

ANGLO-CANADIAN TELEPHONE
COMPANY

*Eleventh Annual
Report
1945*

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31 ST. JAMES STREET, WEST
MONTREAL

ANGLO-CANADIAN TELEPHONE COMPANY

231 St. James Street, West
MONTREAL

19th March, 1946.

TO THE SHAREHOLDERS:

There is submitted herewith on behalf of the Board of Directors, the Eleventh Annual Report of the Anglo-Canadian Telephone Company covering the calendar year 1945.

Anglo-Canadian Telephone Company owns or controls through a subsidiary 24,019 shares of Philippine Long Distance Telephone Company of a total issued capital of 70,571 shares. With our letter to the Shareholders dated December 14, 1945, we enclosed a letter from the Philippine Long Distance Telephone Company to its Stockholders and Bondholders giving all of the information at that time available with reference to the Philippine Long Distance Telephone Company. At this time no additional information of interest to the Shareholders of this Company is available.

We are enclosing the Annual Report for the year 1945 of the British Columbia Telephone Company, in which your Company has a substantial interest.

For the Board of Directors,

F. S. SPRING,
President.

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

ESTABLISHED 1869

CABLES RIDSTED MONTREAL

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H. D. Clapperton
C. Gordon Wallace
Gordon S. Small
J. Gordon Hutchison
John P. Kinghorn
N. C. D. Macgillivray
Malcolm J. McLeod
Alex. E. Pierce
W. Dick Thomson

TO THE SHAREHOLDERS,

ANGLO-CANADIAN TELEPHONE COMPANY:

We have made an examination of the Balance Sheet as at 31st December, 1945, 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, 1945.

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, 1945.

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 and no provision has been made for possible capital losses resulting from the occupation of these Islands by the enemy. 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, 1945 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, 28TH FEBRUARY, 1946.

ANGLO-CANADIAN TELEPHONE COMPANY
(An Investment Company)

BALANCE SHEET
As at 31st December, 1945

ASSETS

INVESTMENTS:		
Subsidiary and affiliated companies (less reserve).....	\$11,328,028.78	
Other investments.....	95,000.00	
		\$11,423,028.78
DEFERRED CHARGES		580.80
DUE FROM SUBSIDIARY COMPANIES		126,784.36
CURRENT ASSETS:		
Cash.....	\$ 577,202.71	
Interest receivable.....	344.29	
		577,547.00
		\$12,127,940.94

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 COMPANY		5,000.00
CURRENT LIABILITIES:		
Accounts payable.....	\$ 1,831.25	
Accrued taxes (including provision for Dominion taxes).....	11,529.17	
Dividends accrued (subsequently declared).....	37,858.33	
		51,218.75
RESERVE FOR EMPLOYEES' BENEFITS		20,000.00
SURPLUS:		
Reserved for general contingencies.....	\$ 150,000.00	
Surplus (as per statement attached).....	900,722.19	
		1,050,722.19
		\$12,127,940.94

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, 28th FEBRUARY, 1946.

ANGLO-CANADIAN TELEPHONE COMPANY
(An Investment Company)

STATEMENT OF INCOME AND SURPLUS

For the Year Ended 31st December, 1945

INCOME ACCOUNT

INCOME:

Subsidiary and affiliated companies (dividends, interest and other income).....	\$627,009.47	
Other companies.....	1,362.27	
		\$ 628,371.74

EXPENSES:

General and administrative expenses.....	\$ 65,830.25	
Provision for Dominion income taxes.....	8,500.00	
Other taxes.....	330.28	
		74,660.53

Net Income..... **\$ 553,711.21**

APPROPRIATIONS FROM INCOME:

To reserve for general contingencies.....	\$ 15,000.00	
To reserve for employees' benefits.....	2,262.92	
		17,262.92

Balance of Income..... **\$ 536,448.29**

SURPLUS ACCOUNT

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

ADD:

Balance of Income for the year ended 31st December, 1945.....	\$536,448.29	
Adjustment of provision for taxes.....	20,000.00	
		556,448.29

\$1,420,132.19

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, 1945..... **\$ 900,722.19**

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*

