

**INTERNATIONAL  
POWER COMPANY  
LIMITED**

***TWENTY-EIGHTH  
ANNUAL REPORT***

**YEAR ENDED  
31st DECEMBER, 1953**

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INTERNATIONAL  
POWER COMPANY  
LIMITED



HEAD OFFICE  
MONTREAL, CANADA



*SUBSIDIARY COMPANIES*

*Bolivian Power Company, Limited*

*Monterey Railway, Light and Power  
Company*

*Empresa de Luz y Fuerza Electrica de Oruro,  
Sociedad Anonima*

*Compañía de Alumbrado Electrico de San Salvador*

*The Demerara Electric Company  
Limited*

*Empresas Electricas Venezolanas, Sociedad Anonima*



INTERNATIONAL  
POWER COMPANY  
LIMITED

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BOARD OF DIRECTORS

FREDERICK KRUG, *President*

RUSSELL D. BELL

A. F. CULVER

I. W. KILLAM

J. C. MacKEEN

A. G. MACKINNON

HUGH MacMILLAN

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

L. G. PROCTOR, *Secretary-Treasurer*



# INTERNATIONAL POWER COMPANY LIMITED

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## Report of the Directors

FOR THE YEAR ENDED 31ST DECEMBER, 1953

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### TO THE SHAREHOLDERS:

Your Directors submit herewith their twenty-eighth Annual Report and Financial Statements together with Consolidated Statements for the year ended 31st December, 1953.

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 one subsidiary which have been converted at government official rates.

The combined net earnings of subsidiary companies (after deduction of provision for depreciation and other reserves, etc.) included in the Consolidated Statement of Income and Expenditure amounted, on the same exchange basis to \$5,154,000, an increase of \$981,417, as compared with the previous year.

Construction expenditures for additions and improvements to properties of the consolidated subsidiary companies on the same conversion basis amounted to \$3,170,361. It is estimated that capital construction expenditures in the year 1954 will be substantially greater than in the previous year.

Accounts of the Monterey Railway, Light & 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—Not Consolidated".

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.

In January, 1954, election was made under section 95a of the Income Tax Act to be assessed and pay the special tax on the amount corresponding to the total share dividends paid in 1953. Such amount, less the 15% tax thereon, has been transferred to Tax-Paid Undistributed Income Account.

Your Company acquired and cancelled a further 7,500 shares of its 5½% Preferred Stock.

It is with the deepest sorrow that the Directors record the death of Mr. Fred. C. Clarke, Director and Secretary-Treasurer of the Company since its organization in 1926.

Submitted on behalf of the Board,

F. KRUG,  
*President.*

May 27, 1954.

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# INTERNATIONAL POWER COMPANY LIMITED

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## *Statement of Income and Expenditure* *For the Year Ended 31st December, 1953*

DIVIDENDS AND INTEREST (LESS WITHHOLDING TAX) FROM SUBSIDIARY COMPANIES AND MISCELLANEOUS INCOME.....		\$1,212,101.24
<i>Deduct:</i>		
Directors' Fees.....	\$ 3,750.00	
Executive Counsel.....	20,000.00	
Executive Salaries.....	7,200.00	
Miscellaneous Expenses.....	50,216.68	
		<u>81,166.68</u>
NET INCOME FOR YEAR, TRANSFERRED TO STATEMENT OF EARNED SURPLUS..		<u><u>\$1,130,934.56</u></u>

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# INTERNATIONAL POW

*Balance Sheet as at*

## ASSETS

SHARES OF SUBSIDIARY COMPANIES, AT COST.....	\$9,462,999.86	
BONDS, DEBENTURES AND OTHER INDEBTEDNESS OF SUBSIDIARY COMPANIES, AT COST.....	1,281,545.70	
	2,744,545.56	\$10,744,545.56
CASH.....	687,210.07	
UNITED STATES TREASURY BILLS DUE 11TH MARCH, 1954, AT COST.....	1,937,818.09	
	2,625,028.16	2,625,028.16
TRUST FUNDS (PER CONTRA).....		47,537.40
		\$13,417,111.12

Approved on behalf of the Board:

F. KRUG, *Director.*

I. W. KILLAM, *Director.*

# ER COMPANY LIMITED

31st December, 1953

## LIABILITIES

ACCOUNTS PAYABLE.....	\$	41,254.60
DIVIDEND PAYABLE 15TH JANUARY, 1954.....		117,420.00
AMOUNT DUE TO SUBSIDIARY COMPANIES.....		55,563.23
		<u>214,237.83</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, 1952.....	44,000	\$4,400,000.00
Less Purchased and Cancelled.....	7,500	750,000.00
	<u>36,500</u>	<u>3,650,000.00</u>

### Common Shares of No Par Value:

Authorized 220,000 Shares.

