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Annual Report

NORTHERN QUEBEC POWER
COMPANY LIMITED



For the Year ended
DECEMBER THIRTY - FIRST
1956

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McGILL UNIVERSITY

DIRECTORS

D. K. BALDWIN	V. J. NIXON
A. SCOTT ELLIOT	J. W. ROOK
B. V. HARRISON	JOS. SIMARD
T. IRVING	JAS. B. WOODYATT

OFFICERS

<i>President</i>	B. V. HARRISON
<i>Vice-President & General Manager</i>	A. SCOTT ELLIOT
<i>Secretary</i>	V. J. NIXON
<i>Treasurer</i>	T. IRVING
<i>Asst. Secretary-Treasurer</i>	A. H. HULL
<i>Asst. Secretary</i>	J. W. CUNNINGHAM
<i>Asst. Treasurer</i>	E. L. JOWETT

Auditors

P. S. ROSS & SONS

Transfer Agents & Registrars

MONTREAL TRUST COMPANY

Head Office

355 ST. JAMES STREET WEST
MONTREAL
CANADA

NORTHERN QUEBEC POWER COMPANY LIMITED

Montreal, P.Q., March 8th, 1957.

TO THE SHAREHOLDERS:

Your Directors are pleased to present the following report for the year ended December 31st, 1956.

Gross Revenue of the Company for the fiscal year was \$3,515,093.

Quarterly dividends on the 5½% first preferred and 3-6% second preferred shares and dividends totalling \$1.60 per share on the no par value common stock were paid during the year.

New Customers The total number of customers as at December 31st, 1956, was 14,512 — an increase of 371 for the year.

Construction Activities The capacity of the Malartic Sub-station was increased from 12,000 K.V.A. to 18,000 K.V.A.

An extension was made to provide 12,000 volt service to domestic consumers in the new sub-division at Noranda.

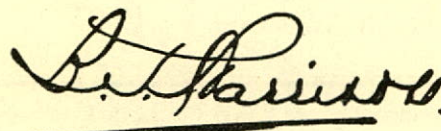
Plants and Properties Repair and replacement work is being carried on continuously, maintaining the property and equipment in good condition. Sixty per cent of the generating equipment is comparatively new, having been installed within the last few years.

Employees The Directors wish to thank the employees for the loyal and able manner in which they have performed their duties.

It is with deep regret that we record the death on October 26th, 1956, of Mr. Peter Alfred Thomson, who had been a member of the Board of Directors of the Company since March, 1926. The vacancy thereby created has been filled by the election of Mr. J. W. Rook to the Board of Directors.

The Annual General Meeting of Shareholders will be held at Room 102, 355 St. James Street West, in the City of Montreal, on Tuesday, March 26th, at 2.30 p.m.

Respectfully submitted on behalf of the Board,



President.

NORTHERN QUEBEC POW

Balance Sheet as at

ASSETS

Plant Investment :	1956	1955
Properties, plant and equipment, organization, etc. at the value certified to in an appraisal by Power Corporation of Canada Limited, under date of December 7, 1933, with additions to date at cost and after deducting \$2,800,000 credit arising from the appraisal.....	\$22,357,551.05	\$22,137,810.27
Cash in Banks	167,453.00	238,462.42
Marketable Investments at book value	1,044,569.00	800,732.00
(Approximate market value \$955,545)		
Accounts Receivable including accrued revenue	205,788.40	224,858.88
Merchandise and Maintenance Supplies :		
Inventories as shown by book records valued at not more than cost. Book records are adjusted periodically to agree with physical inventories	339,304.84	334,511.62
Bonds of Company held for Sinking Fund	157,000.00	60,000.00
Prepaid and Deferred Charges	78,794.03	91,596.12
Financing Expenses and Bond Issue Discount, less amounts written off..	120,483.64	131,571.64
Due from Employees on purchase of Savings Bonds	18,802.10	22,566.08

Signed on behalf of the Board :

B. V. HARRISON }
 JAS. B. WOODYATT } Directors.

\$24,489,746.06 \$24,042,109.03

NORTHERN QUEBEC POWER COMPANY, LIMITED,

We have examined the balance sheet of Northern Quebec Power Company Limited as at December 31, 1956 and the and explanations we have required. Our examination included a general review of the accounting procedures and such tests

In our opinion the accompanying balance sheet and related statements of income and expenditure and surplus are proper results of its operations for the year ended on that date, according to the best of our information and the explanations given to

Montreal, Que., January 28, 1957.

