

**ANGLO-CANADIAN TELEPHONE
COMPANY**

*Tenth Annual
Report
1944*

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ANGLO-CANADIAN TELEPHONE COMPANY

231 St. James Street, West
MONTREAL

20th March, 1945.

TO THE SHAREHOLDERS:

There is submitted herewith on behalf of the Board of Directors, the Tenth Annual Report of the Anglo-Canadian Telephone Company covering the calendar year 1944.

Our Annual Reports for the past three years contained references to the substantial interest which your Company and its subsidiary had in the Philippine Long Distance Telephone Company, and to the claims filed by the Directors of both companies with the appropriate authorities in order to protect their respective interests. During the more than three years of war in the Pacific when the Philippine Islands were under the domination of the Japanese, little or no information was received concerning the properties of the Company or the disposition of the personnel. It is encouraging to note the rapid strides being made by the Allies in the liberation of the Philippine Islands. Your officers have kept in close contact with the progress of events and certain preliminary information has been received. At the time this is written we cannot make any precise factual statement regarding the Philippine Long Distance Telephone Company or the present condition of its physical assets.

As in former years, the Annual Report of the British Columbia Telephone Company for the year 1944 is enclosed.

For the Board of Directors,

F. S. SPRING,
President.

TORONTO
HAMILTON
OTTAWA
WINNIPEG
CALGARY

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

ESTABLISHED 1869

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Gordon S. Small
J. Gordon Hutchison
John R. Kingston
N. C. D. MacLaggart
Malcolm J. McLeod
Alex E. Pierce
W. Dick Thomson

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, 1944, 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, 1944.

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, 1944.

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 still partially 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, 1944 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, 20TH FEBRUARY, 1945.

ANGLO-CANADIAN TELEPHONE COMPANY
(An Investment Company)

BALANCE SHEET

As at 31st December, 1944

ASSETS

INVESTMENTS:		
Subsidiary and affiliated companies (less reserve).....	\$11,328,528.78	
Other investments.....	100,000.00	
		\$11,428,528.78
DUE FROM SUBSIDIARY COMPANIES.....		126,057.30
CURRENT ASSETS:		
Cash.....	\$ 538,693.79	
Interest receivable.....	624.98	
		539,318.77
		\$12,093,904.85

LIABILITIES

CAPITAL STOCK:		
CUMULATIVE PREFERRED—par value \$50.00 per share—authorized 150,000 shares, issued and outstanding 82,600 shares of 5½% Preferred.....	\$ 4,130,000.00	
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	
		\$11,001,000.00
DUE TO SUBSIDIARY AND AFFILIATED COMPANIES.....		6,674.54
CURRENT LIABILITIES:		
Accounts payable.....	\$ 1,331.79	
Accrued taxes (including provision for Dominion taxes).....	31,307.94	
Dividends accrued (subsequently declared).....	37,858.33	
		70,498.06
RESERVE FOR EMPLOYEES' BENEFITS.....		17,048.35
SURPLUS:		
Reserved for general contingencies.....	\$ 135,000.00	
Surplus (as per statement attached).....	863,683.90	
		998,683.90
		\$12,093,904.85

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, 20th FEBRUARY, 1945.

ANGLO-CANADIAN TELEPHONE COMPANY
(An Investment Company)

STATEMENT OF INCOME AND SURPLUS
For the Year Ended 31st December, 1944

INCOME ACCOUNT

INCOME:

Subsidiary and affiliated companies (dividends, interest and other income).....	\$617,376.32	
Other companies.....	3,605.96	
		\$ 620,982.28

EXPENSES:

General and administrative expenses.....	\$ 66,002.60	
Provision for Dominion income taxes.....	18,500.00	
Other taxes.....	464.66	
		84,967.26

\$ 536,015.02

APPROPRIATIONS FROM INCOME:

To reserve for general contingencies.....	\$ 2,500.00	
To reserve for employees' benefits.....	2,500.00	
		5,000.00

Net income..... \$ 531,015.02

SURPLUS ACCOUNT

BALANCE AS AT 31ST DECEMBER, 1943 \$ 852,078.88

ADD:

Net income for the year ended 31st December, 1944..... 531,015.02

\$1,383,093.90

DEDUCT:

DIVIDENDS PAID OR PROVIDED FOR:

5½% Cumulative Preferred—\$2.75 per share.....	\$227,150.00	
Class A—\$0.60 per share.....	292,260.00	
		519,410.00

BALANCE AS AT 31ST DECEMBER, 1944..... \$ 863,683.90

DIRECTORS

A. F. ADAMS	VISCOUNT HINCHINGBROOKE
W. F. BENOIST	MARTIN LINDSAY
R. L. BENSON	HUGH MACKAY
M. A. COLEFAX	J. C. NEWMAN
ERNEST E. 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>

