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**International  
Power  
Company  
LIMITED**



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**A N N U A L R E P O R T**  
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# 1959 HIGHLIGHTS

(CONSOLIDATED COMPANIES)

|   | <u>1959</u>  | <u>1958</u>  |
|---|--------------|--------------|
| Consolidated Net Income . . . . .                   | \$ 9,676,327 | \$ 8,933,128 |
| Dividends . . . . .                                 | \$ 2,739,800 | \$ 2,739,800 |
| Electric Sales in kilowatt-hours . . . . .          | 769,997,380  | 669,495,626  |
| No. of Electric Customers . . . . .                 | 222,769      | 210,581      |
| Capital and Replacement Expenditures . . . . .      | \$11,890,345 | \$ 9,819,468 |
| Installed Generating Capacity (kilowatts) . . . . . | 225,235      | 205,235      |

# INTERNATIONAL POWER COMPANY LIMITED

HEAD OFFICE

MONTREAL, CANADA

## S U B S I D I A R Y   C O M P A N I E S

|                |  |
|----------------|--|
| Bolivia        | Bolivian Power Company, Limited<br>Empresa de Luz y Fuerza Eléctrica de Oruro*   |
| British Guiana | The Demerara Electric Company Limited  |
| Mexico         | Monterey Railway, Light and Power Company*   |
| El Salvador    | Compañía de Alumbrado Eléctrico de San Salvador<br>Compañía Eléctrica de Oriente   |
| Venezuela      | Empresas Eléctricas Venezolanas, Sociedad Anónima<br>C.A. Energía Eléctrica de Venezuela (Maracaibo)<br>C.A. Energía Eléctrica de Barquisimeto |

*\*Not consolidated.*

# INTERNATIONAL POWER COMPANY LIMITED

## BOARD OF DIRECTORS

|   |                       |
|---|-----------------------|
| E. RYCKMAN ALEXANDER                          | ALASTAIR G. MACKINNON |
| LEO F. DALEY                                  | LESLIE G. PROCTOR     |
| WILLIAM M. HICKEY                             | PAUL W. RAYMER        |
| JOHN R. HUGHES                                | RICHARD JOYCE SMITH   |
| FREDERICK KRUG                                | MORLEY G. TAYLOR      |
| HON. HERBERT J. SYMINGTON, P.C., C.M.G., Q.C. |                       |

## OFFICERS

FREDERICK KRUG, *Chairman*  
MORLEY G. TAYLOR, *President*  
PAUL W. RAYMER, *Vice-President*  
JOHN KAZAKOFF, *Assistant Vice-President*  
GEORGE L. GILKER, *Secretary-Treasurer*  
ERIC H. CAMPBELL, *Assistant Secretary*

## OFFICE

244 St. James Street West, Montreal, P.Q.

## TRANSFER AGENTS

MONTREAL TRUST COMPANY  
511 Place d'Armes, Montreal, P.Q.  
15 King Street W., Toronto, Ontario  
466 Howe Street, Vancouver, B.C.

## REGISTRAR

MONTREAL TRUST COMPANY

**EXECUTIVES  
OF  
OPERATING COMPANIES**

|                |                              |                                   |
|----------------|------------------------------|-----------------------------------|
| BOLIVIA        | ARCHIBALD F. J. SEARS (1942) | <i>General Manager</i>            |
| BRITISH GUIANA | CHARLES A. MACINTYRE (1938)  | <i>General Manager</i>            |
| MEXICO         | RAMÓN NOBLE (1923)           | <i>General Manager</i>            |
| EL SALVADOR    | ARTHUR W. CARLSON (1940)     | <i>General Manager</i>            |
| VENEZUELA      | LAWRENCE M. HOWE (1941)      | <i>President</i>                  |
|                | PERCY B. SPICER (1938)       | <i>General Manager, Maracaibo</i> |
|                | ALEXANDER E. WILCOX (1950)   | <i>Manager, Barquisimeto</i>      |

**ENGINEERING CONSULTANTS**

MONTREAL ENGINEERING COMPANY, LIMITED

Dates indicate date of first employment  
with subsidiary companies.



# INTERNATIONAL POWER COMPANY LIMITED

## R E P O R T O F T H E D I R E C T O R S F O R 1 9 5 9

### TO THE SHAREHOLDERS:

Your Directors submit their report, together with the financial statements and auditors' report, for the year ended December 31, 1959.

The consolidated net income of International Power Company Limited and its subsidiaries was \$9,676,327 compared to \$8,933,128 in 1958. Four quarterly dividends of \$3.00 per share and an extra dividend in June of \$2.00 per share were paid.

Prior to 1959, "interest charged to construction" in the accounts of the Venezuela companies was credited to capital reserve. In 1959, following general practice in Canada and the United States, such interest, in the amount of \$468,983, was credited to income. Had the 1958 "interest charged to construction" of the Venezuela companies, totalling \$116,657, been credited to income in that year, the earnings would have been \$9,049,785.

