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WINNIPEG ELECTRIC COMPANY



SIXTY-FIRST
**ANNUAL
REPORT**

1953

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SEP 25 1953
McGILL UNIVERSITY

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 OFFICERS

National Trust Company, Limited
Montreal, Toronto and Winnipeg.

To the Shareholders:

The Sixty-first Annual Report of your Board of Directors is submitted for your information together with the following:

- (i) Auditors' Report,
- (ii) Consolidated Balance Sheet,
- (iii) Statement of Consolidated Profit and Loss and Earned Surplus Accounts.

Since all the common shares of your Company are held by The Manitoba Hydro-Electric Board, your Directors were of the opinion that the year end of your Company should coincide with that of The Manitoba Hydro-Electric Board and the Government of the Province of Manitoba. Accordingly the year end was changed to March 31 and this change was sanctioned at the last General Meeting of shareholders. It is necessary, therefore, at this time to submit an annual report in respect of the fiscal period from January 1, 1953 to March 31, 1953.

The operations of the Company for the three month period have been satisfactory. The division of personnel between your Company, Greater Winnipeg Transit Company and Winnipeg & Central Gas Company was completed with a minimum of disturbance to the operations of the Company and, as far as we have been able to ascertain, to the satisfaction of the employees concerned. An additional 654 customer services were connected during the period, bringing the total of these services to 93,285, and the consumption of power in the period has been the heaviest in the history of the Company.

Heavy demands for additional power and anticipated future demands for additional power have been met by your Company acquiring under lease the newly constructed power plant of The Manitoba Hydro-Electric Board at Pine Falls.

Your Directors would like to take this opportunity to express their appreciation of the co-operation and efficient service rendered by the executive officers and staff.

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 1953, and the statements of consolidated profit and loss and earned surplus for the three months 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 earned 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 1953, and the results of their operations for the three months 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,
24th July 1953.

WINNIPEG ELECTRIC COMPANY

CONSOLIDATED BALANCE SHEET

ASSETS

PHYSICAL PROPERTIES	\$86,545,436.90	
LESS: Accumulated depreciation and property reserve	32,969,243.24	\$53,576,193.66
(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.)		
TREASURY BILL OF THE PROVINCE OF MANITOBA		3,382,068.00
Received for transfer of investment in transit and gas companies in accordance with the terms of the offer of The Manitoba Hydro-Electric Board dated 28th October 1952.		
CASH IN BANKS AND ON HAND	\$1,161,625.32	
WORKING FUNDS AND FUNDS ON DEPOSIT WITH THE GOVERNMENT OF CANADA	20,402.19	
CONSUMERS' AND OTHER ACCOUNTS RECEIVABLE, including instalment contracts, less allowance for Doubtful Accounts	1,151,879.81	
MATERIALS AND SUPPLIES	472,732.12	
MERCHANDISE FOR SALE	191,901.02	2,998,540.46
PREPAYMENTS AND DEFERRED CHARGES		48,493.57
DEFERRED ACCOUNTS RECEIVABLE:		
Special Contract—Deferred Instalments		22,200.00
NET INCOME TAX OVERPAYMENT—ESTIMATED		483,195.20
(Subject to final determination upon assessment)		

On Behalf of the Board:

D. M. STEPHENS

Director

A. H. WATSON

Director

\$60,510,690.89

AND SUBSIDIARY COMPANIES

ET AS AT 31st MARCH 1953

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" 13,391,885.43

FUNDED DEBT: First Mortgage Bonds—

2 3/4% Serial Bonds, Maturing \$400,000.00 annually on 1st May 1953-1956	\$ 1,600,000.00		
3 3/4% Series Bonds due 1st May 1971, dated 1st May 1946	\$11,000,000.00		
Less: Bonds purchased for Sinking Fund purposes	10,000.00	10,990,000.00	
3 3/4% Series Bonds due 1st May 1971, dated 1st May 1949		2,000,000.00	
4% Series Bonds due 1st May 1971	\$13,000,000.00		
Less: Bonds purchased for Sinking Fund purposes	100,000.00	12,900,000.00	27,490,000.00

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES, including Wages and Salaries

\$ 944,671.43

DUE TO

Winnipeg & Central Gas Company	\$ 463,803.78		
Greater Winnipeg Transit Company	10,497.39	474,301.17	

CONSUMERS' SECURITY DEPOSITS AND ACCRUED INTEREST THEREON

119,070.96

BOND INTEREST ACCRUED 438,125.00

UNCLAIMED DIVIDENDS AND UNCLAIMED BOND INTEREST 88,626.41 2,064,794.97

DEFERRED CREDITS TO INCOME 146,782.58

MISCELLANEOUS RESERVES:

For Deferred Maintenance	\$ 226,195.32		
For Injuries and Damages	13,729.48	239,924.80	

EARNED SURPLUS 1,260,977.30

(The Trust Deed under which the Bonds 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 \$777,624.65 as at 31st March 1953.

\$60,510,690.89

**WINNIPEG ELECTRIC COMPANY AND SUBSIDIARY
COMPANIES**

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

For the three months ended 31st March 1953

Operating revenues.....		\$2,619,290.12
Operating expenses.....		1,229,056.52
		1,390,233.60
Operating income.....		1,390,233.60
Other income.....		629.86
		1,390,863.46
Net income before interest, depreciation and income taxes		1,390,863.46
Interest on funded debt.....	\$264,452.66	
Depreciation.....	520,444.00	784,896.66
		605,966.80
Net income before estimated income taxes.....		605,966.80
Estimated income taxes.....		285,100.00
		\$ 320,866.80
Net profit for the period.....		\$ 320,866.80

STATEMENT OF CONSOLIDATED EARNED SURPLUS

For the three months ended 31st March 1953

Balance—1st January 1953.....		\$1,282,226.17
Net income for the three months ended 31st March 1953		320,866.80
		1,603,092.97
LESS: Dividend on common stock of 60 cents per share paid 23rd February 1953 to shareholders of record 23rd January 1953, in terms of Section 4h (iii) of the offer to common shareholders, dated 28th October 1952, and other minor adjustments.....		342,115.67
Balance—31st March 1953.....		\$1,260,977.30

