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**INTERNATIONAL  
POWER COMPANY  
LIMITED**

***TWENTY-SIXTH  
ANNUAL REPORT***

**YEAR ENDED  
31st DECEMBER, 1951**

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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

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BOARD OF DIRECTORS

I. W. KILLAM, *President*

FREDERICK KRUG, *Vice-President*

RUSSELL D. BELL

A. F. CULVER

GEORGE HUNTER, C.A.

J. C. MacKEEN

JOHN H. PRICE

L. G. PROCTOR

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

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FRED. C. CLARKE, *Secretary-Treasurer*



# INTERNATIONAL POWER COMPANY LIMITED

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## Report of the Directors

FOR THE YEAR ENDED 31ST DECEMBER, 1951

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TO THE SHAREHOLDERS:

Your Directors submit herewith their twenty-sixth Annual Report and Financial Statements together with Consolidated Statements for the year ended 31st December, 1951.

The Consolidated Balance Sheet and Consolidated Statement of Income and Expenditure have 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 combined net earnings of subsidiary companies (before deduction of provision for depreciation, renewals and other reserves) included in the Consolidated Statement of Income and Expenditure amounted on the same basis to \$4,893,499, an increase of \$993,388 over the previous year.

Construction expenditures for additions and improvements to properties of the Consolidated Subsidiary Companies amounted on the same conversion basis to \$2,795,561. It is estimated that construction expenditures for the year 1952 will be not less than those in 1951.

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

The initial dividend of \$1.83 per share on outstanding 5½% Cumulative Redeemable First Preferred Shares was paid in June 1951, covering the operating period 1st March to 30th June, 1951. The regular half-yearly dividend thereon of \$2.75 per share for the six months ended 31st December was paid in December 1951. Four quarterly dividends of 60 cents per share on the Common Stock were paid or declared during the year.

The Company has completed arrangements for the purchase for cancellation of \$2,600,000 par value of 5½% Cumulative Redeemable First Preferred Shares.

It is with regret that your Directors have to record the death on 21st November, 1951, of Mr. G. MacGregor Mitchell, who had been a Director of the Company since its inception. Mr. J. C. MacKeen, of Halifax, has been elected to fill the vacancy on the Board.

Submitted on behalf of the Board,

I. W. KILLAM,  
*President.*

3rd June, 1952.

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# INTERNATIONAL POWER COMPANY LIMITED

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## *Statement of Income and Expenditure* *For the Year Ended 31st December, 1951*

DIVIDENDS AND INTEREST (LESS WITHHOLDING TAXES) FROM SUBSIDIARY COMPANIES AND MISCELLANEOUS INCOME.....		\$1,219,806.16
<i>Deduct:</i>		
Directors' Fees.....	\$ 3,750.00	
Executive Counsel.....	20,000.00	
Executive Salaries.....	7,200.00	
Miscellaneous Expenses.....	60,128.34	
		<u>91,078.34</u>
NET INCOME FOR YEAR, TRANSFERRED TO STATEMENT OF EARNED SURPLUS..		<u><u>\$1,128,727.82</u></u>

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# INTERNATIONAL POWER

*Balance Sheet as at 31st Dec 1937*

## ASSETS

SHARES OF SUBSIDIARY COMPANIES.....	\$9,166,225.51	
<p style="margin-left: 20px;">At cost less amount realized on sale of shares of one Subsidiary Company and including additional shares issued by two Subsidiary Companies at par in foreign currencies against surplus capitalized, converted at rates of exchange current at date of acquisition.</p>		
BONDS, DEBENTURES AND OTHER INDEBTEDNESS OF SUBSIDIARY COMPANIES.....	4,914,763.78	
<p style="margin-left: 20px;">At cost less portion of Capital Surplus arising from payment in prior year, by a Subsidiary Company, on account of Debentures and other Indebtedness.....</p>		
	\$14,080,989.29	
CASH.....		1,750,644.91
TRUST FUNDS (PER CONTRA).....		47,537.40
		\$15,879,171.60