As indicated in the 1958 report, the Maracaibo operating subsidiary put into effect a reduction in rates of approximately 12% at the beginning of 1959. This is reflected in a somewhat lower increase in the earnings for the year, as had been anticipated, but it is expected that, over a period, the lower rates will promote increased sales and earnings.

Gross consolidated earnings of the consolidated operating subsidiaries as a whole in 1959 increased 7% over 1958. In the same period, sales of electric energy increased from 669,495,626 kilowatt-hours to 769,997,380 kilowatt-hours; a growth rate of 15%.

The further expansion of transmission and distribution systems continued to be a dominant feature of the expansion program to provide for growth of electricity demand. However, a 20,000 k.w. gas turbine unit was completed in Maracaibo and work progressed on the installation of a 66,000 k.w. steam electric unit for the same company. Of the \$15,829,000 approved for capital expenditure in the year 1959, only \$11,890,345 was actually spent. A further postponement of capital expenditures for a 12,500 k.w. steam electric unit and related distribution facilities was necessary in British Guiana, pending conclusion of negotiations with the Government for an acceptable franchise. An indefinite postponement of capital expenditures on new office quarters for the Maracaibo company was made possible through a favorable rental arrangement.

A program of capital expenditures of \$9,230,000 was approved by your Directors for the year 1960. Contemplated in the program is the completion of the 66,000 k.w. steam electric unit previously

referred to and continued construction of a second 66,000 k.w. unit for completion in 1962, in Maracaibo. Also included in the approved program are new lines and substations at all of the operating companies.

The investment in Financiadora Venezolana de Creditos C. A. (Fivecca), made through the subsidiary Empresas Eléctricas Venezolanas Sociedad Anónima, regularly paid interest on loan at 7% and also paid a dividend of 8% on the common stock.

Investigation of possible acquisition of new ventures continued throughout the year, but no arrangements in this connection were concluded.

Operations during the year were generally normal: replacement and maintenance schedules were carried out, additional staff engaged where required due to growth, and personnel training programs were maintained to continue a high grade of service to customers.

Your Directors are in a position to appreciate the contribution made by an efficient and loyal staff towards the progress and success of this Company and its subsidiaries, and hereby express their thanks to the employees of the subsidiary companies and of Montreal Engineering Company, Limited.

Your Directors are pleased to announce that Mr. Morley G. Taylor has returned to the management of International Power Company Limited as President after serving five years as General Manager of the Nova Scotia Power Commission. Mr. Frederick Krug became Chairman of the Board and will continue as Chief Executive Officer. Mr. Taylor's experience in Latin America since 1927, and his many years as head of the Venezuela subsidiary companies is most welcome in the administration of your companies.

Mr. L. G. Proctor joined the staff of International Power Company Limited on its formation in 1926 and has been a director of this company since 1948 and Secretary-Treasurer since 1954. Mr. Proctor has rendered most valuable service to your companies and it is with regret that we announce his retirement from executive duties, as of January 1, 1960. Mr. George L. Gilker has been appointed Secretary-Treasurer to succeed him.

For the Board of Directors,

F. KRUG,  
*Chairman of the Board.*

Montreal, May 3, 1960.

# INTERNATIONAL POW

## Balance Sheet as at

*(With Comparative Figures)*

### A S S E T S

|  | 1959         | 1958         |
|--|--------------|--------------|
| Shares of Subsidiary Companies, at cost. . . . .                                     | \$25,690,495 | \$22,052,703 |
| Debtures, Notes and other Indebtedness of Subsidiary Companies,<br>at cost . . . . . | 8,019,325    | 194,523      |
|  | 33,709,820   | 22,247,226   |
| Cash . . . . .   | 316,271      | 386,166      |
| Bank Deposit Receipts . . . . .  | 95,125       | 1,525,156    |
| Accounts Receivable . . . . .  | 50,609       | 22,953       |
|  | 462,005      | 1,934,275    |
|  | \$34,171,825 | \$24,181,501 |

Approved on behalf of the Board:

A. G. MACKINNON, *Director.*

L. G. PROCTOR, *Director.*



# ER COMPANY LIMITED

31st December 1959

(as at 31st December 1958)

|   | <b>L I A B I L I T I E S</b> |              |
|---|------------------------------|--------------|
|   | 1959                         | 1958         |
| Accounts Payable . . . . .                      | \$ 195,845                   | \$ 49,257    |
| Income Taxes Payable . . . . .                  | 1,905                        | 1,267        |
|   | 197,750                      | 50,524       |
| <br>Capital Stock and Surplus:                  |                              |              |
| Common Shares of No Par Value                   |                              |              |
| Authorized: 220,000 Shares                      |                              |              |
| Issued and Fully Paid: 195,700 Shares . . . . . | 3,631,750                    | 3,631,750    |
| <br>Surplus:                                    |                              |              |
| Tax-Paid Undistributed Income . . . . .         | 2,832,655                    | 2,832,655    |
| Capital Surplus . . . . .                       | 7,561,185                    | 3,945,995    |
| Earned Surplus . . . . .                        | 19,948,485                   | 13,720,577   |
|   | 33,974,075                   | 24,130,977   |
|   | \$34,171,825                 | \$24,181,501 |

Audited in accordance with our Report of this date.

