

The Bell Telephone Company of Canada.

1892.

The Directors beg to submit their thirteenth Annual Report.

1,626 Subscribers have been added during the year, the total number of sets of instruments now earning rental being 24,167, (317 having been transferred from the free List at Peterborough.)

22 Exchanges and 56 Agencies having been constructed and added to the system, the Company now owns and operates 251 Exchanges and 241 Agencies.

401 Miles of Poles, and 1,238 miles of Wire have been added to the Trunk Line or Long Distance system in 1892; of these 116 pole miles and 663 wire miles are in the Ontario Department, and 285 pole miles and 575 wire miles are in the Eastern Department.

The Long Distance Lines now owned and operated by the Company, comprise 10,455 miles of wire on 4,836 miles of poles.

The Underground Construction has been continued during the year; about $3\frac{1}{2}$ miles of subway and $28\frac{3}{4}$ miles of Duct having been laid. Of this 107,022 feet of duct in 14,277 feet of Conduit was in Toronto; 31,055 feet of Duct in 2,309 feet of Conduit was in Hamilton; and 14,395 feet of Duct in 1,337 feet of Conduit was in London. The total subway construction to date, comprises $126\frac{3}{4}$ miles of Duct in $9\frac{1}{4}$ miles of Conduit.

The Gross Revenue for the year was.....	\$ 875,526 44
The Expenses were	655,139 81
The Net Revenue was.....	220,386 63
The Paid up Capital is.....	2,200,000 00

The apparent decrease in Net Revenue was caused by a severe sleet storm in Ottawa in March, and a storm which occurred in Manitoba in April. These two storms cost the Company about \$25,000.

Your Directors were obliged to provide for certain charges during the year, which could not be debited to Capital Account. Among these were the decreased valuation in stocks in other Companies, viz: The Federal Telephone Company, the Ontario Telephone Company, and the Parkhill Telephone Company, amounting to \$66,591.60; and also a large item of reconstruction rendered necessary by the introduction of Electric Light and Electric Railways, whereby we were compelled to metallic circuit our lines and prepare for the change to Underground Systems. The Construction Account for the year has amounted to \$368,123.49, but as a large portion of this was for plant to take the place of other plant already charged to Construction Account, your Directors have deemed it advisable to write off \$100,000 on account of Exchange construction, and \$11,351.50 on account of Long Distance line construction, which amounts have been charged to Contingent account.

For Funds with which to meet these demands, and to provide for the new construction of 1892, your Directors, acting under authority of the Shareholders, decided to sell 2,000 shares of stock. This stock was sold at a premium of \$123,729.73, which amount having been carried to Contingent Account, that account was then debited with the extraordinary charges referred to above, and the Directors trust that this course may meet with your approval.

The Buildings in Toronto and Ottawa have been completed, and will be occupied as soon as the switchboards are ready.

All of which is respectfully submitted.

GEO. W. MOSS,

Vice-President.

C. F. SISE,

President.

Montreal, February 23rd, 1893.

REVENUE ACCOUNT, 31st DECEMBER, 1892.

RECEIPTS.

Exchanges.....	\$689,927 45	
Less Unearned Rental Reserve.....	15,899 53	
		\$674,027 92
Trunk Lines		132,349 03
Private Lines		11,436 90
Miscellaneous		57,712 59
		<u>\$875,526 44</u>

EXPENSES.

Operating	\$599,757 65	
Legal	7,613 92	
Insurance.....	13,171 86	
Bond Interest....	30,000 00	
Miscellaneous	4,596 38	
		<u>\$655,139 81</u>
Net Revenue for 1892.....		\$220,386 63
Less Dividends (Including No. 35 of 16th January, 1893.).....		165,388 43
		<u>\$54,998 20</u>
Balance Revenue from 1891.....		15,322 21
		<u>\$70,320 41</u>
Carried to Contingent Fund.....	\$54,213 37	
Carried forward to 1893	16,107 04	
		<u>\$70,320 41</u>

BALANCE SHEET, 31st DECEMBER, 1892.

Stock Account		\$2,200,000 00
Bond Account.....		500,000 00
Contingent Fund 1891.....	\$800,000 00	
Add premium on stock sold	123,729 73	
Transfer from Revenue Account	54,213 37	
		<u>\$977,943 10</u>
Deduct "Depreciation Stock in other Companies,"	\$ 66,591 60	
Transfer from Construction Account	111,351 50	
		<u>\$177,943 10</u>
		<u>\$800,000 00</u>
Revenue Account.....		16,107 04
Unearned Rental Reserve.....		113,091 23
Insurance Reserve.....		26,459 19
Bond Interest Reserve		7,500 00
Sundry Creditors		156,874 57
		<u>\$3,820,032 03</u>
Plant and Patents, 31st December, 1891.....	\$2,873,739 34	
Purchase of Patents, 1892.....	1,552 50	
Construction, 1892.....	\$368,123 49	
Less charged to Contigent Fund.....	111,351 50	
		<u>256,771 99</u>
Plant and Patents, 31st December, 1892.....	\$3,132,063 83	
Stores on Hand	190,448 79	
Real Estate.....	249,219 84	
Stock in other Companies.....	106,982 83	
Sundry Debtors	54,764 65	
Due from Agencies	57,987 81	
Cash.....	28,564 28	
		<u>\$3,820,032 03</u>

ASSETS AND LIABILITIES, 31st DECEMBER, 1892.

ASSETS.

Plant and Patents.....	\$3,132,063 83
Stores on Hand	190,448 79
Real Estate.....	249,219 84
Stock in other Companies.....	106,982 83
Debtors and Cash	141,316 74
	<u>\$3,820,032 03</u>

LIABILITIES.

Stock and Bonds	\$2,700,000 00
Sundry Creditors.....	156,874 57
Unearned Rentals.....	113,091 23
Bond Interest.....	7,500 00
	<u>\$2,977,465 80</u>
Surplus.....	\$ 842,566 23

APPROPRIATION OF SURPLUS.

Contingent Fund.....	\$800,000 00
Insurance Reserve.....	26,459 19
Balance Revenue carried forward.....	16,107 04
	<u>\$842,566 23</u>

Audited and Certified,

P. S. ROSS & SONS,

16th February, 1893.

Chartered Accountants.

CHAS. P. SCLATER,

Secretary-Treasurer.