Approved on behalf of the Board:

I. W. KILLAM, *Director.*

F. KRUG, *Director.*

# ER COMPANY LIMITED

1st December, 1951

## LIABILITIES

ACCOUNTS PAYABLE.....		\$	83,387.46
DIVIDEND PAYABLE 15TH JANUARY, 1952.....			117,420.00
AMOUNT DUE TO SUBSIDIARY COMPANIES.....			584,666.15
			<u>785,473.61</u>
TRUST ACCOUNT (PER CONTRA).....			47,537.40
CAPITAL STOCK AND SURPLUS:			
5½% Cumulative Redeemable First Preferred Shares of \$100.00 each:			
Authorized: <u>100,000</u> Shares..		<u>\$10,000,000.00</u>	
Issued and Fully Paid:			
(Issued during year as set out in accompanying Statement of Tax-Paid Undistributed Income).....	Shares		
	84,151	\$8,415,100.00	
Less Purchased and Cancelled.....	14,151	1,415,100.00	
	<u>70,000</u>	<u>7,000,000.00</u>	
Common Shares of No Par Value:			
Authorized: <u>220,000</u> Shares			
Issued and Fully Paid:			
(Including 90 shares issued during year for cash, \$9,000.00).....	<u>195,700</u>	3,631,750.00	
Capital Surplus:			
Amount segregated in accordance with The Companies Act, 1934, upon purchase and cancellation of 5½% Cumulative Redeemable First Preferred Shares.....		1,415,100.00	
SURPLUS ACCOUNTS PER ACCOMPANYING STATEMENTS:			
Earned Surplus.....		1,500,014.39	
Capital Surplus.....		1,499,296.20	
			<u>15,046,160.59</u>
			<u>\$15,879,171.60</u>

Audited in accordance with our Report of this date.

CREAK, CUSHING & HODGSON,  
Chartered Accountants.

MONTREAL, 28th May, 1952.

# INTERNATIONAL POWER COMPANY LIMITED

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## *Statement of Earned Surplus* *For the Year Ended 31st December, 1951*

BALANCE AT 31ST DECEMBER, 1950.....			\$1,762,200.72
<i>Add:</i>			
Net Income for year, transferred from Statement of Income and Expenditure.....		1,128,727.82	
		<u>2,890,928.54</u>	
<i>Deduct:</i>			
15% Tax paid in accordance with Section 95A of The Income Tax Act.....	\$ 90,095.12		
Tax-Paid Undistributed Income, transferred to Statement of Tax-Paid Undistributed Income:			
Portion of Undistributed Income on hand at 31st December, 1950, being amount on which the Company elected to pay 15% Tax in accordance with Section 95A of The Income Tax Act.....			
	\$600,634.15		
Less 15% Tax paid thereon.....	90,095.12		
	<u>510,539.03</u>		
		<u>600,634.15</u>	
			<u>2,290,294.39</u>
Dividends on:			
5½% First Preferred Stock.....	320,600.00		
Common Stock.....	469,680.00		
		<u>790,280.00</u>	
BALANCE AT 31ST DECEMBER, 1951.....			<u><u>\$1,500,014.39</u></u>

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# INTERNATIONAL POWER COMPANY LIMITED

## Statement of Capital Surplus

For the Year Ended 31st December, 1951

BALANCE AT 31ST DECEMBER, 1950.....		\$2,855,637.83
<i>Add:</i>		
Exchange Profit applicable to Capital.....	\$ 46,768.87	
Discount on 14,151 shares of 5½% Cumulative Redeemable First Preferred Stock purchased.....	28,302.00	
		<u>75,070.87</u>
		2,930,708.70
<i>Deduct:</i>		
Amount segregated in accordance with The Companies Act, 1934, upon purchase and cancellation of 14,151 shares of 5½% Cumulative Redeemable First Preferred Stock as per Balance Sheet.....	1,415,100.00	
Loss on sale of Dominion of Canada Bonds.....	16,312.50	
		<u>1,431,412.50</u>
BALANCE AT 31ST DECEMBER, 1951.....		<u>\$1,499,296.20</u>