CREAK, CUSHING & HODGSON,  
*Chartered Accountants.*

MONTREAL, 25th April 1960.

# INTERNATIONAL POWER

## Statement of Income and Expenditure

FOR THE YEAR ENDED 31ST DECEMBER 1959

*(With Comparative Figures for the Year 1958)*

|  | <b>1959</b> | <b>1958</b> |
|--|-------------|-------------|
| Dividends and Interest (less withholding tax) from Operating Subsidiary Companies and other income . . . . . | \$2,761,648 | \$2,612,227 |
| <i>Deduct:</i>   |             |             |
| Directors' Fees and Expenses . . . . .   | 6,473       | 6,525       |
| Executive Salaries . . . . .   | 7,083       | 2,500       |
| Executive Counsel . . . . .  | 20,000      | 20,000      |
| Other Expenses (including Legal Fees of \$10,641) . . . . .  | 66,135      | 48,426      |
| Income Taxes . . . . .   | 1,905       | 1,267       |
|  | 101,596     | 78,718      |
| Net Income for year, transferred to Statement of Earned Surplus . . . . .                                    | \$2,660,052 | \$2,533,509 |

## Statement of Earned Surplus

FOR THE YEAR ENDED 31ST DECEMBER 1959

|  |  |              |
|--|--|--------------|
| Balance at 31st December 1958 . . . . .  |  | \$13,720,577 |
| <i>Add:</i> Net Income for year, transferred from Statement of Income and Expenditure . . . . .      |  | 2,660,052    |
| Stock Dividend received from a subsidiary company out of prior years' accumulated earnings . . . . . |  | 5,459,105    |
| Amount received from a Subsidiary Company on account of arrears of interest . . . . .                |  | 848,551      |
|  |  | 22,688,285   |
| <i>Deduct:</i> Dividends on Common Stock . . . . .   |  | 2,739,800    |
| Balance at 31st December 1959 . . . . .  |  | \$19,948,485 |

# COMPANY LIMITED

## Statement of Capital Surplus

FOR THE YEAR ENDED 31st DECEMBER 1959

|   |           |                           |
|---|-----------|---------------------------|
| Balance at 31st December 1958 . . . . .   |           | \$3,945,995               |
| <i>Add:</i>   |           |                           |
| Profit on investment in Preferred Shares redeemed by a Subsidiary Company . . .   |           | 3,637,432                 |
|   |           | <u>7,583,427</u>          |
| <i>Deduct:</i>  |           |                           |
| Adjustment of Exchange provision made in prior years, required to<br>convert U.S. Dollar balances at 31st December 1959 . . . . . | \$358,811 |                           |
| Less: Exchange profit applicable to Capital . . . . .   | 336,569   |                           |
|   |           | <u>22,242</u>             |
| Balance at 31st December 1959 . . . . .   |           | <u><u>\$7,561,185</u></u> |

## Statement of Tax-Paid Undistributed Income

FOR THE YEAR ENDED 31st DECEMBER 1959

|   |                           |
|---|---------------------------|
| Balance at 31st December 1959 (no change during the year) . . . . . | <u><u>\$2,832,655</u></u> |
|---|---------------------------|

INTERNATIONAL POWER  
AND SUBSIDIARIES

Consolidated Balance Sheet

(With Comparative Figures)

ASSETS

|  | 1959             | 1958             |
|--|------------------|------------------|
| <b>CAPITAL ASSETS</b>  |                  |                  |
| Lands, Buildings and Plants; Franchises, Contracts, Goodwill, etc.<br>(Note 2) . . . . .     | \$85,955,656     | \$74,833,792     |
| <br>   |                  |                  |
| <b>INVESTMENT IN SUBSIDIARY COMPANIES NOT CONSOLIDATED, AT COST</b>                          |                  |                  |
| Shares . . . . .   | 402,889          | 402,889          |
| Debentures and Other Indebtedness . . . . .  | 181,845          | 183,115          |
|  | 584,734          | 586,004          |
| <b>OTHER INVESTMENTS IN SHARES AND NOTES RECEIVABLE . . . . .</b>                            | <b>2,373,538</b> | <b>2,372,537</b> |
| <br>   |                  |                  |
| <b>CURRENT ASSETS</b>  |                  |                  |
| Cash . . . . .   | 1,022,564        | 1,408,869        |
| Bank Deposit Receipts . . . . .  | 2,388,282        | 7,217,681        |
| Accounts Receivable . . . . .  | 4,264,032        | 3,420,337        |
| Materials and Supplies as certified by responsible officials and valued at<br>cost . . . . . | 2,640,700        | 2,015,890        |
|  | 10,315,578       | 14,062,777       |
| <br>   |                  |                  |
| <b>DEFERRED CHARGES</b>  |                  |                  |
| Prepaid and Other Deferred Charges . . . . .   | 248,781          | 234,720          |
|  | \$99,478,287     | \$92,089,830     |
|  | \$99,478,287     | \$92,089,830     |

Approved on behalf of the Board:  
A. G. MACKINNON, *Director*.  
L. G. PROCTOR, *Director*.



