-	-	-	-	-	-	-	-	-	-	Vice	-President
GOR	DON FARI	REL	L	-	-	-	-	-	-,	-	-	-	-	Vice	-President
THE	ODORE S.	GA	RY		-	_	-	-	- 1	-	-	-	-	Vice	-President
CAM	FRON HO	LIGI	Н	_	-		_	_	-	_	Se	crete	ırıı	and	Treasurer