Issued and Fully Paid..... 195,700 3,631,750.00

### Surplus:

Tax-Paid Undistributed Income.....	1,290,019.37
Capital Surplus.....	2,991,678.32
Capital Surplus segregated in respect to redemption of 5½% Cumulative Redeemable First Preferred Stock..	750,000.00
Earned Surplus.....	<u>841,888.20</u>
	<u>13,155,335.89</u>
	<u>\$13,417,111.12</u>

Audited in accordance with our Report of this date.

CREAK CUSHING & HODGSON,  
Chartered Accountants.

MONTREAL, 25TH MAY, 1954.

# INTERNATIONAL POWER COMPANY LIMITED

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## *Statement of Earned Surplus* *For the Year Ended 31st December, 1953*

BALANCE AT 31ST DECEMBER, 1952.....		\$1,182,028.89
<i>Add:</i>		
Net Income for year, transferred from Statement of Income and Expenditure.....		1,130,934.56
		<u>2,312,963.45</u>
<i>Deduct:</i>		
15% Tax paid in accordance with Section 95A of The Income Tax Act.....	\$ 117,477.00	
Amount transferred to Statement of Tax-Paid Undistributed Income.....	665,703.00	
		<u>783,180.00</u>
		1,529,783.45
Dividends on:		
5½% First Preferred Stock.....	218,215.25	
Common Stock.....	469,680.00	
		<u>687,895.25</u>
BALANCE AT 31ST DECEMBER, 1953.....		<u><u>\$ 841,888.20</u></u>

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# INTERNATIONAL POWER COMPANY LIMITED

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## *Statement of Capital Surplus For the Year Ended 31st December, 1953*

BALANCE AT 31ST DECEMBER, 1952.....		\$3,732,183.19
<i>Add:</i>		
Discount on purchase of 5½% Cumulative Redeemable First Preferred Shares (net).....		1,298.50
Exchange Profit applicable to capital.....		18,942.18
		3,752,423.87
<i>Deduct:</i>		
Amount transferred to Capital Surplus segregated in respect to redemption of 5½% Cumulative Redeemable First Preferred Stock.....	\$750,000.00	
Net Exchange Adjustment on conversion of U.S. dollar balances at 31st December, 1953.....	10,745.55	760,745.55
BALANCE AT 31ST DECEMBER, 1953.....		\$2,991,678.32

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## *Statement of Tax-Paid Undistributed Income For the Year Ended 31st December, 1953*

BALANCE AT 31ST DECEMBER, 1952.....		\$ 624,316.37
<i>Add:</i>		
Tax-paid undistributed income transferred from Statement of Earned Surplus.....		665,703.00
BALANCE AT 31ST DECEMBER, 1953.....		\$ 1,290,019.37

# INTERNATIONAL POW AND SUBSIDIA

## *Consolidated Balance Sheet*

### ASSETS

#### CAPITAL ASSETS:

Lands, Buildings and Plants; Franchises, Contracts, Goodwill, etc. . . . . \$35,029,272.24

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.

#### INVESTMENT IN SUBSIDIARY COMPANIES, AT COST—

##### Not Consolidated:

Shares . . . . .	\$ 396,789.45	
Debentures and other Indebtedness . . . . .	184,723.16	
		581,512.61

MISCELLANEOUS INVESTMENTS . . . . . 3,846.16

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

#### CURRENT ASSETS:

Cash . . . . .	2,440,973.56	
United States Treasury Bills due 11th March, 1954, at cost . . . . .	1,937,818.09	
Accounts and Notes Receivable, less Reserve . . . . .	1,644,865.93	
Materials and Supplies, as certified by responsible officials and valued at cost . . . . .	1,705,643.09	
		7,729,300.67

#### DEFERRED CHARGES:

Prepaid and other Deferred Charges . . . . .	136,554.92	
		<u>\$43,528,024.00</u>

Approved on behalf of the Board:

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

ER COMPANY LIMITED  
RY COMPANIES

as at 31st December, 1953

LIABILITIES

CURRENT LIABILITIES:

Bank Loans.....	\$ 311,219.38	
Accounts Payable.....	1,160,606.60	
Dividend Payable 15th January, 1954.....	117,420.00	
Consumers' Deposits including interest thereon.....	484,576.04	
Amount due to Subsidiary Company—not Consolidated...	3,209.33	
		\$ 2,077,031.35

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

MINORITY INTEREST in Capital Stock and Surplus of  
Subsidiary Companies..... 811,891.62

RESERVES:

Depreciation and Renewals.....	10,314,189.24	
Reserve for Contingencies.....	922,612.88	
General.....	993,426.74	
Miscellaneous.....	947,861.23	
		13,178,090.09

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, 1952.....	44,000	4,400,000.00
Less Purchased and Cancelled.....	7,500	750,000.00
	<u>36,500</u>	<u>3,650,000.00</u>

Common Shares of No Par Value:

Authorized 220,000 Shares.