# ER COMPANY LIMITED

RY COMPANIES

as at 31<sup>st</sup> December 1959

(as at 31st December 1958)

## LIABILITIES

| CURRENT LIABILITIES  | 1959         | 1958         |
|--|--------------|--------------|
| Bank Loan . . . . .  | \$ 25,918    | \$ 36,566    |
| Accounts Payable . . . . .   | 1,616,238    | 3,084,937    |
| Consumers' Deposits, including interest thereon . . . . .                        | 681,706      | 617,461      |
| Income Taxes Payable . . . . .   | 2,549,140    | 2,453,353    |
|  | <hr/>        | <hr/>        |
|  | 4,873,002    | 6,192,317    |
|  | <hr/>        | <hr/>        |
| MINORITY INTEREST in Capital Stock and Surplus of Subsidiary Companies . . . . . | 1,084,179    | 996,169      |
|  | <hr/>        | <hr/>        |
| RESERVES   |              |              |
| Depreciation and Renewals . . . . .  | 17,999,690   | 16,456,126   |
| Reserve for Contingencies . . . . .  | 881,407      | 878,537      |
| Exchange . . . . .   | 2,012,479    | 2,012,479    |
| Other . . . . .  | 437,270      | 391,460      |
|  | <hr/>        | <hr/>        |
|  | 21,330,846   | 19,738,602   |
|  | <hr/>        | <hr/>        |
| CAPITAL RESERVE (Note 2) . . . . .   | 6,225,968    | 6,572,493    |
|  | <hr/>        | <hr/>        |
| CAPITAL STOCK AND SURPLUS  |              |              |
| Common Shares of No Par Value  |              |              |
| Authorized: 220,000 shares   |              |              |
| Issued and Fully Paid: 195,700 shares . . . . .                                  | 3,631,750    | 3,631,750    |
| Surplus (Note 3)   |              |              |
| Tax-Paid Undistributed Income . . . . .  | 2,832,655    | 2,832,655    |
| Capital Surplus . . . . .  | 10,490,917   | 10,513,159   |
| Earned Surplus . . . . .   | 45,814,197   | 38,923,725   |
| Earned Surplus Segregated for Legal Reserve . . . . .                            | 3,194,773    | 2,688,960    |
|  | <hr/>        | <hr/>        |
|  | 65,964,292   | 58,590,249   |
|  | <hr/>        | <hr/>        |
|  | \$99,478,287 | \$92,089,830 |
|  | <hr/>        | <hr/>        |

The accompanying notes to the consolidated financial statements should be read in conjunction with the above consolidated balance sheet.

Audited in accordance with our report of this date.

MONTREAL, 25th April 1960.

CREAK, CUSHING & HODGSON,  
Chartered Accountants.

# INTERNATIONAL POWER AND SUBSIDIARY

## Consolidated Statement of Income and Expenditure

FOR THE YEAR ENDED 31ST DECEMBER 1959  
(With Comparative Figures for Year 1958)

|   | 1959         | 1958         |
|---|--------------|--------------|
| Gross Earnings of Operating Subsidiary Companies, less Exchange Loss . . . . .  | \$22,829,707 | \$21,328,300 |
| <i>Deduct:</i> Operating Expenses . . . . .   | 9,025,710    | 8,230,326    |
| Income Taxes . . . . .  | 2,544,655    | 2,492,982    |
|   | 11,570,365   | 10,723,308   |
| NOTE: The total amount paid during the year by subsidiary companies consolidated herein and by subsidiary companies not consolidated, was for Legal Fees \$53,225 for the year 1959 and \$43,782 for the year 1958; Executive Salaries \$232,247 for the year 1959 and \$224,289 for the year 1958.         |              |              |
| Net Earnings of Operating Subsidiary Companies . . . . .  | 11,259,342   | 10,604,992   |
| <i>Add:</i>   |              |              |
| Investment Income — Net . . . . .   | 133,318      | 264,332      |
| Interest charged to Construction . . . . .  | 468,983      | 17,949       |
|   | 11,861,643   | 10,887,273   |
| <i>Deduct:</i>  |              |              |
| Dividends on Common Stock of Subsidiary Companies in hands of the public . . . . .  | 36,793       | 36,793       |
| Provision for Depreciation and Renewals . . . . .   | 2,083,008    | 1,873,421    |
| Minority Interest in Surplus for year of Subsidiary Companies . . . . .   | 96,757       | 88,495       |
|   | 2,216,558    | 1,998,709    |
| Net Income of Subsidiary Companies after deduction of Minority Interest   | 9,645,085    | 8,888,564    |
| <i>Add:</i>   |              |              |
| Other Income, International Power Company Limited:<br>Income from Investment in Monterey Railway, Light & Power Company, not consolidated, etc. . . . .   | 132,838      | 123,282      |
| <i>Less:</i>  |              |              |
| Expenses and taxes (including Directors' Fees and Expenses \$6,473 for the year 1959 and \$6,525 for the year 1958; Executive Counsel \$20,000 for the years 1959 and 1958; Executive Salaries \$7,083 for the year 1959 and \$2,500 for the year 1958 and Legal Fees \$10,641 for the year 1959) . . . . . | 101,597      | 78,718       |
|   | 31,241       | 44,564       |
| Net Income for year (Note 5) transferred to Consolidated Statement of Earned Surplus . . . . .  | \$ 9,676,326 | \$ 8,933,128 |

