

FOREIGN POWER SECURITIES
CORPORATION LIMITED



Annual Report

111
For the Year ended October 31, 1963



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.

<i>Secretary</i>	<i>Treasurer</i>
T. J. RAPPELL	R. F. MARTIN

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



Head Office

41st FLOOR SOUTH
1 PLACE VILLE MARIE
MONTREAL 2, QUE.

FOREIGN POWER SECURITIES CORPORATION LIMITED

STATEMENT OF REVENUE AND EXPENSES FOR THE YEAR ENDED OCTOBER 31, 1963

REVENUE —

Dividends.....		\$149,960.45
Interest from investments.....		214,356.67
Other interest.....		2,472.83
		\$366,789.95

EXPENSES —

Directors' fees.....	\$ 1,100.00		
Executive salaries.....	2,500.00		
Legal expenses.....	2,490.00		
Interest.....	294,359.16		
Other expenses.....	9,722.71	310,171.87	
		\$ 56,618.08	

INCOME TAXES —

U.S. withholding tax.....	\$ 233.60		
Provision for Canadian income taxes.....	45.00	278.60	
		\$ 56,339.48	

Net revenue for the year ended October 31, 1963.....

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, 1963 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.

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, 1963 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, 1963.

PRICE WATERHOUSE & CO.

Chartered Accountants

Montreal, December 17, 1963.

FOREIGN POWER SECURITIES CORPORATION LIMITED

BALANCE SHEET — OCTOBER 31, 1963

ASSETS

INVESTMENTS, at cost		
Shares in subsidiary companies —		
Quoted securities (market value based on stock exchange quotations — \$1,119,000).....	\$ 816,834.17	
Unquoted securities.....	<u>1,380,605.64</u>	\$ 2,197,439.81
Other—		
Quoted securities (market value based on stock exchange quotations — \$5,470,000).....	\$3,374,312.81	
Unquoted securities.....	<u>1,057,843.40</u>	<u>4,432,156.21</u>
		\$ 6,629,596.02
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.....		
		<u>3,700,000.00</u>
		\$10,329,596.02
CASH.....		
		268,379.19
AMOUNT RECEIVABLE ON SALE OF INVESTMENTS		
Collectible over a five year period.....		342,366.33
(U.S. funds expressed at par)		
Signed on behalf of the Board:		
R. DE WOLFE MACKEY, Director		
W. HOWARD WERT, Director		
		<u><u>\$10,940,341.54</u></u>

LIABILITIES

BANK LOAN (Secured).....	\$1,450,000.00	
LOAN FROM A SUBSIDIARY COMPANY.....	85,000.00	
INCOME TAXES (see note).....	32.59	
PURCHASE OPTION DEPOSIT (U.S. \$6,000).....	<u>6,493.12</u>	<u>\$ 1,541,525.71</u>
CAPITAL STOCK AND SURPLUS:		
Capital stock —		
Common shares without nominal or par value —		
Authorized — 750,000 shares		
Issued — 565,000 shares.....		\$ 6,700,000.00
Capital surplus —		
Balance, October 31, 1962.....	\$1,917,395.60	
Surplus on sale of investments during the year.....	<u>97,098.63</u>	<u>2,014,494.23</u>
Earned surplus—		
Balance, October 31, 1962.....	\$ 627,982.12	
Net revenue for the year ended October 31, 1963.....	<u>56,339.48</u>	<u>684,321.60</u>
		<u>\$ 9,398,815.83</u>

NOTE: The Corporation has received claims from the Federal taxing authorities totalling some \$380,000 for additional taxes and interest in respect of prior years. The Corporation has appealed these assessments and they are not provided for in the accounts.

\$10,940,341.54

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(latest in
file)

FOREIGN POWER SECURITIES CORPORATION LIMITED

41st Floor South
1 Place Ville Marie
MONTREAL 2, QUE.

January 20, 1964


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, 1963.

During the year under review total revenue increased to \$366,789.95, against \$348,149.88, and, after deducting interest, other expenses, and taxes, there remained net revenue of \$56,339.48, against \$107,636.56 for the preceding year.

Your Corporation has had a substantial investment in the securities of United Principal Properties Limited. During 1963 that company was reorganized, its Debentures retired, its capital consolidated, and its name changed to Canadian Interurban Properties Limited. Your Corporation has sold a portion of its investment, thereby permitting a substantial reduction in bank loans. As was originally planned, your Corporation retains a continuing interest in a soundly financed and progressive real-estate investment.

Respectfully submitted on behalf of the Board.



President

