

**INTERNATIONAL  
POWER COMPANY  
LIMITED**

***TWENTY-FOURTH  
ANNUAL REPORT***

**YEAR ENDED  
31st DECEMBER, 1949**

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INTERNATIONAL  
POWER COMPANY  
LIMITED



HEAD OFFICE  
MONTREAL, CANADA



*SUBSIDIARY COMPANIES*

*Bolivian Power Company, Limited*

*Monterey Railway, Light and Power  
Company*

*\*Oriente Electric Company*

*\*Oruro Electric Light & Power Company*

*\*San Salvador Electric Light Company*

*The Demerara Electric Company  
Limited*

*\*Electric Power Company of Venezuela*

\*Translated Titles

INTERNATIONAL  
POWER COMPANY  
LIMITED



BOARD OF DIRECTORS

I. W. KILLAM, *President*

RUSSELL D. BELL

A. F. CULVER

FREDERICK KRUG

G. MacGREGOR MITCHELL

JOHN H. PRICE

L. G. PROCTOR

H. J. SYMINGTON, C.M.G., F.C.

FRED. C. CLARKE, *Secretary-Treasurer*



# INTERNATIONAL POWER COMPANY LIMITED

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## Report of the Directors

FOR THE YEAR ENDED 31ST DECEMBER, 1949

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TO THE SHAREHOLDERS:

Your Directors submit herewith their twenty-fourth Annual Report and Financial Statements together with Consolidated Statements for the year ended 31st December, 1949.

The Consolidated Balance Sheet has been compiled from figures shown on the books of your Company and its Subsidiaries, the accounts in foreign currencies being shown throughout at par of exchange with the exception of those of one subsidiary which have been converted at Government official rates.

The earnings and expenses in foreign currencies have been similarly dealt with and the net exchange profit realized on remittances of earnings has been deducted from expenses. The combined net earnings of Subsidiary Companies included in the Consolidated Statement of Earnings amounted on the same basis to \$3,270,996.88, a comparative increase of \$448,351.46 over the previous year.

Construction expenditures for additions and improvements to the properties of the Consolidated Subsidiary Companies amounted on the same conversion basis to \$2,608,263.13 and those of the Monterey Company amounted to \$379,979.61 converted at exchange rates current at the time of expenditure. It is estimated that construction expenditures for the year 1950 will be not less than those of 1949.

As mentioned in last year's Report, the shares of the Newfoundland subsidiary were sold in March, 1949, and the proceeds thereof have been applied to the reduction of the book cost of shares of subsidiary companies held by your Company. Additional shares of a subsidiary company, issued at par in foreign currency against surplus capitalized, were received during the year and added to the same account at par of exchange.

The accounts of the Mexican subsidiary Monterey Railway, Light and Power Company, are not included in the accompanying Consolidated Statements. The Shares and Debentures of that Company are included in the Consolidated Balance Sheet under the heading of "Investment in Subsidiary Companies, at Cost — Not Consolidated".

A further distribution of \$8.00 per share on the Preferred and Common Stock of Porto Rico Power Company, Limited, was made by the Liquidator in January, 1950. Certain claims in Porto Rico are still pending and it is unlikely that a further distribution will be made by the Liquidator until these claims have been finalized.

In addition to dividends on the 5% First Preferred Stock, quarterly dividends of \$3.00 per share on the Second Preferred Stock and 60 cents per share on the Common Stock have been paid regularly since October last.

Submitted on behalf of the Board,

I. W. KILLAM,  
President.

MONTREAL, 23rd May, 1950.