The accompanying notes to the consolidated financial statements should be read in conjunction with the above statement of income and expenditure.

# COMPANY LIMITED

COMPANIES

## Consolidated Statement of Earned Surplus

FOR THE YEAR ENDED 31st DECEMBER 1959

|  |           |                            |
|--|-----------|----------------------------|
| Balance at 31st December 1958 . . . . .  |           | \$38,923,725               |
| <i>Less:</i>   |           |                            |
| Adjustment arising from variation in exchange conversion rates . . . . .   |           | 24,834                     |
|  |           | <u>38,898,891</u>          |
| <i>Add:</i>  |           |                            |
| Interest charged to construction by Venezuelan Subsidiaries previously credited to Capital Reserve . . . . .   | \$475,450 |                            |
| Prior Years Adjustments, in the accounts of subsidiary companies . . . . .   | 9,143     |                            |
|  |           | <u>484,593</u>             |
|  |           | 39,383,484                 |
| Net Income for year after payment of dividends on common stocks of Subsidiary Companies in hands of the public and provision for Minority Interest in Surplus for year of Subsidiary Companies . . . . . |           | 9,676,326                  |
|  |           | <u>49,059,810</u>          |
| <i>Deduct:</i>   |           |                            |
| Amount segregated as Legal Reserve for the year 1959 . . . . .   |           | 505,813                    |
|  |           | <u>48,553,997</u>          |
| Dividends on Common Stock . . . . .  |           | 2,739,800                  |
| Balance at 31st December 1959 . . . . .  |           | <u><u>\$45,814,197</u></u> |

The accompanying notes to the consolidated financial statements should be read in conjunction with the above statement of earned surplus.



INTERNATIONAL POWER  
AND SUBSIDIARY

**Consolidated Statement of Capital Surplus**

FOR THE YEAR ENDED 31st DECEMBER 1959

|   |         |              |
|---|---------|--------------|
| Balance at 31st December 1958 . . . . .   |         | \$10,513,159 |
| <i>Deduct:</i>  |         |              |
| Adjustment of exchange provision made in prior years, required to convert U.S. dollar balances at 31st December 1959 in accounts of International Power Company Limited . . . . . |         | \$358,811    |
| <i>Less:</i>  |         |              |
| Exchange profit applicable to Capital . . . . .   | 336,569 | 22,242       |
| Balance at 31st December 1959 . . . . .   |         | \$10,490,917 |

**Consolidated Statement of Earned Surplus  
Segregated for Legal Reserve**

FOR THE YEAR ENDED 31st DECEMBER 1959

|   |  |             |
|---|--|-------------|
| Balance at 31st December 1958 . . . . .       |  | \$2,688,960 |
| Amount segregated for the year 1959 . . . . . |  | 505,813     |
| Balance at 31st December 1959 . . . . .       |  | \$3,194,773 |

NOTE: The accompanying notes to the consolidated financial statements should be read in conjunction with the above statement of capital surplus and with the above statement of earned surplus segregated for legal reserve.



Notes to Consolidated Financial Statements

AS AT 31st DECEMBER 1959

1. FOREIGN EXCHANGE

The following bases have been used in converting foreign currencies in the consolidated financial statements:—

The foreign currency accounts of the Venezuela and Salvador companies have been converted to United States dollars at the prevailing current rates of exchange at 31st December 1959.

The foreign currency accounts of the Demerara company have been converted to Canadian dollars at the prevailing current rate of exchange at 31st December 1959.

The foreign currency accounts of Bolivian Power Company Limited have been converted to United States dollars at the prevailing current rate of exchange at 31st December 1959 with the following exception:

Income and expenditure accounts originating in Bolivian currency have been converted into United States dollars at the average monthly rates prevailing during the year ended 31st December 1959.

2. CAPITAL ASSETS

Properties are valued at cost to subsidiary companies, converted to dollars in accordance with the exchange bases mentioned in Note 1 with the exception of Bolivian Power Company Limited which have been valued at the dollar cost at date of acquisition.

The intangibles definitely ascertainable in the books of the subsidiary companies or from contracts for the sale or purchase of property included in capital assets, amount to \$3,047,830. Adjustments arising on consolidation are included in the capital reserve as shown on the consolidated balance sheet.