POWER COMPANY LIMITED

December 31, 1956

LIABILITIES

	1956	1955
TO THE PUBLIC:		
Funded Debt —		
First Mortgage Bonds — authorized \$7,500,000		
Issued —		
Series "A" —		
3% Serial Bonds maturing annually to 1957		
(of which \$150,000 is payable November		
15, 1957)	\$1,200,000.00	
Redeemed to date	<u>1,050,000.00</u>	\$ 150,000.00
3¾% 20 year Bonds maturing November		
15, 1967	4,800,000.00	
Redeemed by Sinking Fund	<u>394,000.00</u>	4,406,000.00
Series "B" —		
5½% Bonds maturing March 1, 1974	1,500,000.00	
Redeemed by Sinking Fund	<u>39,000.00</u>	1,461,000.00
4½% General Mortgage Bonds maturing November 15, 1967		
Authorized and Issued	3,000,000.00	
Redeemed by Sinking Fund	<u>482,500.00</u>	2,517,500.00
		<u>2,595,500.00</u>
	\$ 8,534,500.00	\$ 8,845,000.00
Accounts Payable and Accrued Liabilities	72,842.70	89,675.78
Bond Interest Accrued	59,527.19	61,641.67
Provision for Taxes	398,732.14	351,103.06
Dividends Accrued	91,639.90	6,550.82
Consumers Deposits including interest	183,433.29	190,925.34
Deferred Credit:		
Tax reductions applicable to future years	<u>247,170.00</u>	<u>171,885.00</u>
TO THE SHAREHOLDERS:	\$ 9,587,845.22	\$ 9,716,781.67
Capital Stock —		
First Preferred shares — \$50 Par value		
Authorized — \$4,000,000		
Issued —		
50,000 5½% cumulative redeemable sinking		
fund shares	2,500,000.00	
Less: Redeemed to date — 1,450 shares	<u>72,500.00</u>	2,427,500.00
Second Preferred shares — \$100 par value		
Authorized — \$2,000,000		
Issued —		
10,000 - 3 - 6% cumulative redeemable shares	1,000,000.00	1,000,000.00
Common shares of no par value		
Authorized and issued — 212,500 shares	637,500.00	637,500.00
Reserves —		
Depreciation	9,595,796.83	9,152,249.98
Bad Debts	37,758.60	35,569.64
Capital Surplus relating to redemption of Preferred Shares	72,500.00	25,000.00
Surplus — Balance as at December 31	<u>1,130,845.41</u>	<u>1,000,007.74</u>
	<u>\$24,489,746.06</u>	<u>\$24,042,109.03</u>

related statements of income and expenditure and surplus for the year ended on that date and have obtained all the information of accounting records and other supporting evidence as we considered necessary in the circumstances.

erly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at December 31, 1956 and the us and as shown by the books of the Company.

P. S. Ross & Sons,
Chartered Accountants.

NORTHERN QUEBEC POWER COMPANY LIMITED

Statement of Income and Expenditure

For the Year Ended December 31, 1956

Gross Earnings from operations			\$3,482,396.98
DEDUCT:			
Operating expenses	\$1,335,818.10		
Directors' fees	10,000.00		
Executive officers' salaries	28,853.00		
Legal fees	1,387.56		
Contribution to pension fund	27,025.00		
Provision for bad debts	3,479.81	1,406,563.47	
Net operating profit before Interest, Depreciation and Income Taxes			2,075,833.51
Income from Investments			32,695.63
			2,108,529.14
DEDUCT:			
Interest on —			
Bonds:			
First Mortgage	\$247,917.07		
General Mortgage	112,307.32	360,224.39	
Consumers' Deposits		6,410.00	
Amortization of Bond Discount and Expense		11,088.00	
Provision for — Depreciation		500,000.00	
— Income Taxes:			
Taxes payable for the year	474,880.00		
Current year's tax reduction applicable to future years	79,805.00	554,685.00	
			1,432,407.39
Net Income for the year transferred to Surplus			\$ 676,121.75

