

CANADIAN POWER &  
PAPER INVESTMENTS  
LIMITED

ANNUAL REPORT

FOR THE YEAR ENDING

DECEMBER 31st

1931

Head Office:  
355 ST. JAMES STREET  
MONTREAL

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# Canadian Power & Paper Investments, Limited



## *Annual Report*

For the Year Ending December 31st, 1931



### OFFICERS

#### *President*

A. J. NESBITT, Montreal

#### *Vice-President*

P. A. THOMSON, Montreal

#### *Directors*

J. S. AIRD .....	Montreal
A. J. NESBITT .....	Montreal
M. A. THOMSON .....	Montreal
P. A. THOMSON .....	Montreal
JAS. B. WOODYATT .....	Montreal

#### *Secretary*

L. C. HASKELL

#### *Treasurer*

CHAS. JOHNSTONE

#### *Assistant Secretary*

V. J. NIXON

#### *Assistant Treasurer*

F. D. LAMONT

#### *Fiscal Agents*

NESBITT, THOMSON & COMPANY, LIMITED

#### *Auditors*

P. S. ROSS & SONS



*Head Office:*

CANADIAN POWER & PAPER INVESTMENTS, LIMITED

*and its Fiscal Agents*

NESBITT, THOMSON & COMPANY, LIMITED

355 St. James Street West

MONTREAL

# Canadian Power & Paper Investments, Limited

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March 14th, 1932.

TO THE SHAREHOLDERS:—

Your Directors present the following report covering the operations of your Company for the year ending December 31st, 1931. From the figures given in this report, it will be seen that Revenue from Investments for the year under review totalled \$336,941.81 against an amount of \$329,607.70 for the prior year.

After deducting expenses, interest on loans and debenture interest, a balance of \$86,843.72 remained, from which a further deduction was made of \$2,822.53, being the amount of Loss on Sale of Investments after applying the Investment Reserve which had previously been set up; this left a net balance in Income Account for the year of \$84,021.19, which has been transferred to Surplus.

During the year there was also added to the Surplus Account an amount of \$34,090.00, representing Capital Surplus on Debentures of your Corporation purchased by the Company and turned over to the Trustee for cancellation.

Prior year adjustments during the year accounted for a deduction of \$1,860.65, and dividends paid on five per cent Cumulative Preferred Shares \$104,166.68, leaving a net balance in Surplus Account at December 31st, 1931, of \$559,451.31.

The Assets of your Company consist of Cash on Hand and Security Investments made up of bonds and preferred and common stocks of public utility and industrial companies throughout Canada, the United States and Foreign countries.

The continued decline in security values has had its effect on the value of the securities held by your Company, but your Directors would again point out that this decline in value is not an actual realized loss and will, no doubt, be recovered within a reasonable time, when security values gradually work back to higher levels than those at present prevailing.

Since the close of the fiscal year, your Directors have felt it advisable to defer the quarterly dividend on the 5% Cumulative Preferred Stock of your Company. This dividend is cumulative, and as soon as conditions warrant will again be paid.

The books and accounts of your Company have been audited by Messrs. P. S. Ross & Sons, Chartered Accountants, whose certificate is attached.

Respectfully submitted on behalf of the Board.



President.

# CANADIAN POWER & PAPER INVESTMENTS, LIMITED

## *Balance Sheet as at 31st December, 1931*

ASSETS		1931	1930		1931	1930
Cash .....	\$	6,621.23	\$ 32,147.62	Call Loans .....	\$1,812,282.84	\$1,237,335.35
Investments .....		8,203,268.94	7,722,159.83	(Investments having a Book Value of \$3,646,419.41 Pledged as Collateral)		
The aggregate value of these Investments based on available Stock Exchange prices or estimated fair values at 31st December 1931 was \$2,701,739.49 less than the foregoing book value.				Accounts Payable and Accrued Liabilities .....	2,256.78	14,055.63
Accrued Revenue on Investments .....		63,317.66	66,525.39	Accrued Interest on Debentures .....	50,000.00	52,083.30
Prepaid Charges .....		783.10	842.21	Accrued Dividend on Preferred Stock .....		20,833.32
				Five Per Cent Thirty-Year Debentures, Series "A" due 1st February 1958—		
				Issued .....	\$2,500,000.00	
				Purchased and Cancelled .....	100,000.00	
					2,400,000.00	2,500,000.00
				Five Per Cent Cumulative Convertible Preferred Stock:		
				Authorized 100,000 shs. \$50. each .....	\$5,000,000.00	
				Issued 50,000 shs. \$50. each .....	2,500,000.00	2,500,000.00
				Redeemable in whole or in part, at any time after 1st January 1934, at \$52.50 per share, plus accrued and unpaid dividends to date of redemption, on 60 days notice.		
				Common Stock:		
				Authorized 250,000 shs. No Par Value.		
				Issued 100,000 shs. No Par Value .....	950,000.00	950,000.00
				Surplus .....	559,451.31	547,367.45
					\$8,273,990.93	\$7,821,675.05

Approved on behalf of the Board: A. J. NESBITT }  
 JAS. B. WOODYATT } Directors.

