

CANADIAN POWER & PAPER INVESTMENTS, LIMITED

355 St. James Street West
MONTREAL
CANADA

Montreal, October 10th, 1946.

To the Shareholders:

Your Directors submit herewith the Annual Report of your Company for the year ended July 31st, 1946, 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 \$80,600 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, the Auditors deposited a Certificate with the Trustee to the effect that there were insufficient earnings accumulated to July 31st, 1946, 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 1946

	Bonds	Preferred Stocks	Common Stocks	Total
Government .....	.63	.....	.....	.63
Public Utilities .....	.30	28.14	28.87	57.31(A)
Pulp and Paper .....	.....	.....	27.54	27.54(B)
Foodstuffs and Beverages	2.98	.31	1.79	5.08
Mining and Smelting .....	.....	.....	3.95	3.95
Oil .....	.....	.....	1.25	1.25
Textile, Iron, Steel, Coal, etc. ....	.....	.....	4.24	4.24
	3.91%	28.45%	67.64%	100.00%

PURVIS HALL
LIBRARIES

APR 19 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 1946

REVENUE

Revenue from Investments	\$52,136.10	
Profit on Exchange	111.00	
Bank Interest	6.20	
		\$52,253.30

EXPENDITURE

Audit Fees	300.00	
General Expense	553.82	
Insurance	136.87	
Legal Expense	320.00	
Rent	40.00	
Salaries—Clerical and Secretarial	1,200.00	
Trustee's, Transfer Agent's, Registrar's and Paying Agent's Fees	1,668.98	
Directors' Fees	1,500.00	
Debenture Interest	32,563.87	
Foreign Exchange on Debenture Interest paid during the year	3,627.89	
Income Tax on Dividends received in U.S. funds and U.S. withholding tax	77.55	
Provision for income and excess profits taxes	312.87	
Provision for depreciation on investment securities in accordance with resolution of Directors	14,207.35	56,509.20
Deficit for the year ended 31st July 1946 transferred to Earned Surplus Account		\$ 4,255.90

STATEMENT OF EARNED SURPLUS ACCOUNT

as at 31st July 1946

Balance at credit 31st July 1945		\$ 75,828.47
Add:		
Reduction of Liability for Debenture Interest accrued to 31st July 1938, resulting from purchase and cancellation of 5% Debentures as at 31st July 1946		18,135.00
		93,963.47
Deduct:		
Loss from operations for the year ended 31st July 1946.....	\$4,255.90	
Income and excess profits taxes paid in respect of prior periods.....	335.15	4,591.05
Balance at credit 31st July 1946		\$ 89,372.42

STATEMENT OF CAPITAL DEFICIT ACCOUNT

as at 31st July 1946

Balance at debit 31st July 1945		\$253,835.41
Add:		
Premium on debentures purchased and cancelled		2,594.50
Loss resulting from sale of investment securities		142,724.65
		145,319.15
Balance at debit 31st July 1946		\$399,154.56

CANADIAN POWER & PAPER INVESTMENTS, LIMITED

BALANCE SHEET

as at 31st July 1946

ASSETS

Cash in Banks		\$ 113,694.13
Investments at cost:		
Bonds	\$ 65,562.50	
Preferred Stocks	646,918.00	
Common Stocks	3,185,677.89	
(The aggregate value of these Investments at quoted market prices at 31st July 1946 was \$1,669,983.25)	3,898,158.39	
Accrued interest on investments		851.75
Prepaid Insurance		253.54
Capital Deficit—as per statement attached	399,154.56	
Deduct:		
Earned Surplus—as per statement attached	89,372.42	
	309,782.14	
		\$4,322,739.95

LIABILITIES

Accounts Payable and Accrued Liabilities		\$ 2,052.08
Provision for Income and Excess Profits Taxes		312.87
Accrued Interest on Debentures for the periods:		
1st February 1934 to 31st July 1938	\$ 138,667.50	
1st February 1946 to 31st July 1946	15,407.50	154,075.00
Investment Reserve		100,000.00
5% Thirty Year Debentures, Series "A", due 1st February 1958:		
Outstanding 31st July 1945	696,900.00	
Deduct: Purchased and Cancelled during the year ended 31st July 1946	80,600.00	616,300.00
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 3,251 shares were in 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 11,628-2/50 shares were outstanding in excess of present requirements for distribution under terms of Supplementary Letters Patent dated 6th September 1934).		
		\$4,322,739.95

Approved on behalf of the Board:

J. Alderic Raymond G. W. Mitchell C. W. G. Gibson	}	Directors.
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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 1946, 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 1946 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, 23rd September 1946.

CANADIAN POWER & PAPER
INVESTMENTS, LIMITED



Annual Report
as at 31st July 1946



Head Office:
355 St. James Street West
Montreal
Canada