Statement of Surplus

For the Year Ended December 31, 1956

Balance at credit — January 1, 1956			\$1,000,007.74
ADD:			
Net income for the year transferred from statement of Income and Expenditure			676,121.75
			1,676,129.49
DEDUCT:			
Loss on sale of investment	\$ 507.50		
Cost of 5½% Preferred shares purchased for redemption	49,141.25		
Premium on redemption of \$20,000 par value Series "B" — 5⅞% Bonds.....	570.00		
		50,218.75	
LESS:			
Discount on bonds purchased for Sinking Fund	9,596.25	40,622.50	
			1,635,506.99
DEDUCT:			
Dividends on Capital Stock —			
First Preferred — 5½%	\$134,661.58		
Second Preferred — 3 - 6%	30,000.00	164,661.58	
Common		340,000.00	504,661.58
Balance at credit — December 31, 1956			\$1,130,845.41

NORTHERN QUEBEC POWER COMPANY LIMITED

Operating Statement

For Years Ending December 31st

	1956	1955	1954	1953	1952
Electric Revenue	\$3,479,787	\$3,440,652	\$3,283,440	\$3,128,653	\$3,089,812
(A) Miscellaneous Revenue	35,306	23,447	47,997	3,153	6,632
Gross Revenue	3,515,093	3,464,099	3,331,437	3,131,806	3,083,180
Purchased Power	167,672	350,820	237,513	257,528	159,160
Operation	562,261	526,772	496,291	461,631	423,119
Maintenance	190,532	130,850	118,226	115,922	132,837
Taxes (Excluding Income Taxes)	455,594	444,479	430,879	424,131	425,175
Contribution to Pension Fund	27,025	24,725	23,465	23,185	22,485
	1,403,084	1,477,646	1,306,374	1,282,397	1,162,776
Earnings from Operations	2,112,009	1,986,453	2,025,063	1,849,409	1,920,404
Bad Debts	3,480	3,440	3,283	3,129	3,089
Interest	366,634	315,995	357,008	420,455	430,958
Depreciation	500,000	500,000	500,000	500,000	500,000
Amortization of Bond Discount	11,088	11,088	11,088	11,088	11,088
Income Taxes	554,685	493,935	504,180	413,415	484,995
	1,435,887	1,324,458	1,375,559	1,348,087	1,430,130
Net Profit for the Year	676,122	661,995	649,504	501,322	490,274
Discount on Bonds Redeemed	9,596	514	1,502	14,135	4,927
Profit on Sales of Investments	508	—	17,483	—	—
Surplus Brought Forward	1,000,008	849,451	736,629	528,000	357,515
Prior Years Adjustments	—	—	—	43,172	25,284
	1,685,218	1,511,960	1,405,118	1,086,629	878,000
Preferred Dividends Paid	164,662	166,411	140,938	50,000	50,000
Common Dividends Paid	340,000	318,750	314,000	300,000	300,000
Net Expense — Preferred Stock and Bond Issues	—	—	100,729	—	—
Premium on Bonds Redeemed	570	541	—	—	—
Preferred shares purchased for Redemption	49,141	26,250	—	—	—
	554,373	511,952	555,667	350,000	350,000
Surplus Carried Forward	\$1,130,845	\$1,000,008	\$ 849,451	\$ 736,629	\$ 528,000
Customers Connected	14,512	14,141	13,807	13,244	13,083
Kilowatt Hour Output	514,010,462	531,980,455	522,047,468	490,835,318	494,000,730

(A) Miscellaneous Revenue includes merchandise net profits and losses, earnings from investments, etc.

