

**INTERNATIONAL
POWER COMPANY
LIMITED**

**TWENTY-SEVENTH
ANNUAL REPORT**

“”

**YEAR ENDED
31st DECEMBER, 1952**

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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*

FREDERICK KRUG, *Vice-President*

RUSSELL D. BELL

A. F. CULVER

J. C. MacKEEN

A. G. MACKINNON

HUGH MacMILLAN

L. G. PROCTOR

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

FRED. C. CLARKE, *Secretary-Treasurer*

INTERNATIONAL POWER COMPANY LIMITED

Report of the Directors

FOR THE YEAR ENDED 31ST DECEMBER, 1952

TO THE SHAREHOLDERS:

Your Directors submit herewith their twenty-seventh Annual Report and Financial Statements together with Consolidated Statements for the year ended 31st December, 1952.

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 (after deduction of provision for depreciation, renewals and other reserves, etc.) included in the Consolidated Statement of Income and Expenditure amounted on the same basis to \$4,172,583, an increase of \$593,765 as compared with the previous year.

Construction expenditures for additions and improvements to properties of the consolidated subsidiary companies amounted on the same conversion basis to \$3,138,508. It is estimated that construction expenditures for the year 1953 will be not less than those in 1952.

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 "Investments in Subsidiary Companies".

Regular half-yearly dividends on the 5½% Preferred Stock were paid in June and December. Four quarterly dividends of 60 cents per share were paid on the Common Stock.

Following cancellation in 1951 and 1952 of \$4,015,100 Preferred Shares, the Company was granted Supplementary Letters Patent reducing its Preferred Capital Stock by that amount.

In January 1952 and January 1953, election was made under Section 95A of The Income Tax Act to be assessed and pay the special tax on amounts corresponding to the share dividends paid in 1951 and 1952 respectively. These amounts, less the 15% tax thereon, have been transferred to Tax-Paid Undistributed Income Account.

It is with regret that your Directors have to record the death on 15th October, 1952 of their colleague, Mr. George Hunter, C.A., a Director of your Company since 5th September, 1951.

Submitted on behalf of the Board,

I. W. KILLAM,
President.

1st June, 1953.

INTERNATIONAL POWER COMPANY LIMITED

Statement of Income and Expenditure *For the Year Ended 31st December, 1952*

| | | |
|--|-------------|----------------------------|
| DIVIDENDS AND INTEREST (LESS WITHHOLDING TAX) FROM SUBSIDIARY COMPANIES AND MISCELLANEOUS INCOME | | \$1,261,660.95 |
| <i>Deduct:</i> | | |
| Directors' Fees | \$ 3,875.00 | |
| Executive Counsel | 20,000.00 | |
| Executive Salaries | 7,200.00 | |
| Miscellaneous Expenses | 27,898.86 | |
| | | <hr/> 58,973.86 |
| | | <hr/> \$1,202,687.09 |
| <i>Deduct:</i> | | |
| Interest on short-term loan | | 3,002.74 |
| | | <hr/> 3,002.74 |
| NET INCOME FOR YEAR, TRANSFERRED TO STATEMENT OF EARNED SURPLUS ... | | <hr/> <hr/> \$1,199,684.35 |

INTERNATIONAL POW

Balance Sheet as at

ASSETS

| | | |
|---|----------------|------------------------|
| SHARES OF SUBSIDIARY COMPANIES, AT COST..... | \$9,172,320.51 | |
| BONDS, DEBENTURES AND OTHER INDEBTEDNESS OF SUB- SIDIARY COMPANIES, AT COST..... | 2,754,884.27 | \$11,927,204.78 |
| CASH | | 1,829,248.37 |
| TRUST FUNDS (PER CONTRA) | | 47,537.40 |
| | | <u>\$13,803,990.55</u> |

Approved on behalf of the Board:

I. W. KILLAM, *Director.*

F. KRUG, *Director.*

ER COMPANY LIMITED

31st December, 1952

LIABILITIES

| | | |
|---|----|-------------------|
| ACCOUNTS PAYABLE | \$ | 50,605.07 |
| DIVIDEND PAYABLE 15TH JANUARY, 1953 | | 117,420.00 |
| AMOUNT DUE TO SUBSIDIARY COMPANIES | | 18,149.63 |
| | | <u>186,174.70</u> |
| TRUST ACCOUNT (PER CONTRA) | | 47,537.40 |

CAPITAL STOCK AND SURPLUS:

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

Authorized 59,849 Shares \$5,984,900.00

| | | |
|------------------------------------|---------------|---------------------|
| Issued and Fully Paid: | Shares | |
| At 31st December, 1951 | 70,000 | \$7,000,000.00 |
| Less Purchased and Cancelled | 26,000 | 2,600,000.00 |
| | <u>44,000</u> | <u>4,400,000.00</u> |

Common Shares of No Par Value:

Authorized 220,000 Shares.

Issued and Fully Paid

| | |
|----------------|---------------------|
| <u>195,700</u> | <u>3,631,750.00</u> |
|----------------|---------------------|

Surplus Accounts:

Tax-Paid Undistributed Income—

| | |
|---|------------------------|
| Amount transferred from Statement of Earned Surplus | 624,316.37 |
| Capital Surplus | 3,732,183.19 |
| Earned Surplus | <u>1,182,028.89</u> |
| | <u>13,570,278.45</u> |
| | <u>\$13,803,990.55</u> |

Audited in accordance with our Report of this date.

CREAK, CUSHING & HODGSON,

Chartered Accountants.

MONTREAL, 21st May, 1953.

INTERNATIONAL POWER COMPANY LIMITED

Statement of Earned Surplus *For the Year Ended 31st December, 1952*

| | | |
|--|---------------|----------------|
| BALANCE AT 31ST DECEMBER, 1951..... | | \$1,500,014.39 |
| <i>Add:</i> | | |
| Net Income for year, transferred from Statement of Income and Expenditure..... | | 1,199,684.35 |
| | | 2,699,698.74 |
| <i>Deduct:</i> | | |
| 15% Tax paid in accordance with Section 95A of The Income Tax Act..... | \$ 110,173.48 | |
| Tax-Paid Undistributed Income, transferred to Balance Sheet..... | 624,316.37 | |
| Portion of transfer pursuant to the provisions of The Companies Act, 1934, to Capital Surplus segregated upon purchase and cancellation of 26,000 5½% Cumulative Redeemable First Preferred Shares..... | 529,792.50 | |
| | | 1,264,282.35 |
| <i>Less:</i> Portion of transfer under authority of Supplementary Letters Patent from Capital Surplus segregated upon purchase and cancellation of 5½% Cumulative Redeemable First Preferred Shares..... | 529,792.50 | |
| | | 734,489.85 |
| | | 1,965,208.89 |
| <i>Dividends on:</i> | | |
| 5½% First Preferred Stock..... | 313,500.00 | |
| Common Stock..... | 469,680.00 | |
| | | 783,180.00 |
| BALANCE AT 31ST DECEMBER, 1952..... | | \$1,182,028.89 |

INTERNATIONAL POWER COMPANY LIMITED

Statement of Capital Surplus *For the Year Ended 31st December, 1952*

| | |
|---|----------------|
| BALANCE AT 31ST DECEMBER, 1951..... | \$1,499,296.20 |
| <i>Add:</i> | |
| Discount on purchase of 5½% Cumulative Redeemable First Preferred Shares (net)..... | 89,199.50 |
| Exchange Profit applicable to capital..... | 90,545.02 |
| Adjustment to book value of Debentures of Subsidiary Company arising from payment received on account thereof..... | 705,451.50 |
| Portion of transfer under authority of Supplementary Letters Patent from Capital Surplus segregated upon purchase and cancellation of Preferred Shares..... | 3,485,307.50 |
| | 5,869,799.72 |
| <i>Deduct:</i> | |
| Portion of transfer pursuant to the provisions of The Companies Act, 1934, to Capital Surplus segregated upon purchase and cancellation of 26,000 5½% Cumulative Redeemable First Preferred Shares..... | \$2,070,207.50 |
| Net Exchange Adjustment on conversion of U.S. dollar balances at 31st December, 1952..... | 67,409.03 |
| | 2,137,616.53 |
| BALANCE AT 31ST DECEMBER, 1952..... | \$3,732,183.19 |