Issued and Fully Paid..... 195,700 3,631,750.00

Surplus:

Tax-Paid Undistributed Income.....	1,290,019.37	
Capital Surplus, including \$750,000.00 segregated in respect to redemption of 5½% Cumulative Redeemable First Preferred Stock.....	7,972,447.55	
Earned Surplus.....	10,869,256.62	
		27,413,473.54

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

\$43,528,024.00

Audited in accordance with our Report of this date.

# INTERNATIONAL POWER COMPANY LIMITED AND SUBSIDIARY COMPANIES

## *Consolidated Statement of Income and Expenditure*

*For the Year Ended 31st December, 1953*

GROSS EARNINGS OF SUBSIDIARY COMPANIES, INCLUDING EXCHANGE PROFIT..		\$12,312,210.17
<i>Deduct:</i>		
Operating Expenses and Taxes.....		5,734,503.24
<i>Note: The total amount paid during the year, by Subsidiary Companies consolidated herein and by Subsidiary Companies not consolidated, for legal fees was \$39,529.54 and Executive Salaries, \$108,591.94.</i>		
NET EARNINGS OF SUBSIDIARY COMPANIES.....		6,577,706.93
<i>Deduct:</i>		
Dividends on Common Stocks of Subsidiary Companies in hands of public.....	\$ 38,571.40	
Provision for Depreciation and Renewals.....	1,081,493.04	
Provision for Contingencies.....	75,000.00	
General Reserve.....	174,976.78	
Minority Interest in Surplus for year of Subsidiary Companies.....	86,709.75	
	1,456,750.97	
Less Other Interest (net).....	33,044.62	
		1,423,706.35
NET INCOME AVAILABLE TO INTERNATIONAL POWER COMPANY LIMITED.....		5,154,000.58
<i>Add:</i>		
Miscellaneous Income, International Power Company Limited:		
Income from Investment in Subsidiary Company not consolidated, etc.....	300,153.80	
<i>Less:</i>		
Miscellaneous Expenses and Taxes (including Directors' Fees, \$3,750.00, Executive Counsel, \$20,000.00 and Executive Salaries, \$7,200.00)....	81,166.68	
		218,987.12
NET INCOME FOR YEAR, transferred to Consolidated Statement of Earned Surplus.....		\$5,372,987.70



INTERNATIONAL POWER COMPANY LIMITED  
AND SUBSIDIARY COMPANIES

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*Consolidated Statement of Earned Surplus*  
*For the Year Ended 31st December, 1953*

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

*Add:*

Net Income for year after payment of Dividends on Common Stocks of Subsidiary Companies in hands of Public and provision for Minority Interest in Surplus for year of Subsidiary Companies.....	5,372,987.70
Adjustment of Subsidiary Companies' provision for prior years' Income Taxes, etc.....	255,464.38
	16,571,101.10

*Deduct:*

Amount of Surplus of a Subsidiary Company of Empresas Electricas Venezolanas S.A. capitalized following the incorporation of the latter Company..... \$4,230,769.23

International Power Company Limited:

15% Tax paid in accordance with Section 95A of The Income Tax Act..... \$ 117,477.00

Amount transferred to Tax-Paid Undistributed Income..... 665,703.00

783,180.00	5,013,949.23
	11,557,151.87

Dividends on:

5½% First Preferred Stock..... 218,215.25

Common Stock..... 469,680.00

687,895.25

BALANCE AT 31ST DECEMBER, 1953..... \$10,869,256.62

INTERNATIONAL POWER COMPANY LIMITED  
AND SUBSIDIARY COMPANIES

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*Consolidated Statement of Capital Surplus  
For the Year Ended 31st December, 1953*

BALANCE AT 31ST DECEMBER, 1952.....	\$3,732,183.19
 <i>Add:</i>	
Discount on purchase of 5½% Cumulative Redeemable First Preferred Shares of International Power Company Limited (Net).....	1,298.50
Exchange profit applicable to Capital.....	18,942.18
	3,752,423.87
 <i>Deduct:</i>	
Amount transferred to Capital Surplus segregated in respect to redemption of 5½% Cumulative Redeemable First Preferred Stock.....	\$ 750,000.00
Net Exchange adjustment on conversion of U.S. dollar balances at 31st December, 1953.....	10,745.55
	760,745.55
Capital Surplus per Balance Sheet of International Power Company Limited.	2,991,678.32
 <i>Add:</i>	
Amount transferred to Capital Surplus segregated in respect to redemption of 5½% Cumulative Redeemable First Preferred Stock.....	750,000.00
Amount arising from the consolidation herein of the accounts of Empresas Electricas Venezolanas S.A. ....	4,230,769.23
	4,980,769.23
BALANCE AT 31ST DECEMBER, 1953, including \$750,000.00 segregated in respect to redemption of 5½% Cumulative Redeemable First Preferred Stock	\$7,972,447.55

**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, 1953, 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, 1953, 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.*

25th May, 1954.