3. SURPLUS ACCOUNTS

In the balance sheet of International Power Company Limited, capital profits less capital losses are included in the capital surplus account. In the consolidated balance sheet, capital profits and capital losses of subsidiary companies have not been so segregated and are included in consolidated earned surplus account. Interest charged to construction by Venezuelan Subsidiaries, amounting to \$475,450 at 31st December 1958, formerly credited to capital reserve has now been transferred to earned surplus on the books of these Subsidiary Companies. For the year ended 31st December 1959 such interest has been included as revenue in the consolidated statement of income and expenditure for that year.

4. CONTINGENT LIABILITY

The uncalled portions of capital stocks in which a subsidiary company has invested funds, amounted to \$361,223 U.S. Funds at 31st December 1959.

5. INCOME TAXES

Income taxes, other than income taxes of Operating Subsidiary Companies, amounted to \$70,465 for 1959 and \$14,389 for 1958.



*Creak, Cushing & Hodgson*  
*Chartered Accountants*

*215 St. James Street West*  
*Montreal 1.*

To the Shareholders,  
 International Power Company Limited,  
 Montreal.

We have examined the Balance Sheet of International Power Company Limited as at 31st December 1959 and the Statements of Income and Expenditure and Surplus for the year ended on that date. 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 aggregate profits for the year of the Subsidiary Companies, as shown by their audited accounts, have been brought into the Statement of Income and Expenditure only to the extent of dividends and interest received from the Subsidiary Companies.

We have also examined the consolidated Balance Sheet of International Power Company Limited and Subsidiary Companies as at 31st December 1959 and the consolidated Statements of Income and Expenditure and Surplus for the year ended on that date. In the course of our examination, we accepted after conversion into dollars as set out in Note 1, the Subsidiary Companies' Financial Statements as examined and reported on by other public accountants. In the consolidated statements (a) the net income shown by the audited accounts of Monterey Railway, Light and Power Company, not consolidated, is reflected in Other Income to the extent of the interest received by International Power Company Limited from such Subsidiary Company and (b) the profit shown by the audited accounts of Empresa de Luz y Fuerza Electrica de Oruro, S. A. not consolidated, has not been brought into the consolidated accounts.

In our opinion, based on our examination as set out herein, the accompanying Balance Sheet of International Power Company Limited as at 31st December 1959 and the related Statements of Income and Expenditure and Surplus, and the corresponding consolidated Financial Statements when read in conjunction with the accompanying notes, are properly drawn up in conformity with generally accepted accounting principles and are on a basis consistent with that of the preceding year, with the exception of the change in the method of accounting for the interest charged to construction by Venezuelan Subsidiaries mentioned in Note 3 (with which change we concur), and exhibit a true and correct view of the affairs of the Company and its Subsidiary Companies according to the best of our information and the explanations given to us and as shown by the books of the Company and the audited Financial Statements of the Subsidiary Companies.

*Creak, Cushing & Hodgson*  
 CHARTERED ACCOUNTANTS.

MONTREAL, 25th April 1960.