## Statement of Tax-Paid Undistributed Income

BALANCE AT 31ST DECEMBER, 1950.....		\$ 7,904,560.97
<i>Add:</i>		
Tax-Paid Undistributed Income transferred from Statement of Earned Surplus:		
Portion of Undistributed Income on hand at 31st December 1950 being amount on which the Company elected to pay tax in accordance with Section 95A of The Income Tax Act.....	\$ 600,634.15	
Less 15% Tax paid thereon.....	90,095.12	
		<u>510,539.03</u>
		8,415,100.00
<i>Deduct:</i>		
Balance, capitalized by issue of 84,151 shares of 5½% Cumulative Redeemable First Preferred Stock.....		<u>\$ 8,415,100.00</u>

INTERNATIONAL POWER  
AND SUBSIDIARIES

*Consolidated Balance Sheet*

ASSETS

CAPITAL ASSETS:

Lands, Buildings and Plants; Franchises, Contracts, Goodwill, etc.....	\$30,152,140.24
<p style="font-size: small;">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 at par of exchange except in the case of one Subsidiary Company 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.</p>	

INVESTMENT IN SUBSIDIARY COMPANIES, AT COST—

Not Consolidated:

Shares.....	\$ 394,427.45	
Debentures and other Indebtedness.....	276,221.72	670,649.17
		3,846.16
Miscellaneous Investments.....		\$30,826,635.57

TRUST FUNDS (PER CONTRA).....	47,537.40
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CURRENT ASSETS:

Cash.....	1,919,652.30	
Accounts and Notes Receivable, less Reserve.....	1,033,526.39	
Materials and Supplies, as certified by responsible officials and valued at cost.....	1,339,469.32	4,292,648.01
		4,292,648.01

DEFERRED CHARGES:

Prepaid and other Deferred Charges.....	56,562.84	
		\$35,223,383.82

Approved on behalf of the Board:

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

ER COMPANY LIMITED  
RY COMPANIES

as at 31st December, 1951

LIABILITIES

CURRENT LIABILITIES:

Bank Loans.....	\$ 255,000.00	
Accounts Payable.....	1,221,242.20	
Dividend Payable 15th January, 1952.....	117,420.00	
Consumers' Deposits including interest thereon.....	417,199.71	
Amount due to Subsidiary Company—not Consolidated...	39,989.64	
		<u>\$2,050,851.55</u>

TRUST ACCOUNT (PER CONTRA)..... 47,537.40

MINORITY INTEREST in Capital Stock and Surplus of  
Subsidiary Companies..... 757,695.84

RESERVES:

Depreciation and Renewals.....	8,575,128.77	
Reserve for Contingencies.....	781,258.32	
General.....	753,027.65	
Miscellaneous.....	576,626.08	
		<u>10,686,040.82</u>

CAPITAL STOCK AND SURPLUS:

5½% Cumulative Redeemable First Preferred Shares of \$100.00 each:

Authorized: 100,000 Shares... \$10,000,000.00

Issued and Fully Paid:

(Issued during year as set out in accom- panying Statement of Tax-Paid Undis- tributed Income.....	Shares 84,151	8,415,100.00
Less Purchased and Cancelled.....	14,151	1,415,100.00
	<u>70,000</u>	<u>7,000,000.00</u>

Common Shares of No Par Value:

Authorized: 220,000 Shares.

