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NORTHERN QUEBEC POWER
COMPANY LIMITED



1960
Annual Report

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McGILL UNIVERSITY

NORTHERN QUEBEC POWER COMPANY LIMITED
355 ST. JAMES STREET, WEST, MONTREAL

DIRECTORS

D. K. BALDWIN

HON. JEAN RAYMOND

JOS. SIMARD

A. SCOTT ELLIOT

J. W. ROOK

P. N. THOMSON

B. V. HARRISON

JAS. B. WOODYATT

OFFICERS

B. V. HARRISON
Chairman of the Board

A. SCOTT ELLIOT
President & General Manager

W. G. E. LANNAMAN
Vice-President & Secretary-Treasurer

W. MUCHA
Asst. General Manager

T. J. RAPPELL
Asst. Secretary

J. D. McNAMARA
Asst. Secretary-Treasurer

Auditors

ROSS, TOUCHE & Co.

Transfer Agents & Registrars

MONTREAL TRUST COMPANY

NORTHERN QUEBEC POWER COMPANY LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting to Shareholders their Report and the Audited Financial Statements of the Company for the fiscal year ended December 31st, 1960 which are to be presented at the Annual General Meeting of Shareholders to be held at 355 St. James St. West, Montreal, on Tuesday, March 28th, 1961, at 12 noon.

The Company collected for the fiscal year \$3,776,676. Out of this, a total of \$1,146,518 was contributed to schools, municipalities and the Provincial and Federal Governments.

After making these payments — which equalled 21 one-hundredths of a cent per kilowatt hour — the Company's revenue per kilowatt hour averaged 48 one-hundredths of a cent, which is one of the lowest rates per kilowatt hour shown by distributors on this continent giving similar service.

The net profit amounted to \$737,805. as compared with \$674,153. in 1959. This represented net earnings equivalent to \$2.57 per common share against \$2.22 in the previous year.

Funded debt was reduced by \$1,183,000 to \$5,908,000 during the year.

The total number of Customers at December 31st, 1960, was 15,889 — an increase of 315 over the previous year.

Maintenance has been carried on continuously to keep the company's plant and equipment in good condition.

The Directors are pleased to place on record their appreciation of the services rendered by all employees of the Company.

On behalf of the Board,

A. SCOTT ELLIOT,

President.

Montreal, March 8, 1961.

NORTHERN QUEBEC POW

Balance Sheet as at

(with corresponding figures)

ASSETS

	1960	1959
CURRENT ASSETS:		
Cash	\$ 155,957	\$ 174,393
Receivables less provision for doubtful accounts	216,844	188,443
Marketable Securities at Cost	721,521	1,192,608
(Approx. Market Value \$672,150)		
Materials and Supplies at Cost	180,766	179,731
Prepaid Charges	117,322	83,492
	1,392,410	1,818,667
 BONDS OF THE COMPANY HELD FOR SINKING FUND	 80,500	 119,000
 FIXED ASSETS:		
Power Developments, land, buildings, transmission and distribution systems, equipment, etc., at cost	23,244,276	23,134,393
 UNAMORTIZED DISCOUNT AND EXPENSES OF FUNDED DEBT	 76,132	 87,220
	\$24,793,318	\$25,159,280

SIGNED ON BEHALF OF THE BOARD:

A. SCOTT ELLIOT, Director
 JAS. B. WOODYATT, Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF

We have examined the balance sheet of Northern Quebec Power Company Limited as at December 31, 1960, and have obtained all the information and explanations we have required. Our examination included a general audit of the accounts as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as far as appears from the accounts, the expenditure and surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company in accordance with generally accepted accounting principles applied on a basis consistent with that of the practice of the company.

Montreal, February 23, 1961.

NORTHERN QUEBEC POWER COMPANY, LIMITED

at December 31, 1960

(as at December 31, 1959)

LIABILITIES

CURRENT LIABILITIES:	1960	1959
Accounts payable.....	\$ 308,258	\$281,518
Accrued Interest on Funded Debt	44,795	51,127
Provision for Taxes	507,869	460,442
Dividends payable	114,052	92,870
	<hr/>	<hr/>
	974,974	885,957
 FUNDED DEBT:		
3¾% first mortgage bonds, Series A, due Nov. 15, 1967..	\$2,581,000	3,509,000
5⅛% first mortgage bonds, Series B, due March 1, 1974..	1,257,000	1,321,000
4½% General Mortgage bonds due Nov. 15, 1967	2,070,000	2,261,000
	<hr/>	<hr/>
	5,908,000	7,091,000
 DEFERRED CREDIT:		
Tax reductions applicable to future years	451,885	415,330
 RESERVE FOR DEPRECIATION	11,478,412	11,038,910
 CAPITAL AND SURPLUS:		
CUMULATIVE REDEEMABLE FIRST PREFERRED		
SINKING FUND SHARES OF \$50 PAR VALUE		
issuable in series:— Authorized: 80,000 shares		
Issued: 50,000 shares 5½% first series	2,500,000	
Less: 3,220 Redeemed to date	161,000	
46,780 shares	<hr/>	<hr/>
	2,339,000	2,369,050
 SIX PERCENT SECOND PREFERRED SHARES		
OF \$100 PAR VALUE		
Authorized: 20,000 shares - Issued: 10,000 shares	1,000,000	1,000,000
 COMMON SHARES OF NO PAR VALUE		
Authorized and issued: 212,500 shares	637,500	637,500
 CAPITAL SURPLUS Relating to redemption of		
Preferred Shares	161,000	130,950
 EARNED SURPLUS	1,842,547	1,590,583
	<hr/>	<hr/>
	5,980,047	5,980,047
	<hr/>	<hr/>
	\$24,793,318	\$25,159,280
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NORTHERN QUEBEC POWER COMPANY LIMITED