CONSOLIDATED OPERATING COMPANIES  
ELECTRIC CUSTOMERS AT DECEMBER 31ST  
THOUSANDS

200

175

150

125

100

75

50

25

0

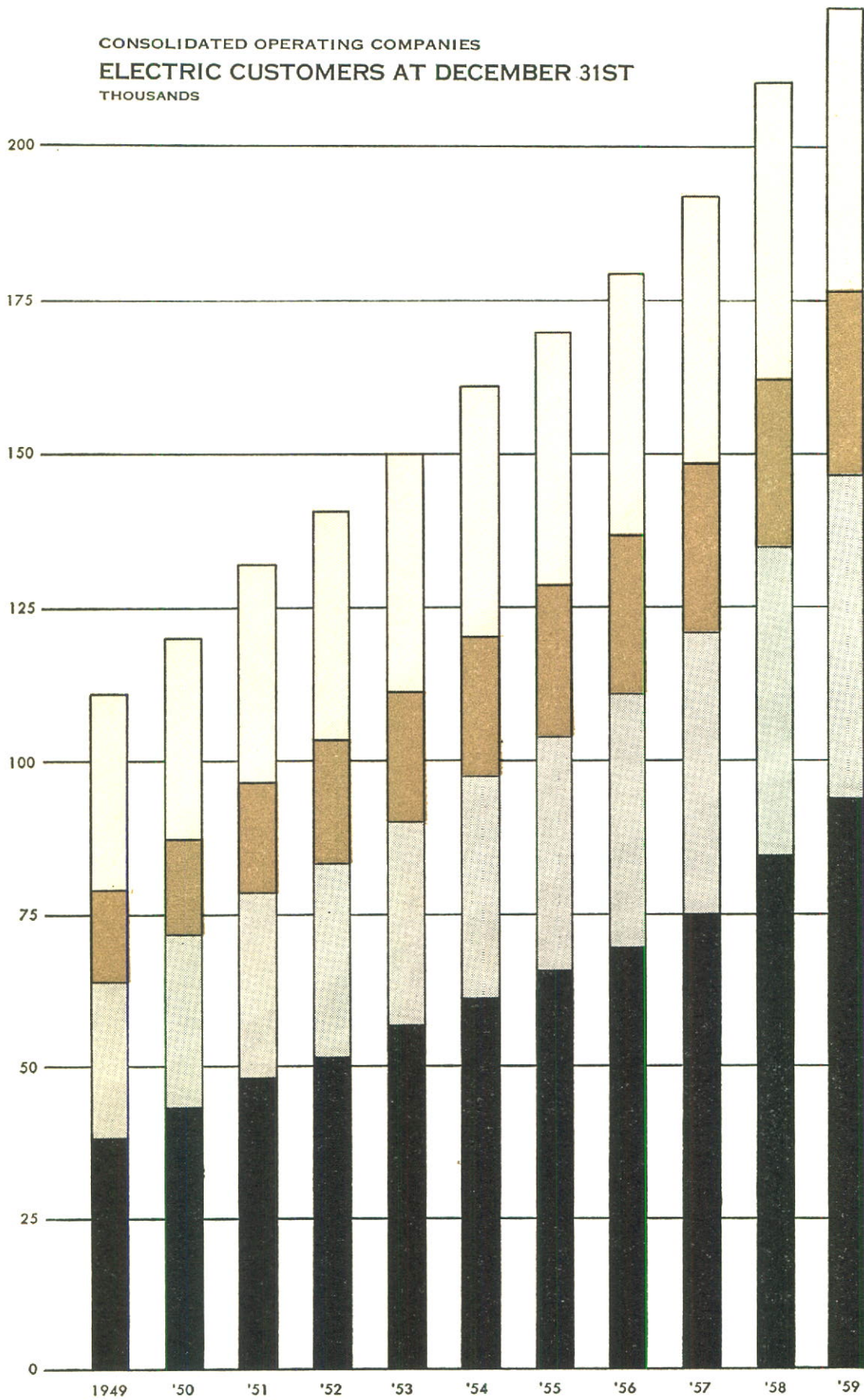
1949 '50 '51 '52 '53 '54 '55 '56 '57 '58 '59

BOLIVIA

BRITISH  
GUIANA

EL SALVADOR

VENEZUELA





800

CONSOLIDATED OPERATING COMPANIES  
ELECTRIC ENERGY SALES  
MILLIONS OF KILOWATT HOURS

700

600

500

400

300

200

100

0

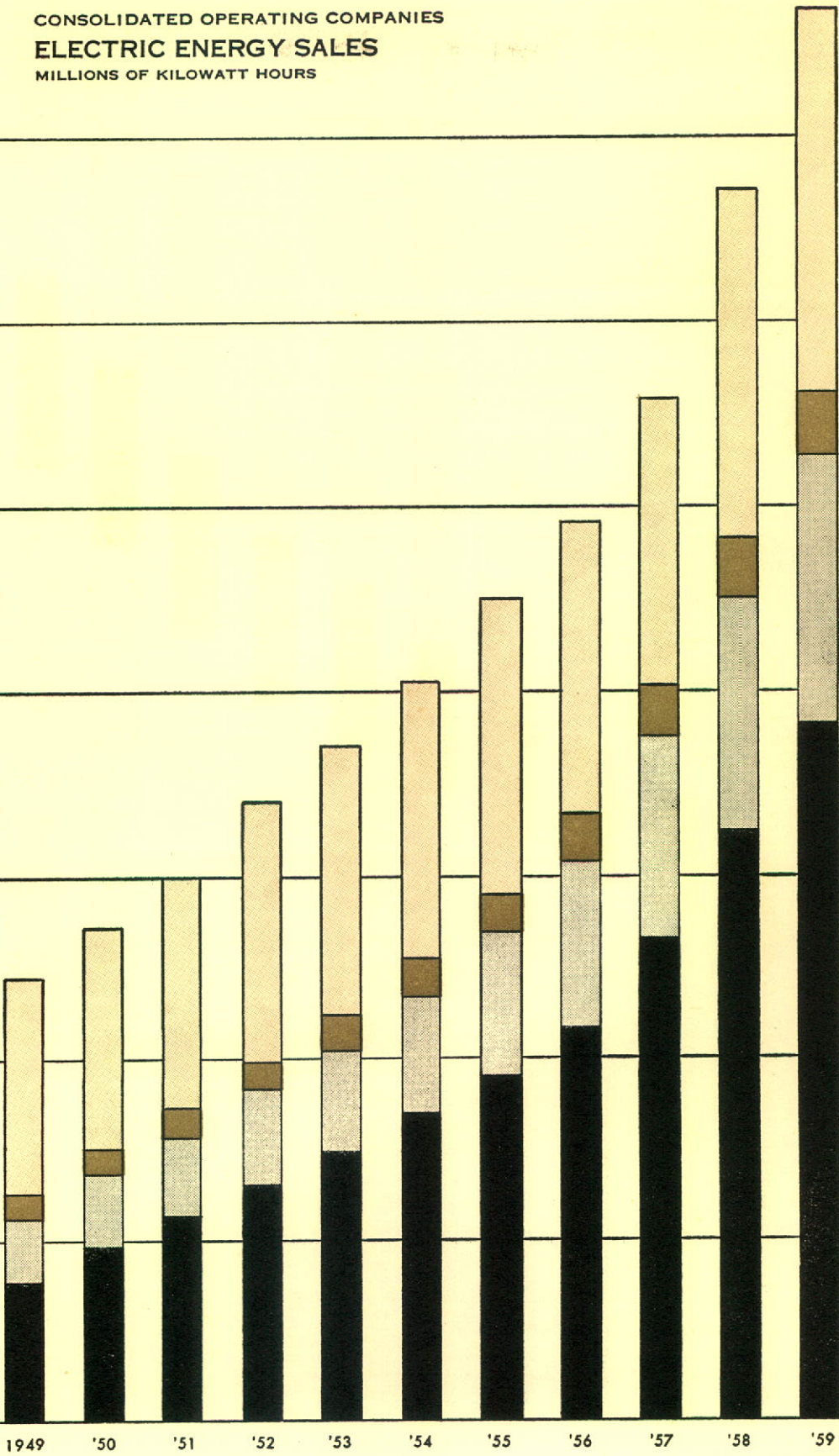
1949 '50 '51 '52 '53 '54 '55 '56 '57 '58 '59

