

W^c
WINNIPEG ELECTRIC COMPANY



SIXTY - SECOND
ANNUAL
REPORT

For Fiscal Year Ended
March 31, 1954

PURVIS HALL
LIBRARIES

AUG 2 1954

McGILL UNIVERSITY

WINNIPEG ELECTRIC COMPANY

BOARD OF DIRECTORS

W. D. FALLIS
J. W. SANGER
D. M. STEPHENS
D. A. THOMPSON, Q.C.
ALLAN H. WATSON

OFFICERS

D. M. STEPHENS, *President and General Manager*
D. P. MARTELL, *Treasurer and Comptroller*
GEO. REID, *Secretary*

TRANSFER OFFICES

Common Stock, National Trust Company, Limited
Winnipeg
Preference Stock, National Trust Company, Limited
Montreal, Toronto and Winnipeg

REGISTRARS

The Royal Trust Company
Montreal, Toronto and Winnipeg

WINNIPEG ELECTRIC COMPANY

To the Shareholders:

The Sixty-second Annual Report of your Board of Directors for the fiscal year ended March 31, 1954, is submitted for your information together with the following:

- (i) Auditors' Report dated June 14, 1954;
- (ii) Consolidated Balance Sheet;
- (iii) Statement of Consolidated Profit and Loss;
- (iv) Statement of Consolidated Surplus.

It is considered that the operations of the Company for this fiscal year were satisfactory. Dividends were paid in full on the outstanding preference shares at the rate of \$2.50 per share semi-annually.

Net capital additions were made to the system in the amount of \$1,209,811.24. Customer services were increased by 3,098 to a total of 96,383 and the total kilowatt hour sales for the period showed an increase over the previous twelve months of 130,134,763 kilowatt hours.

Your Directors wish to express their appreciation to all executive officers and staff for the loyal and efficient service rendered and co-operation received during the past year.

D. M. STEPHENS,
President.

AUDITORS' REPORT

To the Shareholders of

WINNIPEG ELECTRIC COMPANY.

We have examined the consolidated balance sheet of Winnipeg Electric Company and its subsidiary companies as at 31st March 1954 and the statements of consolidated profit and loss and surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and statements of consolidated profit and loss and surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at 31st March 1954, and the results of their operations for the year ended on that date, according to the best of our information and explanations given us and as shown by the books of the companies.

MILLAR, MACDONALD & CO.,

Chartered Accountants.

Winnipeg, Canada,
14th June 1954.

WINNIPEG ELECTRIC COMPANY

CONSOLIDATED BALANCE SHEET

ASSETS

PHYSICAL PROPERTIES	\$87,755,248.14	
LESS: Accumulated depreciation and property reserve	34,606,526.00	\$53,148,722.14
<p>(Physical properties are at net values determined by McDonald, Currie & Co. and Millar, Macdonald & Co. and reported upon under date of 16th December 1952 in accordance with the terms of the offer of The Manitoba Hydro-Electric Board to holders of common shares of Winnipeg Electric Company, dated 28th October 1952, with additions to properties since 30th November 1952 at cost.)</p>		
Cash in Banks and on Hand	\$297,369.41	
Shareholders' Trust Fund (per contra) ..	213,980.35	\$ 511,349.76
Working Funds and Funds on Deposit with the Government of Canada		19,546.44
Consumers' and other Accounts Receivable, including instalment contracts (<i>less</i> allowance for doubtful accounts, \$84,068.59)		1,217,960.97
Materials and Supplies	570,917.44	
Merchandise for Sale	131,462.04	2,451,236.65
INVESTMENTS—at cost:		
Government of Canada Bonds (market value \$1,249,000.00)	\$ 1,247,275.00	
Winnipeg Electric Company First Mortgage Bonds (market value \$679,480.00)	651,184.75	1,898,459.75
Prepayments and Deferred Charges		97,966.78
DEFERRED ACCOUNTS RECEIVABLE:		
Special Contract—Deferred Instalments		15,000.00

On behalf of the Board,

D. M. STEPHENS, *Director.*

A. H. WATSON, *Director.*

\$57,611,385.32

Y AND SUBSIDIARY COMPANIES

HEET AS AT 31st MARCH 1954

LIABILITIES

CAPITAL STOCK:

5% Non-cumulative Preference Shares of a par value of \$100.00 each:		
Authorized and Issued—50,000 shares	\$ 5,000,000.00	
Common Shares of no par value:		
Authorized, 565,090 shares; Issued, 564,989 shares	10,916,325.81	\$15,916,325.81
Capital Surplus, reflecting property values determined as noted under "Physical Properties"		9,879,509.43

FUNDED DEBT: First Mortgage Bonds—

2¾% Serial Bonds maturing \$400,000.00 annually on 1st May 1954-1956	\$ 1,200,000.00	
3¾% Series Bonds due 1st May 1971, dated 1st May 1946	10,915,000.00	
3¾% Series Bonds due 1st May 1971, dated 1st May 1949	1,985,000.00	
4% Series Bonds due 1st May 1971	12,900,000.00	27,000,000.00
Accounts Payable and Accrued Liabilities, including Wages and Salaries	\$ 963,918.72	
Owing to Winnipeg & Central Gas Company	116,594.38	
Consumers' Security Deposits and Accrued Interest Thereon	121,249.79	
Bond Interest Accrued	419,167.82	
Unclaimed Dividends and Unclaimed Bond Interest	83,178.64	
Shareholders' Trust Liability (per contra)	213,980.35	1,918,089.70
Deferred Credits to Income		55,100.65

MISCELLANEOUS RESERVES:

For Deferred Maintenance	\$ 339,011.78	
For Injuries and Damages	10,585.54	349,597.32
EARNED SURPLUS		2,492,762.41

(The Trust Deed under which the Bonds of Winnipeg Electric Company are issued prohibits payment by the Company of any dividends which would reduce the Earned Surplus below \$1,250,000.00.)

The Company has indicated an intention to make future payments in respect of retirement fund past service contributions in the amount of \$758,441.25 as at 31st March 1954.

\$57,611,385.32

**WINNIPEG ELECTRIC COMPANY AND SUBSIDIARY
COMPANIES**

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

For the year ended 31st March 1954

Operating revenues		\$10,325,407.86
Operating expenses		5,049,977.39
Operating income		5,275,430.47
Other income		46,362.65
Net income before interest, depreciation and income taxes		5,321,793.12
Interest on funded debt	\$1,034,312.50	
Depreciation	1,879,775.23	2,914,087.73
Net income before income taxes		2,407,705.39
Income taxes		13,042.40
Net profit for the year		<u>\$ 2,394,662.99</u>

STATEMENT OF CONSOLIDATED SURPLUS

For the year ended 31st March 1954

EARNED SURPLUS

Balance—1st April 1953		\$ 1,260,977.30
Net profit for the year		2,394,662.99
		3,655,640.29
Adjustments arising from prior years:		
Amounts received from customers for service lines	\$ 131,482.94	
Income taxes	75,639.18	207,122.12
		3,862,762.41
Dividends on preference shares	\$ 250,000.00	
Dividends on common shares	1,120,000.00	1,370,000.00
Balance—31st March 1954		<u>\$ 2,492,762.41</u>

CAPITAL SURPLUS

Balance—1st April 1953		\$13,391,885.43
Adjustment arising from transfers of certain properties		130,308.00
		13,261,577.43
Special dividend paid on common shares to The Mani- toba Hydro-Electric Board		3,382,068.00
Balance—31st March 1954		<u>\$ 9,879,509.43</u>

