

FOREIGN POWER SECURITIES
CORPORATION LIMITED

Annual Report

For the Year ended October 31 1962

DIRECTORS

W. D. ARDELL
P. P. DAIGLE
O. J. GRIESAR
R. DE WOLFE MACKAY, Q.C.
P. N. THOMSON
W. HOWARD WERT, C.A.
A. J. WISHART

OFFICERS

President

R. DE WOLFE MACKAY, Q.C.

Vice-President

W. HOWARD WERT, C.A.

Secretary

T. J. RAPPELL

Treasurer

R. F. MARTIN

Auditors.....PRICE WATERHOUSE & Co.
Transfer Agents.....MONTREAL TRUST COMPANY
Registrar.....THE ROYAL TRUST COMPANY

Head Office

355 ST. JAMES STREET WEST
MONTREAL 1, QUE.

FOREIGN POWER SECURITIES CORPORATION LIMITED

STATEMENT OF REVENUE AND EXPENSES FOR THE YEAR ENDED OCTOBER 31 1962

REVENUE —		
Dividends.....		\$ 98,716.36
Interest from investments.....		248,178.80
Other interest.....		1,254.72
		\$348,149.88
EXPENSES —		
Directors' fees.....	\$ 1,200.00	
Executive salaries.....	2,500.00	
Legal expenses.....	2,273.10	
Interest.....	219,962.96	
Other expenses.....	5,316.65	231,252.71
		\$116,897.17
INCOME TAXES —		
U.S. withholding tax.....	\$ 60.61	
Provision for Canadian income taxes.....	9,200.00	9,260.61
		\$107,636.56
Net revenue for the year ended October 31 1962.....		\$107,636.56

AUDITORS' REPORT TO THE SHAREHOLDERS OF FOREIGN POWER SECURITIES CORPORATION LIMITED:

We have examined the balance sheet of Foreign Power Securities Corporation Limited as at October 31 1962 and the statement of revenue and expenses 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.

The balance sheet gives effect to a resolution passed at the Annual General Meeting of Shareholders held on February 27 1962 in accordance with which the values at which the Corporation's investments were carried in its books were increased in the total amount of \$3,700,000. We are informed by the directors that, in their opinion, the value now attributed to the investments is not in excess of fair values.

With the foregoing explanation concerning the valuation of investments we report that, in our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Corporation, the accompanying balance sheet and statement of revenue and expenses are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation as at October 31 1962 and the result of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The aggregate profits of subsidiary companies have been included in the accounts of the Corporation only to the extent of the dividends received during the year ended October 31 1962.

PRICE WATERHOUSE & CO.

Chartered Accountants

FOREIGN POWER SECURITIES CORPORATION LIMITED

BALANCE SHEET OCTOBER 31 1962

	ASSETS	
INVESTMENTS:		
Subsidiary companies, at cost —		
Shares.....	\$1,360,605.64	
Bonds.....	148,623.50	\$ 1,509,229.14
Other—		
Quoted securities, at cost (market value approximately \$2,093,000).....	\$2,127,069.23	
Unquoted securities, at cost.....	6,822,310.63	8,949,379.86
		<u>\$10,458,609.00</u>
Increase in book value of the Corporation's investments, attributed as reinstatement of paid-up capital, in accordance with the resolution of the Board of Directors dated December 19 1961 and ratified at the Annual General Meeting of Shareholders held on February 27 1962.....		3,700,000.00
		<u>\$14,158,609.00</u>
CASH.....		148,397.68
AMOUNT RECEIVABLE ON SALE OF INVESTMENTS		
Collectible over a five year period..... (U.S. funds expressed at par)		325,195.87
Signed on behalf of the Board: R. DE WOLFE MACKAY, Director W. HOWARD WERT, Director		
		<u><u>\$14,632,202.55</u></u>
LIABILITIES		
BANK LOANS (Secured).....	\$5,377,757.50	
ESTIMATED INCOME TAXES (see note).....	9,067.33	\$ 5,386,824.83
CAPITAL STOCK AND SURPLUS:		
Capital stock —		
Common shares without nominal or par value —		
Authorized — 750,000 shares		
Issued — 565,000 shares.....		\$ 3,000,000.00
Add: Reinstatement of paid-up capital consequent upon re-valuation of the Corporation's investments.....		3,700,000.00
		<u>\$ 6,700,000.00</u>
Capital surplus —		
Balance, October 31 1961.....	\$1,592,504.13	
Surplus on sale of investments during the year.....	324,891.47	1,917,395.60
Earned surplus —		
Balance, October 31 1961.....	\$ 520,345.56	
Net revenue for the year ended October 31 1962.....	107,636.56	627,982.12
		<u>\$ 9,245,377.72</u>

NOTE: The Corporation has received claims from the Federal taxing authorities totalling some \$360,000 for additional taxes and interest in respect of prior years. These claims have not been provided for in the accounts as the Corporation has filed notices of objection thereto.

\$14,632,202.55

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FOREIGN POWER SECURITIES CORPORATION LIMITED

355 St. James Street West

MONTREAL 1, QUE.

February 11, 1963

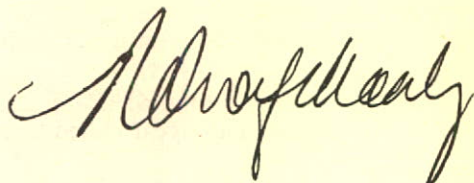
To the Shareholders:

Your Directors submit herewith the Balance Sheet, Statement of Revenue and Expenses, together with the Auditors' Report thereon, for the fiscal year ended October 31, 1962.

During the year under review total revenue increased to \$348,149.88, against \$160,510.22, and, after deducting expenses and U.S. withholding tax and provision for Canadian income taxes, there remained net revenue of \$107,636.56, against \$95,021.65 for the preceding year.

Effect has been given to the Resolution passed by the Directors and approved by the Shareholders at the last Annual Meeting authorizing the reinstatement of the paid-up capital of the Corporation, and the corresponding increase in the book value of the Corporation's investments.

Respectfully submitted on behalf of the Board.



President

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