# INTERNATIONAL POWER COMPANY LIMITED

## *Statement of Income and Expenditure*

*For the Year Ended 31st December, 1949*

|   |              |
|---|--------------|
| DIVIDENDS AND INTEREST (LESS WITHHOLDING TAX) FROM SUBSIDIARY COMPANIES AND MISCELLANEOUS INCOME FOR YEAR, LESS EXCHANGE LOSS . . . . | \$873,906.59 |
| <i>Deduct:</i>  |              |
| Directors' Fees . . . . .   | \$ 3,500.00  |
| Executive Counsel . . . . .   | 20,000.00    |
| Executive Salaries . . . . .  | 7,200.00     |
| Miscellaneous Expenses (including Legal Fees, \$1,873.25) . . . . .   | 26,418.74    |
|   | 57,118.74    |
|   | \$816,787.85 |
| <i>Deduct:</i>  |              |
| Interest on Debentures . . . . .  | 25,113.69    |
|   | \$791,674.16 |
| <i>Deduct:</i>  |              |
| Premium on Redemption of 6% Unsecured Debentures . . . . .  | 41,271.20    |
| NET PROFIT FOR YEAR, TRANSFERRED TO STATEMENT OF EARNED SURPLUS . .   | \$750,402.96 |

## *Statement of Earned Surplus*

|   |                |
|---|----------------|
| BALANCE AT 31ST DECEMBER, 1948 . . . . .  | \$3,662,066.50 |
| <i>Add:</i>   |                |
| Additional Shares issued by a Subsidiary Company at par in foreign currency against surplus capitalized (including part of its surplus accumulated during the year ended 31st December, 1949), converted at par of exchange . . . . . | 2,019,230.78   |
| NET PROFIT FOR YEAR, TRANSFERRED FROM STATEMENT OF INCOME AND EXPENDITURE . . . . .   | 750,402.96     |
|   | \$6,431,700.24 |
| <i>Deduct:</i>  |                |
| Dividends on:   |                |
| 5% First Preferred Stock . . . . .  | \$100,000.00   |
| 6% Second Preferred Stock . . . . .   | 120,000.00     |
| Common Stock . . . . .  | 138,732.00     |
|   | 358,732.00     |
| BALANCE AT 31ST DECEMBER, 1949: . . . . .   | \$6,072,968.24 |

# INTERNATIONAL POWER

*Balance Sheet as at*

## ASSETS

|  |                |                 |
|--|----------------|-----------------|
| SHARES OF SUBSIDIARY COMPANIES.....  | \$6,178,863.21 |                 |
| <p style="margin-left: 20px;">At cost, less amount realized on sale of shares of one Subsidiary Company and including additional shares issued by a Subsidiary Company at par in foreign currency against surplus capitalized, converted at par of exchange.</p> |                |                 |
| BONDS, DEBENTURES AND OTHER INDEBTEDNESS OF SUBSIDIARY COMPANIES, AT COST, LESS RESERVE.....   | 6,608,162.57   |                 |
|  |                | \$12,787,025.78 |
| CASH.....  |                | 1,102,618.00    |
| DOMINION OF CANADA BONDS.....  |                | 1,011,250.00    |
| (Approximate Market Value, \$1,027,500.00)   |                |                 |
| ACCRUED INTEREST ON DOMINION OF CANADA BONDS.....  |                | 8,750.00        |
| TRUST FUNDS (PER CONTRA).....  |                | 47,537.40       |
|  |                | \$14,957,181.18 |

Approved on behalf of the Board:

