

FOREIGN POWER SECURITIES CORPORATION, LIMITED

355 ST. JAMES STREET WEST
MONTREAL

January 8th, 1936.

To the Shareholders:

Your Directors submit herewith the Annual Report for the year ended October 31st, 1935.

Economic conditions in France are still of such nature that industrial activity and expansion of power resources are restricted. In some cases the fulfillment of operating programmes has had to be abandoned until such time as some tangible evidence is created that a more permanent basis of monetary stability prevails.

This situation has had a marked reflection in the security values of your Company's holdings which as at October 31st, 1935, based on Canadian currency with exchange rates of that date, was \$3,833,272.82 against a book value of \$10,581,074.68.

During the year your Company purchased in the open market \$1,129,500 of its Bonds, which were cancelled, thus reducing the issue outstanding to \$2,396,500. Discount on Bonds purchased for redemption during the fiscal year, amounting to \$221,673.50, together with net operating earnings of \$18,569.69 was carried forward in Earned Surplus Account.

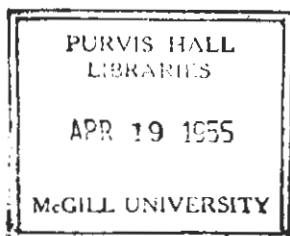
Prevailing conditions have necessitated the continued deferment of quarterly dividends on the Preferred Stock, which dividends are cumulative.

The outlook for the coming year is contingent upon business and monetary improvement in France which should be promptly reflected in your Company's earnings.

Respectfully submitted on behalf of the Board.



President.



FOREIGN POWER SECURITIES CORPORATION, LIMITED



Statement of Revenue and Expenses and Earned Surplus

For the year ending October 31st, 1935



Dividends and Interest on Investments (including \$61,628.99 premium earned on exchange of French francs)		\$221,561.11
DEDUCT:		
Interest on Bonds (including premium on exchange of \$769.00)	\$183,972.14	
Directors' Fees	1,500.00	
Executive Salaries	3,600.00	
Expenses	13,317.05	
Provision for Dominion and Provincial Income Taxes	602.23	202,991.42
Net Earnings for the year ending October 31, 1935		<u>\$ 18,569.69</u>
Discount on Company's Bonds (purchased for redemption)		221,673.50
Earned Surplus, Balance at October 31, 1934	382,112.04	
Less: Adjustments affecting prior years	3,209.10	378,902.94
Earned Surplus, Balance at October 31, 1935		<u><u>\$619,146.13</u></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 31, 1935, 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 report that the Balance Sheet at October 31, 1935, 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 9th, 1935.*

FOREIGN POWER SECURITIES CORPORATION, LIMITED

(Incorporated under the Dominion of Canada Companies' Act)

Balance Sheet

as at October 31st, 1935

ASSETS		
	1935	1934
Investments at Book Value.....	\$10,581,074.68	\$11,082,744.83
NOTE:—Based on quoted market prices (and including \$370,923.50 cost value of unquoted foreign securities) Investments at October 31, 1935, had, in Canadian currency at exchange rates of that date, a value of \$3,833,272.82.		
Cash and Call Loans.....	23,546.21	393,273.64
Accrued Bond Interest and Dividends declared.....	27,242.38	32,186.15
Prepaid Accounts.....	666.88	829.14
	\$10,632,530.15	\$11,509,033.76
LIABILITIES		
	1935	1934
TO THE PUBLIC:		
First Collateral Trust 6% Convertible Bonds, Series "A", due 1949—		
Authorized \$50,000,000.00 of which \$5,000,000.00 have been issued.....	\$ 2,396,500.00	\$ 3,526,000.00
Bond Interest Accrued**.....	59,912.50	88,150.00
Accounts Payable and Accrued Liabilities.....	3,800.56	4,099.23
Reserve for Dominion and Provincial Income Taxes.....	557.77	3,400.32
Investment Reserve—being profit on sale of securities (net)....	421,797.36	374,456.34
TO THE SHAREHOLDERS:		
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:—Dividend in arrear \$21.00 per share.		
Common Stock (of no par value):		
Authorized—250,000 Shares of which 125,000 Shares are issued and outstanding at a stated value of.....	1,500,000.00	1,500,000.00
Distributable Surplus:		
being balance of an amount of \$1,160,000.00 set aside at October 18, 1931, from the proceeds of Common Shares..	630,815.83	630,815.83
Earned Surplus:		
Balance as per statement attached.....	619,146.13	382,112.04
**Payable in Canada, London or New York at holder's option.		
*Redeemable at the option of the Company on any dividend date, after thirty days notice, in whole or in part, at \$105.00 per share plus accrued dividends.		
	\$10,632,530.15	\$11,509,033.76

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., 1935



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