

**ANGLO-CANADIAN TELEPHONE
COMPANY**

*Ninth Annual
Report
1943*

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MONTREAL**

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ANGLO-CANADIAN TELEPHONE COMPANY
231 St. James Street, West
MONTREAL

21st March, 1944.

TO THE SHAREHOLDERS:

There is submitted herewith on behalf of the Board of Directors, the Ninth Annual Report of the Anglo-Canadian Telephone Company covering the calendar year 1943.

In our reports for the years 1941 and 1942, we referred to the Philippine Long Distance Telephone Company, in which your Company and its subsidiary have a substantial interest. The outcome of this situation will, of course, have to await the end of the War in the Pacific, but, in addition to the action taken by the Directors of the Philippine Long Distance Telephone Company with the War Damage Corporation of the United States of America to protect the interest of that Company in its property in the Philippine Islands, your Directors have made claims of a general character to the proper authorities of the Canadian Government with respect to the investment of your Company and its subsidiary in the Philippine Long Distance Telephone Company, looking forward to ultimate settlement of such claims against the Japanese Government after the War.

The Board of Directors of your Company join in an expression of sorrow and regret at the passing on 21st October, 1943, of Mr. Percy W. Evans, who was a member of this Board since the inception of the Company.

As in former years we are enclosing the Annual Report for the year 1943 of the British Columbia Telephone Company, in which your Company has a substantial interest.

Submitted on behalf of the Board,

F. S. SPRING,

President.

TORONTO
HAMILTON
OTTAWA
WINNIPEG
CALGARY

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

ESTABLISHED 1869

CABLES ROSTED MONTREAL

EDMONTON
VANCOUVER
LONDON, ENGLAND
& EDINBURGH, SCOT.

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

John Paterson, C.A.
Alastair A. Gowen, C.A.
H.D. Clapperton, C.A.
C.G. Wallace, C.A.
Gordon S. Smell, 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, 1943, 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, 1943.

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, 1943.

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 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, 1943 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, 25TH FEBRUARY, 1944.

ANGLO-CANADIAN TELEPHONE COMPANY
(An Investment Company)

BALANCE SHEET

As at 31st December, 1943

ASSETS

INVESTMENTS AND LONG TERM ACCOUNT LESS RESERVE	\$11,467,977.53
CURRENT ASSETS	
Cash on hand and in banks.....	\$467,786.33
Accounts receivable:	
Subsidiary companies.....	20,828.40
Notes receivable.....	1,319.44
Dividends receivable.....	101,910.37
Accrued interest.....	5,050.47
	596,895.01
	\$12,064,872.54

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..... 2,954.72

\$7,954.72

Accrued Taxes (including provision for Dominion

 Taxes)..... 19,498.66

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

65,311.71

EMPLOYEES' BENEFIT FUND RESERVE..... 13,981.95

SURPLUS RESERVED

 Amount reserved for general contingencies..... 132,500.00

SURPLUS (as per attached statement)..... 852,078.88

\$12,064,872.54

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, 25TH FEBRUARY, 1944

ANGLO-CANADIAN TELEPHONE COMPANY
(An Investment Company)

INCOME AND EXPENSE STATEMENT

For the Year Ended 31st December, 1943

INCOME		
Dividends, Interest and Other Income.....		\$617,168.80
GENERAL AND ADMINISTRATIVE EXPENSE		
Salaries, Directors' Fees, Legal and Miscellaneous Expenses.....	\$67,612.92	
Taxes, including provision for Dominion Taxes.....	18,974.08	
	86,587.00	
NET INCOME		\$530,581.80
 APPROPRIATIONS FROM NET INCOME:		
To reserve for general contingencies.....	\$2,500.00	
To employees' benefit fund reserve.....	2,500.00	
	5,000.00	
BALANCE OF INCOME		\$525,581.80

STATEMENT OF SURPLUS

For the Year Ended 31st December, 1943

BALANCE AS AT 1ST JANUARY, 1943		\$845,907.08
ADD:		
Balance of Income (as per Income and Expense Statement).....		525,581.80
		\$1,371,488.88
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, 1943		\$852,078.88

DIRECTORS

A. F. ADAMS
W. F. BENOIST
R. L. BENSON
M. A. COLEFAX
ERNEST E. EVANS
GORDON FARRELL
HUNTER L. GARY
THEODORE S. GARY
G. L. GRAWOLS

VISCOUNT HINCHINGBROOKE
MARTIN LINDSAY
HUGH MACKAY
J. C. NEWMAN
SIR ALEXANDER ROGER
F. S. SPRING
EMMETT SWANSON
A. S. TORREY
F. H. WOODS

F. H. WOODS, JR.

OFFICERS

A. F. ADAMS - - - - - *Chairman*
F. S. SPRING - - - - - *President*
HUNTER L. GARY - - - - - *Vice-President*
GORDON FARRELL - - - - - *Vice-President*
MARTIN LINDSAY - - - - - *Vice-President*
CAMERON HOUGH - - - - - *Secretary and Treasurer*