I. W. KILLAM, *Director.*  
F. KRUG, *Director.*



# R COMPANY LIMITED

31st December, 1949

## LIABILITIES

|   |                       |                        |
|---|-----------------------|------------------------|
| ACCOUNTS PAYABLE.....   |                       | \$ 29,051.05           |
| DIVIDENDS PAYABLE ON:   |                       |                        |
| First Preferred Stock, 3rd January, 1950.....   | \$ 50,000.00          |                        |
| Second Preferred Stock, 16th January, 1950.....   | 60,000.00             |                        |
| Common Stock, 16th January, 1950.....   | 69,366.00             |                        |
|   |                       | <u>179,366.00</u>      |
|   |                       | \$208,417.05           |
| TRUST ACCOUNT (Per Contra).....   |                       | 47,537.40              |
| DEFERRED CREDIT:  |                       |                        |
| Porto Rico Power Company, Limited, Investment Realization Account...                        |                       | 3,005,508.49           |
| CAPITAL STOCK:  |                       |                        |
| First Preferred, issuable in one or more Series:  |                       |                        |
| Authorized: 120,000 Shares of \$25.00 each  | <u>\$3,000,000.00</u> |                        |
| Issued and Fully Paid: First Series—  |                       |                        |
| 5% Cumulative Redeemable First Preferred:   |                       |                        |
| 80,000 Shares of \$25.00 each.....  | \$2,000,000.00        |                        |
| 6% Cumulative Convertible Second Preferred:   |                       |                        |
| Authorized: 20,000 Shares of \$100.00 each  | <u>\$2,000,000.00</u> |                        |
| Issued and Fully Paid:  |                       |                        |
| 20,000 Shares of \$100.00 each, on which dividends in<br>arrear \$131.00 on each share..... | 2,000,000.00          |                        |
| Common Stock of No Par Value:   |                       |                        |
| Authorized: 220,000 Shares.   |                       |                        |
| Issued and Fully Paid: 115,610 Shares.....  | <u>1,622,750.00</u>   | 5,622,750.00           |
| EARNED SURPLUS AT 31ST DECEMBER, 1949.....  |                       | 6,072,968.24           |
|   |                       | <u>\$14,957,181.18</u> |

Audited in accordance with our report of this date.

MONTREAL, 23rd May, 1950.

CREAK, CUSHING & HODGSON,  
Chartered Accountants.

# INTERNATIONAL POWER AND SUBSIDIARIES

## *Consolidated Balance Sheet*

### CAPITAL ASSETS:

### ASSETS

Lands, Buildings and Plants; Franchises, Contracts, Goodwill, etc. . . . . \$26,770,453.89

Properties are valued at cost to Subsidiary Companies, measured in part by the par value of securities issued by them in exchange for properties acquired, plus subsequent additions at cost (including expenditures in foreign currencies converted at par of exchange except in the case of one Subsidiary which has made conversion at the Government official rate) less retirements and less adjustments arising as a result of consolidation. Inasmuch as a complete segregation between tangible properties and intangibles has not been maintained on all the Subsidiary Companies' books, it is not possible to set forth a full segregation thereof in the Consolidated Balance Sheet but, so far as is definitely ascertainable on the books of the Subsidiary Companies or from any contracts for the sale or purchase of any property, the items of Intangibles so definitely segregated, appear as \$3,131,820.99, which is included in the above amount.

#### Investment in Subsidiary Companies, at Cost—

##### Not Consolidated:

|   |               |              |
|---|---------------|--------------|
| Shares . . . . .                            | \$ 393,523.12 |              |
| Debentures and Other Indebtedness . . . . . | 1,021,854.41  |              |
|   |               | 1,415,377.53 |
| Miscellaneous Investments . . . . .         |               | 1,923.08     |

\$28,187,754.50

TRUST FUNDS (Per Contra) . . . . . 47,537.40

### CURRENT ASSETS:

|   |                |              |
|---|----------------|--------------|
| Cash . . . . .  | \$1,883,297.60 |              |
| Dominion of Canada Bonds . . . . .  | 1,011,250.00   |              |
| (Approximate Market Value: \$1,027,500.00)  |                |              |
| Accrued Interest on Dominion of Canada Bonds . . . . .  | 8,750.00       |              |
| Accounts and Notes Receivable, less Reserve . . . . .   | 1,104,524.82   |              |
| Materials and Supplies, as certified by responsible officials<br>and valued at cost . . . . . | 1,044,808.45   |              |
|   |                | 5,052,630.87 |

### DEFERRED CHARGES:

|  |  |                 |
|--|--|-----------------|
| Prepaid and Other Deferred Charges . . . . . |  | 108,979.94      |
|  |  | \$33,396,902.71 |

*Approved on behalf of the Board:*

I. W. KILLAM, *Director.*

F. KRUG, *Director.*

Audited in accordance with our report of this date.

