

CANADIAN POWER & PAPER INVESTMENTS, LIMITED

355 St. James Street West
MONTREAL
CANADA

Montreal, October 10th, 1947.

To the Shareholders:

Your Directors submit herewith the Annual Report of your Company for the year ended July 31st, 1947, 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 \$43,200 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, 1947, 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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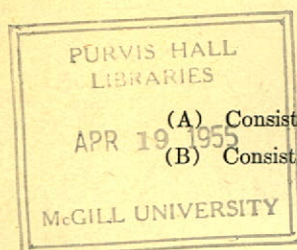
DIVERSIFICATION OF INVESTMENTS

Based on Current Values as at 31st July 1947

	Bonds	Preferred Stocks	Common Stocks	Total
Government .....	.67	.....	.....	.67
Public Utilities .....	.....	30.64	26.42	57.06 (A)
Pulp and Paper .....	.....	.....	28.63	28.63 (B)
Foodstuffs and Beverages	3.19	.30	1.68	5.17
Mining and Smelting .....	.....	.....	3.56	3.56
Oil .....	.....	.....	1.01	1.01
Textile, etc. ....	.....	.....	3.90	3.90
	3.86%	30.94%	65.20%	100.00%

(A) Consisting largely of Power Corporation of Canada, Limited.

(B) Consisting entirely of Bathurst Power & Paper Co., Limited.



CANADIAN POWER & PAPER INVESTMENTS, LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT

for the year ended 31st July 1947

REVENUE

Revenue from Investments	\$50,687.90	
Bank Interest	6.23	
		\$50,694.13

EXPENDITURE

Audit Fees	300.00	
General Expense	264.46	
Insurance	143.52	
Legal Expense	91.00	
Rent	25.00	
Salaries—Clerical and Secretarial	1,200.00	
Trustee's, Transfer Agent's, Registrar's and Paying Agent's Fees	1,426.79	
Directors' Fees	1,500.00	
Debenture Interest	29,397.28	
Foreign Exchange on Debenture Interest paid during the year	20.45	
U.S. withholding tax	64.50	
Provision for income and excess profits taxes	244.29	
Provision for depreciation of investment securities in accordance with resolution of Directors	15,000.00	49,677.29
Profit for the year ended 31st July 1947 transferred to Earned Surplus Account		\$ 1,016.84

STATEMENT OF EARNED SURPLUS ACCOUNT

as at 31st July 1947

Balance at credit 31st July 1946.....		\$ 89,372.42
Add:		
Reduction of Liability for Debenture Interest accrued to 31st July 1938, resulting from purchase and cancellation of 5% Debentures as at 31st July 1947	\$9,720.00	
Profit from operations for the year ended 31st July 1947.....	1,016.84	10,736.84
Balance at credit 31st July 1947.....		\$100,109.26

STATEMENT OF CAPITAL DEFICIT ACCOUNT

as at 31st July 1947

Balance at debit 31st July 1946.....		\$399,154.56
Add:		
Premium on debentures purchased and cancelled	\$3,051.00	
Less:		
Profit resulting from sale of investment securities.....	295.00	2,756.00
Balance at debit 31st July 1947.....		\$401,910.56

CANADIAN POWER & PAPER INVESTMENTS, LIMITED

BALANCE SHEET as at 31st July 1947

ASSETS

Cash in Banks		\$ 89,222.76
Investments at cost:		
Bonds	\$ 60,537.50	
Preferred Stocks	646,918.00	
Common Stocks	3,185,677.89	
(The aggregate value of these Investments at quoted market prices at 31st July 1947 was \$1,570,401.00)		3,893,133.39
Accrued interest on investments		456.75
Prepaid Insurance		125.02
Capital Deficit—as per statement attached	401,910.56	
Deduct:		
Earned Surplus—as per statement attached	100,109.26	
		301,801.30
		\$4,284,739.22

LIABILITIES

Accounts Payable and Accrued Liabilities		\$ 3,119.93
Provision for Income and Excess Profits Taxes.....		244.29
Accrued Interest on Debentures for the periods:		
1st February 1934 to 31st July 1938	\$ 128,947.50	
1st February 1947 to 31st July 1947	14,327.50	143,275.00
Investment Reserve		115,000.00
5% Thirty Year Debentures, Series "A", due 1st February 1958:		
Outstanding 31st July 1946.....	616,300.00	
Deduct: Purchased and Cancelled during the year ended 31st July 1947	43,200.00	573,100.00
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 2,866 shares were in the hands of transfer agent for distribution on share for share basis to holders 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 11,665-27/50 shares were outstanding in excess of present requirements for distribution under terms of Supplementary Letters Patent dated 6th September 1934).		
		\$4,284,739.22

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 1947, 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 1947 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, 4th September 1947

CANADIAN POWER & PAPER
INVESTMENTS, LIMITED



Annual Report
as at 31st July 1947



Head Office:
355 St. James Street West
Montreal
Canada