BOLIVIA

BRITISH  
GUIANA

EL SALVADOR

VENEZUELA



# OPERATING COMPANIES DATA

(CONSOLIDATED COMPANIES ONLY)

## OPERATING STATISTICS

|  | 1954           | 1955           | 1956           | 1957           | 1958           | 1959           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Generating Capacity at December 31st:<br>(Installed Kilowatts) |                |                |                |                |                |                |
| Hydro . . . . .  | 40,346         | 48,706         | 58,330         | 58,250         | 66,250         | 66,250         |
| Diesel . . . . .   | 18,365         | 18,365         | 18,365         | 20,135         | 23,235         | 23,235         |
| Steam . . . . .  | 65,750         | 90,750         | 90,750         | 90,750         | 115,750        | 115,750        |
| Gas turbine . . . . .  | —              | —              | —              | —              | —              | 20,000         |
|  | <u>124,461</u> | <u>157,821</u> | <u>167,445</u> | <u>169,135</u> | <u>205,235</u> | <u>225,235</u> |
| Purchased Kilowatts (under contracts) . . . . .                | 17,000         | 19,142         | 21,706         | 26,866         | 31,495         | 33,693         |
|  | <u>141,461</u> | <u>176,963</u> | <u>189,151</u> | <u>196,001</u> | <u>236,730</u> | <u>258,928</u> |
| Kilowatt-hours sold (thousands) . . . . .                      | 404,998        | 448,206        | 491,480        | 558,967        | 669,496        | 769,997        |
| Operating Employees at December 31st . . . . .                 | 1,395          | 1,398          | 1,451          | 1,500          | 1,775          | 1,757          |
| Number of electric customers served at December 31st . . . . . | <u>160,554</u> | <u>170,731</u> | <u>179,596</u> | <u>192,706</u> | <u>210,581</u> | <u>222,769</u> |

## FINANCIAL STATISTICS

( 0 0 0 ' s )

|   |              |              |              |              |               |               |
|---|--------------|--------------|--------------|--------------|---------------|---------------|
| Gross Earnings . . . . .  | \$13,475     | \$14,065     | \$15,476     | \$18,113     | \$21,328      | \$22,830      |
| Operating Expenses and Taxes . . . . .  | 5,801        | 6,404        | 7,154        | 8,469        | 10,723        | 11,570        |
| Net Earnings before Depreciation . . . . .  | <u>7,674</u> | <u>7,661</u> | <u>8,322</u> | <u>9,644</u> | <u>10,605</u> | <u>11,260</u> |
| Provision for Depreciation . . . . .  | 1,320        | 1,484        | 1,538        | 1,624        | 1,873         | 2,083         |
| Capital and Replacement Expenditures for Property,<br>Plant and Equipment . . . . . | 6,056        | 5,453        | 7,021        | 7,523        | 9,819         | 11,890        |
| Fixed Capital Account — Property, Plant and Equipment                               | 47,281       | 52,371       | 58,354       | 65,636       | 74,834        | 85,956        |





CANADA

U. S. A.

MONTREAL

TROPIC OF CANCER

MEXICO  
MONTERREY

EL SALVADOR  
SAN SALVADOR

VENEZUELA  
MARACAIBO  
BARQUISIMETO

BRITISH GUIANA  
GEORGETOWN

EQUATOR

BOLIVIA  
LA PAZ  
ORURO

TROPIC OF CAPRICORN