Statement of Capital Surplus Segregated upon Purchase and Cancellation of Preferred Shares *For the Year Ended 31st December, 1952*

| | |
|---|----------------|
| BALANCE AT 31ST DECEMBER, 1951..... | \$1,415,100.00 |
| <i>Add:</i> | |
| Transfer pursuant to the provisions of The Companies Act, 1934, upon purchase and cancellation of 26,000 5½% Cumulative Redeemable First Preferred Shares: | |
| From Capital Surplus..... | \$2,070,207.50 |
| From Earned Surplus..... | 529,792.50 |
| | 2,600,000.00 |
| <i>Deduct:</i> | |
| Transfers under authority of Supplementary Letters Patent to restore to Surplus the amounts designated as Capital Surplus segregated upon purchase and cancellation of 40,151 5½% Cumulative Redeemable First Preferred Shares: | |
| To Capital Surplus..... | 3,485,307.50 |
| To Earned Surplus..... | 529,792.50 |
| | \$4,015,100.00 |

INTERNATIONAL POW AND SUBSIDIA

Consolidated Balance Sheet

ASSETS

CAPITAL ASSETS:

Lands, Buildings and Plants; Franchises, Contracts, Goodwill, etc..... \$32,452,423.20

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 \$3,132,481.66 which is included in the above amount.

INVESTMENT IN SUBSIDIARY COMPANIES, AT COST—

Not Consolidated:

| | | |
|--|---------------|------------|
| Shares..... | \$ 395,302.45 | |
| Debentures and other Indebtedness..... | 162,888.43 | |
| | | 558,190.88 |

| | | |
|--------------------------------|--|---------------|
| Miscellaneous Investments..... | | 3,846.16 |
| | | 33,014,460.24 |

| | | |
|-------------------------------|--|-----------|
| TRUST FUNDS (PER CONTRA)..... | | 47,537.40 |
|-------------------------------|--|-----------|

CURRENT ASSETS:

| | | |
|--|--------------|--------------|
| Cash..... | 2,103,458.62 | |
| Accounts and Notes Receivable, less Reserve..... | 1,423,270.76 | |
| Materials and Supplies, as certified by responsible officials and valued at cost..... | 1,873,314.67 | |
| | | 5,400,044.05 |

DEFERRED CHARGES:

| | | |
|---|--|-----------------|
| Prepaid and other Deferred Charges..... | | 85,022.35 |
| | | \$38,547,064.04 |

Approved on behalf of the Board:

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

ER COMPANY LIMITED
RY COMPANIES

as at 31st December, 1952

LIABILITIES

CURRENT LIABILITIES:

| | | |
|--|---------------|-----------------|
| Bank Loans..... | \$ 503,616.38 | |
| Accounts Payable..... | 1,481,341.52 | |
| Dividend Payable 15th January, 1953..... | 117,420.00 | |
| Consumers' Deposits including interest thereon..... | 472,053.68 | |
| Amount due to Subsidiary Company—not Consolidated... | 20,269.06 | |
| | | \$ 2,594,700.64 |

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

| | | |
|---|--|------------|
| MINORITY INTEREST in Capital Stock and Surplus of Subsidiary Companies..... | | 819,686.59 |
|---|--|------------|

RESERVES:

| | | |
|--------------------------------|--------------|---------------|
| Depreciation and Renewals..... | 9,381,555.24 | |
| Reserve for Contingencies..... | 856,190.44 | |
| General..... | 818,449.96 | |
| Miscellaneous..... | 698,045.19 | |
| | | 11,754,240.83 |

CAPITAL STOCK AND SURPLUS:

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

Authorized: 59,849 Shares..... \$5,984,900.00

| | | |
|-----------------------------------|---------------|---------------------|
| Issued and Fully Paid: | Shares | |
| At 31st December, 1951..... | 70,000 | 7,000,000.00 |
| Less Purchased and Cancelled..... | 26,000 | 2,600,000.00 |
| | <u>44,000</u> | <u>4,400,000.00</u> |

Common Shares of No Par Value:

Authorized 220,000 Shares.

| | | |
|----------------------------|----------------|--------------|
| Issued and Fully Paid..... | <u>195,700</u> | 3,631,750.00 |
|----------------------------|----------------|--------------|

Surplus Accounts:

| | | |
|--|---------------|---------------|
| Tax-Paid Undistributed Income— | | |
| Amount transferred per Statement of Earned Surplus.. | 624,316.37 | |
| Capital Surplus..... | 3,732,183.19 | |
| Earned Surplus..... | 10,942,649.02 | |
| | | 23,330,898.58 |

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 Account shown above. Profits and Losses of a like nature of Subsidiary Companies consolidated herein are included in Earned Surplus shown above.

\$38,547,064.04

Audited in accordance with our Report of this date.

CREAK, CUSHING & HODGSON,
Chartered Accountants.

MONTREAL, 21st May, 1953.

INTERNATIONAL POWER COMPANY LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Statement of Income and Expenditure
For the Year Ended 31st December, 1952

GROSS EARNINGS OF SUBSIDIARY COMPANIES, INCLUDING EXCHANGE PROFIT.. \$11,396,053.57

Deduct:

Operating Expenses and Taxes..... 5,873,858.29

Note: The total amount paid during the year, by Subsidiary Companies consolidated herein and by Subsidiary Companies not consolidated, for legal fees was \$31,665.34 and Executive Salaries, \$98,879.60.

NET EARNINGS OF SUBSIDIARY COMPANIES 5,522,195.28

Deduct:

Dividends on Common Stocks of Subsidiary Companies in hands of public..... \$ 39,105.09

Provision for Depreciation and Renewals..... 1,120,944.12

Provision for Contingencies..... 75,000.00

General Reserve..... 66,408.55

Minority Interest in Surplus for year of Subsidiary Companies..... 89,124.58

1,390,582.34

Less Other Interest (net)..... 40,970.19

1,349,612.15

NET INCOME AVAILABLE TO INTERNATIONAL POWER COMPANY LIMITED..... 4,172,583.13

Add:

Miscellaneous Income, International Power Company Limited:

Income from Investment in Subsidiary Company not consolidated..... 214,600.33

Less:

Interest on short-term Loan..... \$ 3,002.74

Miscellaneous Expenses and Taxes (including Directors' Fees, \$3,875.00, Executive Counsel, \$20,000.00 and Executive Salaries, \$7,200.00)..... 58,973.86

61,976.60

152,623.73

NET INCOME FOR YEAR, transferred to Consolidated Statement of Earned Surplus..... \$4,325,206.86

INTERNATIONAL POWER COMPANY LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Statement of Earned Surplus
For the Year Ended 31st December, 1952

BALANCE AT 31ST DECEMBER, 1951 \$ 8,135,112.01

Add:

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 4,325,206.86

12,460,318.87

Deduct:

International Power Company Limited:

15% Tax paid in accordance with Section 95A of The Income Tax Act..... \$ 110,173.48

Tax-Paid Undistributed Income, transferred to Balance Sheet..... 624,316.37

Portion of transfer pursuant to the provisions of The Companies Act, 1934, to Capital Surplus segregated upon purchase and cancellation of 26,000 5½% Cumulative Redeemable First Preferred Shares..... 529,792.50

1,264,282.35

Less Portion of transfer under authority of Supplementary Letters Patent from Capital Surplus segregated upon purchase and cancellation of 5½% Cumulative Redeemable First Preferred Shares.....

529,792.50

734,489.85

11,725,829.02

Dividends on:

5½% First Preferred Stock..... 313,500.00

Common Stock..... 469,680.00

783,180.00

BALANCE AT 31ST DECEMBER, 1952..... \$10,942,649.02

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, 1952, 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, 1952, 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.

21st May, 1953.

