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ANGLO-CANADIAN TELEPHONE  
COMPANY

*Thirteenth Annual  
Report  
1947*

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MONTREAL

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# 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  $4\frac{1}{2}\%$  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.



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A. Van Harris

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)....	\$12,663,973.43	
Other investments.....	85,000.00	
		<u>\$12,748,973.43</u>

**DUE FROM SUBSIDIARY COMPANIES.....** 155,348.35

**CURRENT ASSETS:**

Cash.....	\$ 490,386.58	
Interest receivable.....	173.51	
		<u>490,560.09</u>
		<u><u>\$13,394,881.87</u></u>

**LIABILITIES**

**CAPITAL STOCK:**

**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..... 4,871,000.00

**DEFERRED**—par value \$10.00 per share—authorized 200,000 shares, issued and outstanding 200,000 shares..... 2,000,000.00

**DUE TO SUBSIDIARY COMPANY.....** 5,000.00

**CURRENT LIABILITIES:**

Accounts payable.....	\$ 1,859.25	
Accrued taxes (including provision for Dominion and Provincial taxes).....	15,466.30	
Dividends accrued (subsequently declared).....	41,250.00	
		<u>58,575.55</u>

**RESERVE FOR EMPLOYEES' BENEFITS.....** 25,000.00

**SURPLUS:**

Reserved for general contingencies.....	\$ 75,000.00	
Unappropriated surplus.....	860,306.32	
		<u>935,306.32</u>
		<u><u>\$13,394,881.87</u></u>

*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, interest and other income).....	\$757,571.55	
Other companies.....	540.29	
		<u>\$758,111.84</u>

**EXPENSES:**

General and administrative expenses.....	\$ 75,235.84	
Provision for Dominion and Provincial Income taxes.....	12,841.66	
Other taxes.....	1,294.47	
		<u>89,371.97</u>
Net Income.....		<u>\$668,739.87</u>

**APPROPRIATIONS FROM INCOME:**

To reserve for general contingencies.....	\$ 50,000.00	
To reserve for employees' benefits.....	3,400.00	
		<u>53,400.00</u>
Balance of Income.....		<u><u>\$615,339.87</u></u>

**SURPLUS ACCOUNT**

BALANCE AS AT 31ST DECEMBER, 1946.....	\$ 771,601.45
<b>ADD:</b>	
Balance of Income for the year ended 31st December, 1947.....	615,339.87
	<u>\$1,386,941.32</u>
<b>DEDUCT:</b>	
Dividends paid or provided for:	
4½% Cumulative Preferred Stock.....	\$234,375.00
Class A Stock.....	292,260.00
	<u>526,635.00</u>
Balance as at 31st December, 1947.....	<u><u>\$860,306.32</u></u>

## 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

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## OFFICERS

A. F. ADAMS	- - - - -	<i>Chairman</i>
F. S. SPRING	- - - - -	<i>President</i>
JAMES A. CODE, JR.	- - - - -	<i>Vice-President</i>
GORDON FARRELL	- - - - -	<i>Vice-President</i>
THEODORE S. GARY	- - - - -	<i>Vice-President</i>
CAMERON HOUGH	- - - - -	<i>Secretary and Treasurer</i>

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