

**ANGLO-CANADIAN TELEPHONE  
COMPANY**

*Third Annual  
Report  
1937*

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## ANGLO-CANADIAN TELEPHONE COMPANY

MONTREAL, P.Q.  
31st March, 1938.

### TO THE STOCKHOLDERS:

On behalf of the Directors, the third annual report of Anglo-Canadian Telephone Company covering the calendar year 1937 is submitted herewith.

As indicated in the annual report to the stockholders for the year 1936, the 7% Preferred stock of this Company was retired on May 1, 1937, through the sale of \$3,630,000.00 par value of 5½% Preferred stock. On December 31, 1937, in accordance with previous authorization of the stockholders, the outstanding Class B Capital stock, consisting of 243,550 shares, was reclassified into 143,550 shares of Class A stock and 100,000 shares of Deferred stock. The attached balance sheet reflects this change in the classification of the capital stock.

During the year 1937 Telephone Securities, Limited, a wholly owned subsidiary of your Company, reduced its investment in Telephone Investment Corporation, which company was later liquidated, and for which Telephone Securities, Limited, received common shares of the Philippine Long Distance Telephone Company. As a result of the foregoing Telephone Securities, Limited, now has approximately a 35% interest (instead of a previous indirect interest of approximately 51%) in the Philippine Long Distance Telephone Company, which company operates the telephone system in the Philippine Islands.

The annual report of the British Columbia Telephone Company, in which this company has a substantial interest, together with the annual report of the Philippine Long Distance Telephone Company, is herewith enclosed.

Submitted on behalf of the Board,

J. G. CRANE,  
President.

TORONTO  
HAMILTON  
WINNIPEG  
CALGARY

**RIDDELL, STEAD, GRAHAM & HUTCHISON**  
CHARTERED ACCOUNTANTS  
ESTABLISHED 1869

EDMONTON  
VANCOUVER  
LONDON, ENG  
EDINBURGH SCOT

CABLES RIDSTED MONTREAL

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

Austin C Stead, C.A.  
John Peterson, C.A.  
Alestair A. Gowen, C.A.  
H D Clapperton, C.A.  
C G Wallace, C.A.  
Gordon S Small, C.A.  
Malcolm J McLeod, C.A.

460 ST FRANCOIS XAVIER ST.  
P O BOX 2398  
MONTREAL

**TO THE SHAREHOLDERS**

**ANGLO-CANADIAN TELEPHONE COMPANY:**

We have made an examination of the Balance Sheet as at 31st December, 1937, 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, 1937.

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, 1937, and have obtained information and explanations from officers and employees of the Company.

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 the reports of subsidiary companies rendered by other independent auditors, the accompanying Balance Sheet as at 31st December, 1937, 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, 10TH MARCH, 1938.

# ANGLO-CANADIAN TELEPHONE COMPANY

(An Investment Company)

## BALANCE SHEET

As at 31st December, 1937

### ASSETS

INVESTMENTS AND LONG TERM ACCOUNT LESS RESERVE \$10,702,835.60  
CURRENT ASSETS

Cash on hand and in banks.....	\$272,181.48	
Dividends receivable.....	52,753.21	
Accrued interest.....	635.43	
Accounts receivable:		
Subsidiary companies.....	\$57,572.67	
Other.....	5,605.00	
	63,177.67	
		388,747.79
		\$11,091,583.39

### LIABILITIES

#### CAPITAL STOCK

##### CUMULATIVE PREFERRED

Authorized— 150,000 shares—par value.....	\$7,500,000.00	
Issued and outstanding— 72,600 5½% cumulative preferred shares.....		\$3,630,000.00

##### CLASS A

Authorized— 850,000 shares—par value.....	\$8,500,000.00	
Issued and outstanding— 487,100 shares.....		4,871,000.00

##### DEFERRED

Authorized— 200,000 shares—par value.....	\$2,000,000.00	
Issued and outstanding— 200,000 shares.....		2,000,000.00
		\$10,501,000.00

#### CURRENT LIABILITIES

Accounts payable.....	\$14,494.76	
Accrued taxes (including provision for Dominion and Provincial taxes).....	19,303.38	
Dividend accrued (subsequently declared).....	33,275.00	
		67,073.14

#### SURPLUS RESERVED

Amount reserved for general contingencies.....		25,000.00
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SURPLUS (as per attached statement).....		498,510.25
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\$11,091,583.39

Approved on Behalf of the Board of Directors:

MARTIN LINDSAY, *Director*

T. S. GARY, *Director*

MONTREAL, 10TH MARCH, 1938

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

RIDDELL, STEAD, GRAHAM & HUTCHISON,  
*Chartered Accountants,  
Auditors.*

**ANGLO-CANADIAN TELEPHONE COMPANY**  
(An Investment Company)

**INCOME AND EXPENSE STATEMENT**

*For the Year Ended 31st December, 1937*

INCOME

Dividends, Interest, and Other Income (including \$12,916.31 non-recurring income).....	\$698,201.67
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GENERAL AND ADMINISTRATIVE EXPENSES

Salaries, Directors' Fees, Legal and Miscellaneous Expenses.....	\$70,294.77	
Taxes, including provision for Dominion income taxes and Provincial profits taxes.....	29,047.15	
		99,341.92

NET INCOME.....	\$598,859.75
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AMOUNT APPROPRIATED FOR GENERAL CONTINGENCIES.....	25,000.00
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BALANCE OF INCOME.....	<u>\$573,859.75</u>
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**STATEMENT OF SURPLUS**

*For the Year Ended 31st December, 1937*

BALANCE AS AT 1ST JANUARY, 1937.....	\$410,191.75
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ADD:

Balance of Income (as per Income and Expense Statement).....	573,859.75
	984,051.50

EXPENDITURES WRITTEN OFF:

Expenses re increase and reclassification of capital.....	23,538.75
	960,512.75

DEDUCT:

Dividends paid or provided for:

7% Cumulative Preferred.....	\$ 77,000.00	
5½% Cumulative Preferred.....	133,100.00	
Class A.....	191,015.00	
Class B.....	60,887.50	
		462,002.50

BALANCE AS AT 31ST DECEMBER, 1937.....	<u>\$498,510.25</u>
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## DIRECTORS

A. F. ADAMS	T. S. GARY
R. L. BENSON	VISCOUNT HINCHINGBROOKE
E. C. BLOMEYER	MARTIN LINDSAY
M. A. COLEFAX	J. C. NEWMAN
J. G. CRANE	W. C. PITFIELD
ERNEST E. EVANS	SIR ALEXANDER ROGER
PERCY EVANS	HON. GORDON SCOTT
GORDON FARRELL	EMMETT SWANSON
HUNTER L. GARY	F. H. WOODS
F. H. WOODS, Jr.	

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## OFFICERS

A. F. ADAMS	- - - - -	<i>Chairman</i>
HUNTER L. GARY	- - - - -	<i>Vice-Chairman</i>
J. G. CRANE	- - - - -	<i>President</i>
GORDON FARRELL	- - - - -	<i>Vice-President</i>
MARTIN LINDSAY	- - - - -	<i>Vice-President</i>
F. S. SPRING	- - - - -	<i>Treasurer</i>
GEOFFREY PURDY	- - - - -	<i>Secretary</i>

