

**ANGLO-CANADIAN TELEPHONE
COMPANY**

*Seventh Annual
Report
1941*

PURVIS HALL
LIBRARIES

DEC 8 1945

McGILL UNIVERSITY

**231 ST. JAMES STREET, WEST
MONTREAL**

ANGLO-CANADIAN TELEPHONE COMPANY

231 St. James Street, West
MONTREAL

24th March, 1942.

TO THE SHAREHOLDERS:

There is submitted herewith on behalf of the Board of Directors, the Seventh Annual Report of the Anglo-Canadian Telephone Company covering the calendar year 1941.

Your Company owns or controls through its subsidiary 24,019 shares of the capital stock of the Philippine Long Distance Telephone Company out of a total of 70,571 shares outstanding. The property of the Philippine Long Distance Telephone Company is located in the Philippine Islands, and when the Japanese invaded the Philippines, a large portion of the property of the company fell into enemy hands. Little or no information is available, however, as to what damage has been done to the property or as to the treatment or disposition of the personnel. Obviously, no income in the way of dividends will be received from the Philippine company as long as it is under enemy control. The dividend rate contemplated by the Philippine company was \$4.00 per share per annum for 1941 and prior to the 1st January, 1941, the company had paid \$5.00 per annum. The discontinuance of the payment of dividends by the Philippine company, on the basis of \$3.00 per share actually paid in 1941, will result, compared with 1941, in a direct reduction in income of your Company of \$4,500.00 and a reduction in income of its subsidiary of \$67,557.00.

We enclose herewith the annual report of the British Columbia Telephone Company for the year 1941, as in former years, but the usual annual report of the Philippine Long Distance Telephone Company cannot be furnished due to the enemy occupation of the Philippines.

Submitted on behalf of the Board,

F. S. SPRING,

President.

TORONTO
HAMILTON
OTTAWA
WINNIPEG
CALGARY

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

ESTABLISHED 1869

CABLES RIPOSTED MONTREAL

EDMONTON
VANCOUVER
LONDON ENG.
EDINBURGH, SCOT.

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

John Peterson, C.A.
Alastair 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 PLACE D'ARMES
MONTREAL

TO THE SHAREHOLDERS

ANGLO-CANADIAN TELEPHONE COMPANY:

We have made an examination of the Balance Sheet as at 31st December, 1941, 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, 1941.

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, 1941.

The Company owns, or controls through its subsidiary, 24,019 shares of 100 Pesos each of Philippine Long Distance Telephone Company (Incorporated in the Philippines) out of a total issued capital of 70,571 shares. The physical assets of that company are situated in the Philippine Islands which are, for the time being, occupied by the enemy and no provision has been made for possible capital losses. 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, 1941 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, 1942.

ANGLO-CANADIAN TELEPHONE COMPANY
(An Investment Company)

BALANCE SHEET

As at 31st December, 1941

ASSETS

INVESTMENTS AND LONG TERM ACCOUNT LESS RESERVE **\$11,397,789.34**

CURRENT ASSETS

| | | |
|--------------------------------|--------------|------------------------|
| Cash on hand and in banks..... | \$479,911.09 | |
| Dividends receivable..... | 107,159.46 | |
| Accrued interest..... | 6,138.13 | |
| Accounts receivable: | | |
| Subsidiary companies..... | \$17,792.07 | |
| Other..... | 800.00 | 18,592.07 |
| | | 611,800.75 |
| | | \$12,009,590.09 |

LIABILITIES

CAPITAL STOCK

CUMULATIVE PREFERRED

Authorized—

150,000 shares—par value..... \$7,500,000.00

Issued and outstanding—

82,600 5½% Cumulative

Preferred shares..... **\$4,130,000.00**

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**

\$11,001,000.00

CURRENT LIABILITIES

Accounts payable:

 Subsidiary companies..... **\$5,000.00**

 Other..... **3,133.58**

\$8,133.58

Accrued taxes (including provision for Dominion and

 Provincial taxes)..... **18,801.42**

Dividends accrued (subsequently declared)..... **37,858.33**

64,793.33

5,801.76

EMPLOYEES' BENEFIT FUND RESERVE.....

SURPLUS RESERVED

Amount reserved for general contingencies..... **125,000.00**

SURPLUS (as per attached statement)..... **812,995.00**

\$12,009,590.09

Approved on Behalf of the Board of Directors:

HUNTER L. GARY, *Director*

G. L. GRAWOLS, *Director*

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

RIDDELL, STEAD, GRAHAM & HUTCHISON,

*Chartered Accountants,
Auditors.*

MONTREAL, 10TH MARCH, 1942.

ANGLO-CANADIAN TELEPHONE COMPANY
(An Investment Company)

INCOME AND EXPENSE STATEMENT

For the Year Ended 31st December, 1941

INCOME

Dividends, Interest and Other Income..... \$670,669.02

GENERAL AND ADMINISTRATIVE EXPENSE

Salaries, Directors' Fees, Legal and
Miscellaneous Expenses..... \$67,178.17

Taxes, including provision for Dominion and
Provincial taxes..... 15,723.87

82,902.04

NET INCOME..... \$587,766.98

STATEMENT OF SURPLUS

For the Year Ended 31st December, 1941

BALANCE AS AT 1ST JANUARY, 1941..... \$744,638.02

ADD:

Net Income (as per Income and Expense
Statement)..... 587,766.98

\$1,332,405.00

DEDUCT:

Dividends paid or provided for:

5½% Cumulative Preferred..... \$227,150.00

Class A..... 292,260.00

519,410.00

BALANCE AS AT 31ST DECEMBER, 1941..... \$812,995.00

DIRECTORS

| | |
|------------------|-------------------------|
| A. F. ADAMS | VISCOUNT HINCHINGBROOKE |
| R. L. BENSON | MARTIN LINDSAY |
| M. A. COLEFAX | HUGH MACKAY |
| ERNEST E. EVANS | J. C. NEWMAN |
| PERCY W. EVANS | SIR ALEXANDER ROGER |
| GORDON FARRELL | F. S. SPRING |
| HUNTER L. GARY | EMMETT SWANSON |
| THEODORE S. GARY | A. S. TORREY |
| G. L. GRAWOLS | F. H. WOODS |
| F. H. WOODS, JR. | |

OFFICERS

| | | |
|----------------|-----------|--------------------------------|
| A. F. ADAMS | - - - - - | <i>Chairman</i> |
| F. S. SPRING | - - - - - | <i>President</i> |
| HUNTER L. GARY | - - - - - | <i>Vice-President</i> |
| GORDON FARRELL | - - - - - | <i>Vice-President</i> |
| MARTIN LINDSAY | - - - - - | <i>Vice-President</i> |
| CAMERON HOUGH | - - - - - | <i>Secretary and Treasurer</i> |

