

## FOREIGN POWER SECURITIES CORPORATION, LIMITED

355 ST. JAMES STREET WEST

MONTREAL

February 8th, 1933.

To the Shareholders:

The consumption of power for industrial purposes in France diminished approximately 10% in the larger urban centres this year; but the load for domestic and lighting services in the rural communities increased very substantially, and a large number of new customers are availing themselves of these services.

The use of electricity throughout France is spreading under the impulse of energetic methods, and the companies in which Foreign Power Securities Corporation, Limited, is interested, have maintained their place as leaders in the electrical industry. L'Energie Industrielle is today one of the most powerful groups in France, acting as it does as both producer and distributor of electrical energy. This group has many subsidiaries, and has recently acquired substantial interests in Hydro-Cere, Forces Motrices d'Artenes, Forces Motrices du Rhone and Bretonne d'Electricite, which gives to them a large field of operation in both industrial and rural centres.

Modern commercial methods and publicity campaigns have been adopted which have induced a large number of customers to avail themselves of the various uses of electricity. In the rural districts especially, this educational and sales promotion work has met with signal success.

Revenues from securities held by your Company have been curtailed due to the policy of some of the operating companies in France of conserving their cash resources and deferring payments of dividends.

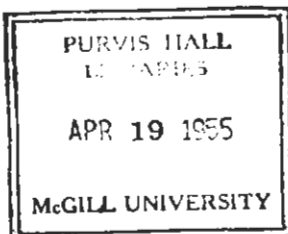
In view of this loss of revenue, your Directors at a meeting held on July 22nd, 1932, deemed it advisable to defer payment of the quarterly dividend on the 6% Cumulative Participating Preferred Stock due August 15th, 1932, and subsequent payments, until conditions should improve. It is pointed out, however, that this preferred dividend is cumulative.

During the year your Company purchased and cancelled \$134,500.00 of its Debentures, thus reducing the issue outstanding to \$4,365,500.00. Under the terms of the Trust Deed the Company is required to keep securities lodged with the Trustees to the extent of 125% of the par value of debentures outstanding.

The market value of the securities held by your Company as at October 31st, 1932, was \$6,802,237.42 against a book value of \$11,395,588.95. These market prices are not considered as reflecting the real value of the shares of these companies, and with the return to more normal conditions the market prices of these securities should appreciate in value.

The spirit of optimism which the knowledge of national wealth imparts gives rise to justifiable confidence in the progress of the electrical industry throughout the French Republic. Your Directors have every confidence in the future of your Company, and feel assured that after the period of readjustment of economic conditions, the growth of this industry will be accelerated to the benefit of all concerned.

Respectfully submitted on behalf of the Board,



President.

# FOREIGN POWER SECURITIES CORPORATION, LIMITED

## *Revenue Account*

*For the year ending October 31st, 1932*

Dividends and Interest on Investments.....		\$343,360.56
Loss on Sale of Investments (net).....	\$ 30,389.42	
Interest on Bonds (including U.S. Premium of \$44,440.56).....	310,714.06	
Expenses.....	33,522.31	
Balance.....		31,265.23
	<u>\$374,625.79</u>	<u>\$374,625.79</u>

## *Surplus Account*

*For the year ending October 31st, 1932*

Balance at Credit October 31st, 1931.....		\$1,108,575.46
Prior year adjustment—Accrued interest unpaid.....	\$ 3,988.00	
Deficit in Revenue Account for the year ending October 31st, 1932	31,265.23	
Provision on account of Dominion Income Tax.....	14,696.20	
Dividend on Preferred Stock.....	150,000.00	
Balance at Credit October 31st, 1932.....	908,626.03	
	<u>\$1,108,575.46</u>	<u>\$1,108,575.46</u>

## *Auditors' Report to the Shareholders*

We have made an examination of the books and accounts of Foreign Power Securities Corporation, Limited, for the year ending October 31st, 1932, and have received all the information and explanations which we have required. We have verified the securities by inspection or by certificate from the depositaries, and we certify that the Balance Sheet at October 31st, 1932, in our opinion, shows the true financial position of Foreign Power Securities Corporation, Limited, at that date, according to the best of our information and the explanations given to us, and as shown by the books of the Corporation.