MONTREAL, 23rd May, 1950.

CREAK, CUSHING & HODGSON,  
*Chartered Accountants.*

ER COMPANY LIMITED  
RY COMPANIES

as at 31st December, 1949

LIABILITIES

CURRENT LIABILITIES:

|  |               |                 |
|--|---------------|-----------------|
| Bank Loans.....                                      | \$ 360,000.00 |                 |
| Accounts Payable.....                                | 871,855.45    |                 |
| Consumers' Deposits, including interest thereon..... | 350,065.44    |                 |
| Dividends Payable on:                                |               |                 |
| First Preferred Stock, 3rd January, 1950.....        | 50,000.00     |                 |
| Second Preferred Stock, 16th January, 1950.....      | 60,000.00     |                 |
| Common Stock, 16th January, 1950.....                | 69,366.00     |                 |
|  |               | \$ 1,761,286.89 |

TRUST ACCOUNT (Per Contra)..... 47,537.40

MINORITY INTEREST in Capital Stock and Surplus of  
Subsidiary Companies ..... 1,349,636.98

RESERVES:

|                                |                |               |
|--------------------------------|----------------|---------------|
| Depreciation and Renewals..... | \$7,653,895.49 |               |
| Reserve for Contingencies..... | 633,026.61     |               |
| General.....                   | 605,884.09     |               |
| Miscellaneous.....             | 1,325,329.73   |               |
|                                |                | 10,218,135.92 |

DEFERRED CREDIT:

Porto Rico Power Company Limited, Investment Realization Account.... 3,005,508.49

CAPITAL STOCK AND EARNED SURPLUS:

First Preferred, issuable in one or more Series:

    Authorized: 120,000 Shares of \$25.00 each \$3,000,000.00

    Issued and Fully Paid: First Series—

        5% Cumulative Redeemable First Preferred:

            80,000 Shares of \$25.00 each..... \$ 2,000,000.00

        6% Cumulative Convertible Second Preferred:

            Authorized, Issued and Fully Paid:

                20,000 Shares of \$100.00 each, on which dividends in  
                arrears \$131.00 on each share..... 2,000,000.00

Common Stock of No Par Value:

    Authorized: 220,000 Shares.