Issued and Fully Paid:

(Including 90 Shares issued during year for cash, \$9,000.00).....	<u>195,700</u>	3,631,750.00
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Capital Surplus—Amount segregated in accordance with The Companies Act, 1934, upon purchase and cancellation of 5½% Cumulative Redeemable First Preferred Shares..... 1,415,100.00

Surplus Accounts per accompanying Statements:

Earned Surplus.....	8,135,112.01	
Capital Surplus.....	1,499,296.20	
		<u>21,681,258.21</u>

Note: Profits less Losses of International Power Company Limited, classified as related to Capital under The Income Tax Act, are included in the Capital Surplus Accounts shown above. Profits and Losses of a like nature of Subsidiary Companies consolidated herein are included in Earned Surplus shown above.

\$35,223,383.82

Audited in accordance with our Report of this date.

CREAK, CUSHING & HODGSON,  
Chartered Accountants.

INTERNATIONAL POWER COMPANY LIMITED  
AND SUBSIDIARY COMPANIES

*Consolidated Statement of Income and Expenditure*  
*For the Year Ended 31st December, 1951*

GROSS EARNINGS OF SUBSIDIARY COMPANIES, INCLUDING EXCHANGE PROFIT.. \$10,052,843.32

*Deduct:*

Operating Expenses and Taxes..... 5,159,343.36

*Note:* The total amount paid during the year, by Subsidiary Companies consolidated herein and by Subsidiary Companies not consolidated, for legal fees was \$52,416.18 and Executive Salaries, \$92,630.44.

NET EARNINGS OF SUBSIDIARY COMPANIES..... 4,893,499.96

*Deduct:*

Interest on Bank Loans, etc. (net)..... \$ 494.32

Dividends on Common Stocks of Subsidiary Companies in hands of public..... 38,553.57

Provision for Depreciation and Renewals..... 1,054,980.93

Provision for Contingencies..... 75,000.00

General Reserve..... 81,513.08

Minority Interest in Surplus for year of Subsidiary Companies..... 64,139.97

1,314,681.87

NET INCOME AVAILABLE TO INTERNATIONAL POWER COMPANY LIMITED..... 3,578,818.09

*Deduct:*

Miscellaneous Expense, International Power Company Limited:

Miscellaneous Expenses and Taxes, (including Directors' Fees, \$3,750.00, Executive Counsel, \$20,000.00 and Executive Salaries, \$7,200.00)..... 91,078.34

*Less* Income from Government of Canada Bonds.... 7,097.42

83,980.92

NET INCOME FOR YEAR, transferred to Consolidated Statement of Earned Surplus..... \$3,494,837.17



INTERNATIONAL POWER COMPANY LIMITED  
AND SUBSIDIARY COMPANIES

*Consolidated Statement of Earned Surplus*  
*For the Year Ended 31st December, 1951*

BALANCE AT 31ST DECEMBER, 1950.....		\$6,017,022.88
 <i>Add:</i>		
Adjustment to Surplus Accounts of Subsidiary Companies, applicable to prior years.....		14,166.11
		6,031,188.99
 Net Income for year after payment of Dividends on Common Stocks of Subsidiary Companies in hands of Public and after provision for Minority Interest in Surplus for year of Subsidiary Companies.....		
		3,494,837.17
		9,526,026.16
 <i>Deduct:</i>		
International Power Company Limited: 15% Tax paid in accordance with Section 95A of the Income Tax Act....	\$ 90,095.12	
Tax-Paid Undistributed Income, transferred to Statement of Tax-Paid Undistributed Income.....	510,539.03	
		600,634.15
		8,925,392.01
 Dividends on:		
5½% First Preferred Stock.....	320,600.00	
Common Stock.....	469,680.00	
		790,280.00
BALANCE AT 31ST DECEMBER, 1951.....		\$8,135,112.01

**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 1951 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 report that, in our opinion, the accompanying Balance Sheet of International Power Company Limited as at 31st December 1951 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 audited Statements of the Subsidiary Companies as certified by their auditors. All our requirements as auditors have been complied with.

CREAK, CUSHING & HODGSON,  
*Chartered Accountants.*

28th May, 1952.



