

REPORT

OF THE

DIRECTORS TO THE SHAREHOLDERS

OF

The Bell Telephone Company of Canada

For the Year ending 31st December,

1908

The Bell Telephone Company of Canada 1908.

The Directors beg to submit their twenty-ninth Annual Report.

7,816 subscribers have been added during the year, the total number of sets of instruments now earning rental being 103,084.

The Company now owns and operates 480 Exchanges and 1,224 Agencies.

3,908 miles of wire have been added to the Long Distance System in 1908. The Long Distance Lines now owned and operated by the Company comprise 46,879 miles of wire on 8,193 miles of poles.

The governments of the Provinces of Manitoba and Alberta having announced their intention to inaugurate systems of government owned telephones, applied to the Company to know if it would sell its Plant. After due consideration, and a visit by the President to Winnipeg, the Board decided that it would be advisable for the Company to sell its Plant in those Provinces rather than to compete with the governments; and a sale was concluded. The accounts are not yet finally closed, and it is impossible to state at present what the result to the Company will be, but the growth of the business outside of those Provinces has been such that the loss of income will be comparatively small.

As a result of these sales the plant of the Company was decreased by 17,140 instruments earning rental; 92 Exchanges; 101 Agencies; and by 6,778 miles of wire on 1,594 miles of poles of our Long Distance System.

From the balance of Revenue Account, amounting to \$490,499.06, \$90,654.28 have been charged off Building Account; \$115,517.32 carried to Insurance Reserve Account; \$53,670.06 to Accident Reserve Account, and \$150,000.00 to the Contingent Account, leaving a balance of Revenue Account to be carried to 1909 of \$80,657.40.

All of which is respectfully submitted.

ROBERT MACKAY,
Vice-President.

C. F. SISE,
President.

MONTREAL, February 25th, 1909.

The Bell Telephone Company of Canada

REVENUE ACCOUNT, 31st DECEMBER, 1908.

RECEIPTS.

Exchange Service (less Unearned Rentals).....	\$3,116,794.04
Long Distance Service.....	1,164,974.73
Private Lines.....	14,033.67
Miscellaneous.....	284,803.61
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	\$4,580,606.05

EXPENSES.

Operating.....	\$2,902,028.66
Legal.....	16,994.33
Insurance.....	40,376.13
Bond Interest.....	182,450.00
Miscellaneous.....	14,482.55
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	\$3,156,331.67
Net Revenue, 1908.....	\$1,424,274.38
Less Dividends (Inc. January 15th, 1909).....	1,000,000.00
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	\$ 424,274.38
Balance Revenue from 1907.....	66,224.68
Balance Revenue Account 1908.....	\$ 490,499.06

DISTRIBUTION OF REVENUE BALANCE :

Charged off Buildings.....	\$ 90,654.28
Carried to Insurance Reserve.....	115,517.32
Carried to Accident Reserve.....	53,670.06
Carried to Contingent Account.....	150,000.00
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	409,841.66
Carried forward to 1909.....	80,657.40
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	\$ 490,499.06

BALANCE SHEET, 31ST DECEMBER, 1908.

Stock Account.....	\$12,500,000.00
Bond Account.....	3,649,000.00
Reserve—Contingent Fund.....	2,150,000.00
“ For Maintenance.....	982,148.22
“ For Unearned Rentals.....	617,937.79
“ For Fire Insurance.....	400,000.00
“ For Accident Insurance.....	200,000.00
“ For Bond Interest.....	45,612.50
Revenue Account.....	80,657.40
Sundry Creditors.....	96,745.21
Suspense Account.....	740,835.74
	\$21,462,936.86
Plant and Patent Account, 31st December, 1907.....	\$16,385,680.57
Deduct difference between Plant sold and added 1908.....	1,730,334.52
Plant and Patent Account, 31st December, 1908.....	14,655,346.05
Stores on Hand.....	512,691.56
Real Estate.....	1,673,230.69
Stock and Bonds.....	2,965,956.50
Due from Agencies.....	190,958.51
Debtors.....	376,345.94
Cash.....	1,088,407.61
	\$21,462,936.86

Audited and verified,

P. S. ROSS & SONS,
Chartered Accountants.

W. GEO. SLACK,
Treasurer.