

CANADIAN POWER & PAPER INVESTMENTS, LIMITED

355 St. James Street West
MONTREAL
CANADA

Montreal, October 6th, 1949.

To the Shareholders:

Your Directors submit herewith the Annual Report of your Company for the year ended July 31st, 1949, including Balance Sheet and Statements of Profit and Loss and Surplus Accounts, which have been certified to by the Company's auditors, Messrs. P. S. Ross & Sons.

Debentures to the principal amount of \$33,300 were purchased by the Company during the year and cancelled.

Interest on Debentures for the year under review was paid as it became due.

In accordance with Supplementary Trust Agreement made between the Company and the Montreal Trust Company, as Trustee, under date of October 24th, 1934, there has been deposited with the Trustee the Auditors' Certificate to the effect that there were insufficient earnings accumulated to July 31st, 1949 to make a payment on arrears of interest on the 5% Thirty-Year Debentures, Series "A", of this Company.

Respectfully submitted on behalf of the Board,

J. ALDERIC RAYMOND,

President.

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DIVERSIFICATION OF INVESTMENTS

Based on Current Values as at 31st July 1949

	Bonds	Preferred Stocks	Common Stocks	Total
Public Utilities .....	.....	27.86	29.91	57.77 (A)
Pulp and Paper .....	.....	.....	26.96	26.96 (B)
Foodstuffs and Beverages	3.00	.19	1.41	4.60
Mining and Smelting .....	.....	.....	3.91	3.91
Oil .....	.....	.....	.96	.96
Textile, etc.. .....	.....	.....	5.80	5.80
	3.00%	28.05%	68.95%	100.00%

PURVIS HALL
LIBRARIES

APR 14 1950 (A) Consisting largely of Power Corporation of Canada, Limited.
(B) Consisting entirely of Bathurst Power & Paper Co., Limited.

MCGILL UNIVERSITY

CANADIAN POWER & PAPER INVESTMENTS, LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT

for the year ended 31st July 1949

REVENUE

Revenue from Investments	\$90,553.55	
Bank Interest	6.29	\$90,559.84

EXPENDITURE

Audit Fees	300.00	
General Expense	245.26	
Insurance	148.14	
Legal Expense	35.00	
Rent	40.00	
Salaries—Clerical and Secretarial	1,200.00	
Travelling Expense	23.50	
Trustee's, Transfer Agent's, Registrar's and Paying Agent's Fees	1,223.55	
Directors' Fees	1,500.00	
Debenture Interest	24,084.12	
Foreign Exchange on Debenture Interest paid during year	30.12	
U.S. Withholding Tax	60.00	
Province of Quebec Capital Tax	850.00	
Provision for Income Taxes	266.57	
Provision for Depreciation of Investment Securities in accordance with resolution of Directors	60,000.00	90,006.26
Profit for the year ended 31st July 1949 transferred to Earned Surplus Account		\$ 553.58

STATEMENT OF EARNED SURPLUS ACCOUNT

as at 31st July 1949

Balance at credit 31st July 1948		\$119,000.07
Add:		
Reduction of Liability for Debenture Interest Accrued to 31st July 1938, resulting from purchase and cancellation of 5% Debentures as at 31st July 1949	\$ 7,492.50	
Profit from Operations for the year ended 31st July 1949	553.58	8,046.08
Balance at credit 31st July 1949		\$127,046.15

STATEMENT OF CAPITAL DEFICIT ACCOUNT

as at 31st July 1949

Balance at debit 31st July 1948		\$414,491.56
Add:		
Loss resulting from Sale of Investment Securities	\$27,661.13	
Premium on Debentures Purchased and Cancelled	5,306.00	32,967.13
Balance at debit 31st July 1949		\$447,458.69

CANADIAN POWER & PAPER INVESTMENTS, LIMITED

BALANCE SHEET

as at 31st July 1949

ASSETS

Cash in Banks		\$ 44,205.42
Investments at cost:		
Bonds	\$ 50,500.00	
Preferred Stocks	646,918.00	
Common Stocks	3,158,445.39	3,855,863.39
(The aggregate value of these investments at quoted market prices at 31st July 1949 was \$1,515,336.17)		
Accrued Interest on Investments		411.32
Prepaid Expenses		
Insurance	263.48	
Taxes	637.50	900.98
Capital Deficit—as per statement attached	447,458.69	
Deduct:		
Earned Surplus—as per statement attached	127,046.15	320,412.54
		\$4,221,793.65

LIABILITIES

Accounts Payable and Accrued Liabilities		\$ 652.08
Provision for Income Taxes		266.57
Accrued Interest on Debentures for the periods:		
1st February 1934 to 31st July 1938	\$ 103,657.50	
1st February 1949 to 31st July 1949	11,517.50	115,175.00
Investment Reserve		195,000.00
5% Thirty Year Debentures, Series "A", due 1st February 1958:		
Outstanding 31st July 1948	494,000.00	
Deduct: Purchased and Cancelled during the year ended 31st July 1949	33,300.00	460,700.00
Cumulative Preferred Shares (redeemable at \$52.50 per share)		
Authorized and Issued:		
50,000 shares of no par value		2,500,000.00
(of which 2,409 shares were in the hands of the transfer agent for distribution on share for share basis to shareholders of 5% Cumulative Convertible Preferred Shares upon surrender thereof).		
Common Stock:		
Authorized—96,000 shares of no par value:		
Issued —94,000 shares		950,000.00
(of which 11,765-27/50 shares were outstanding in excess of present requirements for distribution under terms of Supplementary Letters Patent dated 6th September 1934).		
		\$4,221,793.65

Signed on behalf of the Board:

J. Alderic Raymond	}	Directors.
G. W. Mitchell		
C. W. G. Gibson		

AUDITORS' REPORT

To the Shareholders,
Canadian Power & Paper Investments Limited,
Montreal.

We have made an examination of the books and accounts of Canadian Power & Paper Investments Limited for the year ended 31st July 1949 and have obtained all of the information and explanations which we have required.

We report that, in our opinion, the accompanying Balance Sheet and related Statements of Surplus and Profit and Loss are properly drawn up so as to exhibit a true and correct view of the affairs of Canadian Power & Paper Investments Limited at 31st July 1949 and the result of its operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

P. S. Ross & Sons,
Chartered Accountants

Montreal, 30th August 1949.

CANADIAN POWER & PAPER
INVESTMENTS, LIMITED



Annual Report
as at 31st July 1949



Head Office:
355 St. James Street West
Montreal
Canada