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# Anglo-Newfoundland Development Company, Limited

(INCORPORATED IN NEWFOUNDLAND)

Registered Office, Grand Falls, Newfoundland, Canada

### Directors

G. Beckett	G. C. Brown	Wm. Dunkerley	J. S. Goodyear
P. Gruchy, C. B. E.		T. R. Moore	W. B. Moore
R. E. Morrow, D.F.C., Q.C.	E. L. Neal, D.F.C.	R. A. Redhead	The Viscount Rothermere

### Officers

Chairman of the Board and President: T. R. Moore	General Manager: C. R. Tittlemore
Secretary: L. E. Baggs	Treasurer: T.M. Hopkins
Assistant Secretary: W. P. Creagh	Assistant Secretary and Assistant Treasurer: C. J. Bond

### Registrars and Transfer Agents

Montreal Trust Company, 777 Dorchester Blvd. West, Place Ville Marie, Montreal 2, P.Q.  
and  
15 King Street West, Toronto, Ont.  
Lever, Honeyman & Co., 9 Basinghall Street, London, E.C. 2, England

## REPORT OF THE DIRECTORS

For the year ended 31st December 1963

The Directors submit herewith their thirty-first Annual Report including the statements of the Company and its consolidated subsidiaries. Consolidated net earnings amounted to \$4,926,754 as compared with \$2,879,454 for the year 1962.

Four interim dividends of 7½c. each were declared during the year and these absorbed \$1,649,525, leaving a balance of \$3,277,229 added to "Earnings Retained" which now totals \$35,976,569.

By Order of the Board,

**L. E. BAGGS**

Secretary.

25th February 1964

PURVIS HALL  
STAMPS  
FEB 15 1964  
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MAY 15 1964

# Anglo-Newfoundland Development Company, Limited

## AND CONSOLIDATED SUBSIDIARIES

### Statement of Earnings

	1963	1962
Income from operations . . . . .	10,612,710	6,770,552
Income from investments . . . . .	225,820	176,845
Income from sales of investments and fixed assets . . . . .	334,308	509,112
	<u>11,172,838</u>	<u>7,456,509</u>
Depreciation and depletion, Note 4 . . . . .	2,741,615	2,576,248
	<u>8,431,223</u>	<u>4,880,261</u>
Estimated income tax, Note 4 . . . . .	3,504,469	2,000,807
	<u>\$ 4,926,754</u>	<u>\$ 2,879,454</u>

### Statement of Earnings Retained

	1963	1962
Balance 1st January . . . . .	32,699,340	31,469,411
Net earnings for the year . . . . .	4,926,754	2,879,454
	<u>37,626,094</u>	<u>34,348,865</u>
Less: Dividends declared . . . . .	1,649,525	1,649,525
Balance 31st December . . . . .	<u>\$35,976,569</u>	<u>\$32,699,340</u>

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Ordinary General Meeting of Anglo-Newfoundland Development Company, Limited will be held at the offices of the Company, Grand Falls, Newfoundland, on Thursday, the Thirtieth day of April, 1964, at Ten-thirty o'clock in the forenoon, for the following purposes:-

1. To receive the Directors' and Auditors' Reports, the Balance Sheet and Statement of Income for the year ended 31st December, 1963.
2. To elect Directors in the place of those retiring and to vote the remuneration of Directors for the year ending 31st December, 1964.
3. To appoint Auditors.
4. To transact any other ordinary business of the Company.

By Order of the Board,  
L. E. BAGGS  
Secretary.

