

# CANADIAN POWER & PAPER INVESTMENTS, LIMITED

355 St. James Street West  
MONTREAL  
CANADA

Montreal, October 7th, 1948.

To the Shareholders:

Your Directors submit herewith the Annual Report of your Company for the year ended July 31st, 1948, 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 \$79,100 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, 1948, 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.

— 2 —

## DIVERSIFICATION OF INVESTMENTS

Based on Current Values as at 31st July 1948

	Bonds	Preferred Stocks	Common Stocks	Total
Public Utilities .....	.....	29.32	33.09	62.41 (A)
Pulp and Paper .....	.....	.....	21.98	21.98 (B)
Foodstuffs and Beverages .....	3.21	.25	1.52	4.98
Mining and Smelting .....	.....	.....	3.80	3.80
Oil .....	.....	.....	1.08	1.08
Textile, etc. ....	.....	.....	5.75	5.75
	3.21%	29.57%	67.22%	100.00%

PURVIS HALL  
LIBRARIES

APR 9 1955  
(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 1948*

### REVENUE

Revenue from Investments .....	\$54,640.69	
Bank Interest .....	6.28	
		\$54,646.97

### EXPENDITURE

Audit Fees .....	300.00	
General Expense .....	233.46	
Insurance .....	144.64	
Legal Expense .....	175.00	
Rent .....	25.00	
Salaries—Clerical and Secretarial .....	1,200.00	
Travelling Expense .....	23.75	
Trustee's, Transfer Agent's, Registrar's and Paying Agent's Fees .....	1,378.69	
Directors' Fees .....	1,500.00	
Debenture Interest .....	27,345.93	
Foreign Exchange on Debenture Interest paid during the year .....	20.10	
U.S. withholding tax .....	66.00	
Province of Quebec Capital Tax .....	779.16	
Provision for Income Taxes .....	361.93	
Provision for depreciation of investment securities in accordance with resolution of Directors .....	20,000.00	53,553.66
Profit for the year ended 31st July 1948 transferred to Earned Surplus Account .....		\$ 1,093.31

## STATEMENT OF EARNED SURPLUS ACCOUNT

*as at 31st July 1948*

Balance at credit 31st July 1947.....		\$100,109.26
Add:		
Reduction of Liability for Debenture Interest accrued to 31st July 1938, resulting from purchase and cancellation of 5% Debentures as at 31st July 1948 .....	\$17,797.50	
Profit from Operations for the year ended 31st July 1948.....	1,093.31	18,890.81
Balance at credit 31st July 1948.....		\$119,000.07

## STATEMENT OF CAPITAL DEFICIT ACCOUNT

*as at 31st July 1948*

Balance at debit 31st July 1947.....		\$401,910.56
Add:		
Premium on debentures purchased and cancelled .....	\$12,681.00	
Less:		
Profit resulting from sale of investment securities.....	100.00	12,581.00
Balance at debit 31st July 1948.....		\$414,491.56



# CANADIAN POWER & PAPER INVESTMENTS, LIMITED

## BALANCE SHEET

as at 31st July 1948

### ASSETS

Cash in Banks .....		\$ 25,385.91
Investments at cost:		
Bonds .....	\$ 50,500.00	
Preferred Stocks .....	646,918.00	
Common Stocks .....	3,185,677.89	
(The aggregate value of these Investments at quoted market prices at 31st July 1948 was \$1,499,769.25)		3,883,095.89
Accrued Interest on Investments .....		333.32
Prepaid Expenses:		
Insurance .....	230.38	
Taxes .....	637.50	
		867.88
Capital Deficit—as per statement attached .....	414,491.56	
Deduct:		
Earned Surplus—as per statement attached .....	119,000.07	
		295,491.49
		\$4,205,174.49

### LIABILITIES

Accounts Payable and Accrued Liabilities .....		\$ 2,327.08
Provision for Income Taxes .....		347.41
Accrued Interest on Debentures for the periods:		
1st February 1934 to 31st July 1938 .....	\$111,150.00	
1st February 1948 to 31st July 1948 .....	12,350.00	
		123,500.00
Investment Reserve .....		135,000.00
5% Thirty Year Debentures, Series "A", due 1st February 1958:		
Outstanding 31st July 1947 .....	573,100.00	
Deduct: Purchased and Cancelled during the year ended 31st July 1948 .....	79,100.00	
		494,000.00
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 2,488 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).		
		\$4,205,174.49

Approved 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 audited the accounts of Canadian Power & Paper Investments, Limited for the year ended 31st July 1948 and have obtained all the information and explanations required by us.

We certify that, in our opinion, the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the financial position of the Company as at 31st July 1948 and that the Profit and Loss and Surplus Accounts show the results from operations for the year ended the same date, according to the best of our information, the explanations given to us and as shown by the books of account of the Company.

(Signed) P. S. Ross & Sons,  
Chartered Accountants.

Montreal, 12th August 1948

CANADIAN POWER & PAPER  
INVESTMENTS, LIMITED

•  
**Annual Report**

*as at 31st July 1948*

2

*Head Office:*  
355 St. James Street West  
Montreal  
Canada