### AUDITORS' CERTIFICATE

To the Shareholders,  
 CANADIAN POWER AND PAPER INVESTMENTS, LIMITED,  
 Montreal.

We have audited the books of the Canadian Power and Paper Investments, Limited, for the year ended 31st December 1931, and have obtained all the information and explanations which we have required.

We certify that, in our opinion, the attached Balance Sheet at 31st December 1931 is drawn up so as to set forth a true and correct view of the financial position of the Company at that date, and that the Surplus Account reflects 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 the Company.

MONTREAL, QUE., 18th February 1932.

(Signed) P. S. ROSS & SONS,  
 Chartered Accountants.

# Canadian Power & Paper Investments, Limited



## *Profit and Loss Account*

For the Year Ended 31st December, 1931



Dividends and Interest from Investments.....		\$336,941.81
LESS: Loss on Sale of Investments.....	\$141,444.55	
Deduct Investment Reserve.....	138,622.02	
	<hr/>	2,822.53
		<hr/>
		\$334,119.28
LESS: Expenses.....	\$ 23,720.71	
Interest on Loans.....	103,460.68	
Interest on Debentures.....	122,916.70	
	<hr/>	250,098.09
		<hr/>
Transferred to Surplus Account.....		<u>\$ 84,021.19</u>



## *Surplus Account*

For the Year Ended 31st December, 1931



Balance at Credit 31st December, 1930.....		\$547,367.45
DEDUCT: Adjustments pertaining to the Year 1930.....		1,860.65
		<hr/>
		\$545,506.80
ADD: Profit as per Profit and Loss Account for the year ended 31st December, 1931.....		84,021.19
Profit arising from Purchase and Cancellation of Debentures.....		34,090.00
		<hr/>
		\$663,617.99
DEDUCT: Dividends on 5% Cumulative Preferred Shares for the period 1st January to 31st October 1931.....		104,166.68
		<hr/>
Balance at Credit 31st December, 1931.....		<u>\$559,451.31</u>

# Canadian Power & Paper Investments, Limited

## *Comparative Statement of Earnings*

For Years Ending 31st December

	1928	1929	1930	1931
Revenue . . . . .	\$144,607.09	\$275,205.63	\$329,607.70	\$336,941.81
Profits realized from Investments less appropriation to Investment Reserve . . . . .	323,900.26	241,012.45	D. 5,668.38	D. 2,822.53
	<u>468,507.35</u>	<u>516,218.08</u>	<u>323,939.32</u>	<u>334,119.28</u>
Expenses . . . . .	11,111.98	30,372.52	24,582.44	23,100.71
Interest . . . . .			20,863.77	103,460.68
Taxes . . . . .	1,750.00	1,032.18	1,517.26	620.00
	<u>12,861.98</u>	<u>31,404.70</u>	<u>46,963.47</u>	<u>127,181.39</u>
	<u>455,645.37</u>	<u>484,813.38</u>	<u>276,975.85</u>	<u>206,937.89</u>
LESS: Interest on Debentures . . . . .	101,754.05	125,000.00	125,000.00	122,916.70
Reserve for Income Tax . . . . .	25,000.00			
	<u>126,754.05</u>	<u>125,000.00</u>	<u>125,000.00</u>	<u>122,916.70</u>
	<u>328,891.32</u>	<u>359,813.38</u>	<u>151,975.85</u>	<u>84,021.19</u>
ADD: Profit arising from purchase and cancellation of Debentures . . . . .				34,090.00
	<u>328,891.32</u>	<u>359,813.38</u>	<u>151,975.85</u>	<u>118,111.19</u>
LESS: Preferred Dividends . . . . .		109,181.35	125,000.00	104,166.68
Surplus for the Year . . . . .	<u>328,891.32</u>	<u>250,632.03</u>	<u>26,975.85</u>	<u>13,944.51</u>
ADD: Previous Balance . . . . .	D. 19,448.14	A. 268,525.43	A. 520,391.60	A. 545,506.80
Surplus Carried Forward . . . . .	<u>\$309,443.18</u>	<u>\$519,157.46</u>	<u>\$547,367.45</u>	<u>\$559,451.31</u>

A. Adjusted.

D. Deficit.