25th February 1964

# Anglo-Newfoundland Development Company, Limited

## AND CONSOLIDATED SUBSIDIARIES

Balance Sheet as at 31st December

	1963	1962
<b>Current Assets</b>		
Cash . . . . .	303,853	648,962
Deposit with parent company . . . . .	—	780,000
Accounts receivable from affiliated companies . . . . .	13,055,076	5,973,014
Accounts receivable—other . . . . .	5,147,241	1,107,541
Inventories—valued at the lower of cost or market . . . . .	13,235,864	15,465,561
Prepaid expenses . . . . .	883,204	514,739
	<u>32,625,238</u>	<u>24,489,817</u>
<b>DEDUCT</b>		
<b>Current Liabilities</b>		
Accounts payable . . . . .	1,932,399	2,371,084
Advance from parent company . . . . .	180,805	—
Dividend payable . . . . .	412,381	412,381
Estimated income tax payable . . . . .	3,030,846	1,132,293
	<u>5,556,431</u>	<u>3,915,758</u>
<b>Working Capital . . . . .</b>	<b>27,068,807</b>	<b>20,574,059</b>
<b>Receivables Not Currently Due . . . . .</b>	<b>1,558,596</b>	<b>4,374,225</b>
<b>Investments</b>		
Subsidiary company not consolidated, Note 1 . . . . .	3,980,301	3,980,301
Government of Canada bonds deposited as security, at cost (market value \$230,000), Note 2 . . . . .	234,688	234,688
Marketable securities, at cost (market value \$8,137,500) . . . . .	7,212,500	7,212,500
Other investments, at cost . . . . .	871,282	1,014,733
<b>Land, Buildings, Equipment, Timber Limits and Mining Rights at cost less depreciation and depletion, Note 3 . . . . .</b>	<b>23,097,564</b>	<b>23,103,440</b>
	<u>64,023,738</u>	<u>60,493,946</u>
<b>DEDUCT</b>		
<b>Accumulated Tax Reductions Applicable to Future Years, Note 4 . . . . .</b>	<b>481,123</b>	<b>228,560</b>
	<u>\$63,542,615</u>	<u>\$60,265,386</u>
<b>Stockholders' Equity . . . . .</b>	<b>\$63,542,615</b>	<b>\$60,265,386</b>
<b>Represented by</b>		
<b>Capital Stock</b>		
Authorized—6,000,000 Ordinary Shares of \$5 each Issued and converted into stock—5,498,415 units of \$5 each . . . . .	27,492,075	27,492,075
Earnings retained . . . . .	35,976,569	32,699,340
Excess of book value of net assets of consolidated subsidiary over cost of acquisition . . . . .	73,971	73,971
	<u>\$63,542,615</u>	<u>\$60,265,386</u>

On Behalf of the Board,  
T. R. MOORE }  
R. E. MORROW } Directors

## Auditors' Report

To the Stockholders of

ANGLO-NEWFOUNDLAND DEVELOPMENT COMPANY, LIMITED:

We have examined the consolidated balance sheet of Anglo-Newfoundland Development Company, Limited and its consolidated subsidiaries as at 31st December 1963 and the related consolidated statements of earnings and of earnings retained for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, based on our examination and according to the best of our information and the explanations given to us the accompanying consolidated balance sheet and related consolidated statements of earnings and of earnings retained are properly drawn up in accordance with generally accepted accounting principles so as to present fairly the state of the combined affairs of Anglo-Newfoundland Development Company, Limited and its consolidated subsidiaries as at 31st December 1963 and the results of their combined operations for the year then ended.

9 Basinghall Street,  
London, E.C. 2.  
20th February 1964

LEVER, HONEYMAN & CO., }  
Chartered Accountants } Auditors.

# Anglo-Newfoundland Development Company, Limited

## AND CONSOLIDATED SUBSIDIARIES

### Explanatory Notes on Accounts

#### Note 1: Principles of Consolidation

The accompanying financial statements as at 31st December 1963 include the accounts of all subsidiary companies except Gaspesia Pulp and Paper Company Ltd. in which a 51% interest is owned. The investment in Gaspesia is carried at the proportionate book value of Gaspesia's shares at 31st December 1960 which is \$1,605,888 more than the proportionate book value at 31st December 1963. Anglo-Newfoundland's portion of Gaspesia's loss in 1963 was \$1,158,842. This loss is after absorbing substantial interest and pre-production expenses in connection with the commencement of newsprint manufacturing operations at Chandler, P.Q.

#### Note 2:

The Company has been granted a timber license by the Government of Ontario on condition that a mill be constructed and has deposited, as security for fulfillment of that condition, Government of Canada bonds of a par value of \$250,000. The time limit for commencement of construction has been extended to 31st March 1965.

#### Note 3: Land, Buildings, Equipment, Timber Limits and Mining Rights

Figures on the Balance Sheet are arrived at as follows:-

1963			1962		
DEPRECIATION AND DEPLETION			DEPRECIATION AND DEPLETION		
COST	DEPLETION	BALANCE	COST	DEPLETION	BALANCE
83,766	—	83,766	83,511	—	83,511
3,723,325	3,037,917	685,408	3,723,325	2,911,220	812,105
8,083,985	7,990,973	93,012	8,002,846	7,805,492	197,354
44,429,548	26,387,666	18,041,882	42,556,888	24,512,923	18,043,965
549,473	415,504	133,969	1,174,590	840,063	334,527
6,027,727	2,218,200	3,809,527	5,328,833	1,946,855	3,381,978
250,000	—	250,000	250,000	—	250,000
<u>\$63,147,824</u>	<u>\$40,050,260</u>	<u>\$23,097,564</u>	<u>\$61,119,993</u>	<u>\$38,016,553</u>	<u>\$23,103,440</u>

#### Note 4: Depreciation and Accumulated Tax Reductions

Depreciation has been provided in the accounts at the same rates as in previous years, which are considered adequate to amortize the cost of fixed assets over their usual lives. Income tax charged against earnings is based on this depreciation provision. However, as a result of claiming maximum depreciation allowable for income tax purposes, income tax payable for 1963 has been reduced by \$252,563, which has been added to "Accumulated Tax Reductions Applicable to Future Years".