at December 31, 1960 and the related statements of income and expenditure and surplus for the year ended on that date have been subjected to a general review of the accounting procedures and such tests of accounting records and other supporting evidence

as shown by the books of the company, the accompanying balance sheet and related statements of income and expenditure of the company as at December 31, 1960 and the results of its operations for the year ended on that date, of the preceding year.

ROSS, TOUCHE & CO.,
Chartered Accountants.

NORTHERN QUEBEC POWER COMPANY LIMITED

Statement of Income, Expenditure and Earned Surplus

For the Year Ended December 31, 1960

Revenue from Operations		\$3,746,109
DEDUCT:		
Operating, Maintenance and General Expenses	\$1,064,282	
Executive Officers' Salaries	32,207	
Directors' Fees	10,750	
Taxes, other than Income and Profits Taxes	477,038	
Provision for Depreciation	519,417	
Interest on Funded Debt	265,697	2,369,391
		1,376,718
ADD:		
Investment Revenue		30,567
		1,407,285
DEDUCT:		
Provision for Income and Profits Taxes (including \$36,555 for future years) ..		669,480
NET PROFIT FOR THE YEAR		737,805
ADD:		
Discount/Premiums on Bonds purchased for Sinking Fund		103,678
Earned Surplus at December 31, 1959		1,590,583
		2,432,066
DEDUCT:		
Amortization of Discount and Expenses of Funded Debt	\$ 11,088	
Cost of First Preferred Shares purchased for Redemption	28,025	
Dividend on 5½% Preferred Shares	129,156	
Dividend on 6% Preferred Shares	60,000	
Dividend on Common Shares	361,250	
		589,519
EARNED SURPLUS AT DECEMBER 31, 1960		\$1,842,547

NORTHERN QUEBEC POWER COMPANY LIMITED

Comparative Statistics 1956-1960

For Years Ended December 31

	1960	1959	1958	1957	1956
Electric Revenue.....	\$3,735,080	\$3,560,237	\$3,473,331	\$3,502,536	\$3,479,787
Other Revenue.....	41,596	48,593	45,314	44,515	35,306
Gross Revenue.....	3,776,676	3,608,830	3,518,645	3,547,051	3,515,093
Purchased Power.....	285,912	280,635	275,428	165,284	167,672
Operation.....	594,429	581,972	596,666	594,397	562,261
Maintenance.....	182,669	145,657	123,883	179,010	190,532
Taxes (Excluding Income Taxes).....	477,038	453,546	445,640	451,084	455,594
Contribution to Pension Fund.....	27,665	27,600	28,380	27,960	27,025
	1,567,713	1,489,410	1,469,997	1,417,735	1,403,084
Earnings from Operations.....	2,208,963	2,119,420	2,048,648	2,129,316	2,112,009
Bad Debts.....	3,736	3,560	3,473	3,502	3,480
Interest.....	278,525	315,044	330,187	351,050	366,634
Depreciation.....	519,417	515,403	506,831	500,000	500,000
Income Taxes.....	669,480	611,260	558,916	569,680	554,685
	1,471,158	1,445,267	1,399,407	1,424,232	1,424,799
NET PROFIT FOR THE YEAR..	737,805	674,153	649,241	705,084	687,210
Discount/Premiums on Bonds					
Redeemed.....	103,678	51,761	5,520	31,385	9,026
Miscellaneous Adjustments.....	—	—	—	(2,395)	(508)
Surplus Brought Forward.....	1,590,583	1,411,410	1,323,307	1,130,845	1,000,008
	2,432,066	2,137,324	1,978,068	1,864,919	1,695,736
Amortization of Bond Discount.....	11,088	11,088	11,088	11,088	11,088
Cost of Preferred Shares Redeemed.....	28,025	5,239	24,592	26,858	49,141
Preferred Dividends.....	189,156	190,414	190,978	163,666	164,662
Common Dividends.....	361,250	340,000	340,000	340,000	340,000
	589,519	546,741	566,658	541,612	564,891
Surplus Carried Forward.....	<u>\$1,842,547</u>	<u>\$1,590,583</u>	<u>\$1,411,410</u>	<u>\$1,323,307</u>	<u>\$1,130,845</u>
Customers Connected.....	15,889	15,574	15,099	14,839	14,512
Kilowatt Hour Output.....	544,640,950	519,608,195	509,059,051	511,208,222	514,010,462