(Signed) PRICE, WATERHOUSE & CO.,  
*Auditors.*

MONTREAL, December 13th, 1932.

# FOREIGN POWER SECURITIES CORPORATION, LIMITED

## *Balance Sheet* as at October 31st, 1932

### ASSETS

	1932	1931
Investments at Cost† . . . . .	\$11,395,588.95	\$11,436,346.67
Cash and Call Loans . . . . .	371,589.04	599,905.72
Accrued Interest and Dividends Declared . . . . .	31,250.57	98,304.05
Prepaid Accounts . . . . .	852.36	3,134.00
Discount on Bonds . . . . .	149,481.40	203,902.35
†Based on quoted market prices (and including \$2,631,189.20 cost value of unquoted foreign securities) investments at October 31, 1932, had, in Canadian currency at exchange rates of that date, a value of \$6,802,237.42.		
	<u>\$11,948,762.32</u>	<u>\$12,341,592.79</u>

### LIABILITIES

	1932	1931
<b>TO THE PUBLIC:</b>		
First Collateral Trust 6% Convertible Bonds, Series "A", 1949, Authorized \$50,000,000.00* . . . . .	\$4,365,500.00	\$4,500,000.00
Bond Interest Accrued* . . . . .	109,137.50	112,500.00
Preferred Dividend Payable . . . . .		75,000.00
Accounts Payable and Accrued Liabilities . . . . .	8,498.79	3,213.53
Reserve for Income Tax . . . . .	57,000.00	42,303.80
	<u>\$4,540,136.29</u>	<u>\$4,733,017.33</u>
<b>TO THE SHAREHOLDERS:</b>		
6% Cumulative Participating Preferred Stock:**		
Authorized—50,000 shares of \$100.00 each		
Issued —50,000 shares of \$100.00 each . . . . .	5,000,000.00	5,000,000.00
NOTE: Dividends on 6% Preferred Stock are in arrears for 6 months ending Oct. 31, 1932.		
Common Stock (of No Par Value):		
Authorized . . . . . 250,000 shares		
Held for Conversion of Bonds. 90,000 shares		
Unissued . . . . . 35,000 shares		
	<u>125,000 shares</u>	
Outstanding . . . . . 125,000 shares	\$2,660,000.00	
of which there has been attributed to Surplus . . . . .	1,160,000.00	
	<u>\$1,500,000.00</u>	
Surplus Balance . . . . .	908,626.03	2,608,575.46
	<u>\$11,948,762.32</u>	<u>\$12,341,592.79</u>

\*Payable in Canada, London or New York at holder's option.

\*\* (Redeemable in whole or in part at \$105 per share on any dividend date after 30 days' notice.)

Approved on behalf of the Board:

A. J. NESBITT  
JAS. B. WOODYATT } Directors.

FOREIGN POWER SECURITIES  
CORPORATION, LIMITED

*Annual Report*

*For the Year ending October 31st, 1932*

OFFICERS

*President*

A. J. NESBITT, Montreal

*Vice-President*

JAS. B. WOODYATT, Montreal

*Directors*

A. J. NESBITT.....Montreal  
L. C. HASKELL.....Montreal  
E. R. PARKINS, K.C.....Montreal  
P. A. THOMSON.....Montreal  
GUY M. TODD.....Montreal  
JAS. B. WOODYATT.....Montreal

*Secretary*

L. C. HASKELL

*Treasurer*

CHAS. JOHNSTONE

*Assistant-Secretary*

V. J. NIXON

*Assistant-Treasurer*

T. IRVING

*Fiscal Agents*

NESBITT, THOMSON & COMPANY, LIMITED

*Auditors*

PRICE, WATERHOUSE & COMPANY

*Head Office*

355 ST. JAMES STREET WEST  
MONTREAL  
CANADA