    Issued and Fully Paid: 115,610 Shares..... 1,622,750.00

Consolidated Earned Surplus at 31st December, 1949..... 11,392,047.03

17,014,797.03

\$33,396,902.71



INTERNATIONAL POWER COMPANY LIMITED  
AND SUBSIDIARY COMPANIES

*Consolidated Statement of Income and Expenditure*

*For the Year Ended 31st December, 1949*

|   |                |
|---|----------------|
| GROSS EARNINGS OF SUBSIDIARY COMPANIES.....   | \$7,189,624.52 |
| <i>Deduct:</i>  |                |
| Operating Expenses and Taxes, less Exchange Profit.....   | 3,918,627.64   |
| <i>Note: The total amount paid during the year by Subsidiary Companies consolidated herein and by Subsidiary Companies not consolidated, for Legal Fees was \$33,663.17 and Executive Salaries \$80,576.35.</i> |                |
| NET EARNINGS OF SUBSIDIARY COMPANIES.....   | \$3,270,996.88 |
| <i>Deduct:</i>  |                |
| Interest on Bank Loans, etc. (net).....   | \$ 27,525.03   |
| Dividends on Common Stocks of Subsidiary Companies in hands of Public.....  | 19,455.47      |
| Reserve for Depreciation and Renewals.....  | 706,603.64     |
| Reserve for Contingencies.....  | 75,000.00      |
| General Reserve.....  | 54,534.43      |
| Minority Interest in Surplus for Year.....  | 75,964.54      |
|   | 959,083.11     |
| NET INCOME AVAILABLE TO INTERNATIONAL POWER COMPANY LIMITED.....  | \$2,311,913.77 |
| <i>Deduct:</i>  |                |
| Miscellaneous Expenses and Taxes, International Power Company Limited (including Directors' Fees, \$3,500.00, Legal Fees, \$1,873.25, Executive Counsel, \$20,000.00 and Executive Salaries, \$7,200.00).....   | \$ 79,691.50   |
| Less Interest from Dominion of Canada Bonds.....  | 17,462.33      |
|   | 62,229.17      |
|   | \$2,249,684.60 |
| <i>Deduct:</i>  |                |
| Interest on Debentures.....   | 25,113.69      |
|   | \$2,224,570.91 |
| <i>Deduct:</i>  |                |
| Premium on Redemption of 6% Unsecured Debentures.....   | 41,271.20      |
| NET PROFIT FOR YEAR, transferred to Consolidated Statement of Earned Surplus.....   | \$2,183,299.71 |

INTERNATIONAL POWER COMPANY LIMITED  
AND SUBSIDIARY COMPANIES

*Consolidated Statement of Earned Surplus*

|   |              |                 |
|---|--------------|-----------------|
| BALANCE AT 31ST DECEMBER, 1948 .....  |              | \$ 9,571,531.81 |
| <i>Deduct:</i>  |              |                 |
| Additional Foreign Income Taxes for prior years .....   | \$ 4,407.49  |                 |
| Less Profit on Sale of Miscellaneous Investment .....   | 355.00       |                 |
|   | 4,052.49     |                 |
|   |              | \$ 9,567,479.32 |
| <i>Add:</i>   |              |                 |
| Profit for year, after payment of Dividends on Common Stocks of Subsidiary<br>Companies in hands of Public and after provision for Minority Interest<br>in Surplus for year ..... |              | 2,183,299.71    |
|   |              | \$11,750,779.03 |
| <i>Deduct:</i>  |              |                 |
| Dividends on:   |              |                 |
| 5% First Preferred Stock .....  | \$100,000.00 |                 |
| 6% Second Preferred Stock .....   | 120,000.00   |                 |
| Common Stock .....  | 138,732.00   |                 |
|   | 358,732.00   |                 |
| BALANCE AT 31ST DECEMBER, 1949 .....  |              | \$11,392,047.03 |

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CREAK, CUSHING & HODGSON  
CHARTERED ACCOUNTANTS  
460 ST. FRANCOIS XAVIER STREET  
MONTREAL

*To the Shareholders,*

INTERNATIONAL POWER COMPANY LIMITED,  
MONTREAL.

We have audited the books of International Power Company Limited for the year ended 31st December, 1949, and have obtained all the information and explanations which we have required. We report that the aggregate net profits for the year of the Subsidiary Companies, as shown by their audited accounts, have been brought into the Income and Expenditure Account only to the extent of the dividends paid by the Subsidiary Companies. We further report that additional shares issued during the year by a Subsidiary Company at par in foreign currency against surplus capitalized (including part of its surplus accumulated during the year ended 31st December, 1949), converted at par of exchange, have been included in the Earned Surplus Account.

We have examined the Balance Sheets certified by the auditors of the Subsidiary Companies and report that the auditors of one Subsidiary Company, not consolidated, include in their Report a qualification regarding the provision for depreciation.

Subject to the foregoing, we report that, in our opinion, the accompanying Balance Sheet of International Power Company Limited as at 31st December, 1949, and the accompanying Consolidated Balance Sheet, as at the same date, are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs 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 Statements of the Subsidiary Companies. All our requirements as auditors have been complied with.

CREAK, CUSHING & HODGSON,  
*Chartered Accountants.*

23rd May, 1950.



