

There has been declared out of the net profits, three quarterly dividends of one and one-quarter per cent., aggregating \$239,018.71, leaving the sum of \$216,350.51 to be carried forward.

The total expenditure on capital account during the year amounted to \$1,490,922.30, which has been devoted to works under construction, and the purchase of additional plant and equipment.

#### Railway Department.

During the year the conversion of the mule lines was continued, there being but a short portion of the Oriente line to complete same, on which there is one mule car running.

On December 25th last, an agreement modifying the contract between the Government and the Santo Amaro Railway (Steam Line) was executed, permitting the conversion of the greater portion of said railway into electric, the conversion of which will effect a large saving in the operating expenses of this branch of the company's system.

#### Light and Power Department.

At the close of the year there were on the company's register 3,334 customers using 21,240 incandescent and 505 arc lamps, with 101 power customers with whom contracts have been made to supply in the aggregate 1,667 horsepower.

The year 1902 has been a most remarkable year for testing the efficiency of the hydraulic plant at Parnahyba. The month of July was the driest month known in many years, in fact since the Government started keeping meteorological statistics. During the month of October, the rainfall was the heaviest known. At a period during the wet season the flow of the river was abnormal, and the water passed over the crest of the dam at a depth of over four feet without showing the slightest injurious effect.

An audit of the books of the company has been made from its inception and the certificate of the auditors will be found attached to the balance sheet. Respectfully submitted,

WM. MACKENZIE,

Toronto, 11th April. 1903.

President.

#### President's Remarks.

In moving the adoption of the report now presented for your approval I do so with unusual pleasure, in view of the remarkable success of this undertaking, as shown by the figures therein, which figures fully substantiate the predictions made some time ago as to the company's prospects. And I feel satisfied, now that the new generator is in position, and No. 2 feeder pipe complete, and, judging from reports thus far received this year, which show an increase in our net income of over \$54,000, being at the rate of 3 per cent. on the capital, as compared with the corresponding quarter of previous year, that the year 1903 will show a remarkable increase over 1902.

#### EARNINGS AND OPERATING EXPENSES FOR YEAR ENDING DEC. 31ST, 1902.—(Brazilian Currency).

	Gross Income. Reis.	Operating Expenses. Reis.	Net Income. Reis.	Op. Exp. %
Railway ..	3,642,817 \$055	1,344,394 \$951	2,298,422 \$104	36.9
Light and power ...	1,007,583 \$583	385,777 \$042	621,806 \$541	38.2
	<u>4,650,400 \$638</u>	<u>1,730,171 \$993</u>	<u>2,920,228 \$645</u>	

Converted at  
average ex-  
change for  
year 4.14= \$1,123,285 71      \$417,915 95      \$705,369 22      37.2

#### INCOME ACCOUNT.

Net income for the year, after deducting all ex-  
penses and fixed charges .....\$455,369 22  
Appropriated as follows:

#### Quarterly Dividends—

No. 1, paid 1st July, 1902 ..\$75,000 00

No. 2, paid 1st Oct., 1902 .. 79,638 43

No. 3, paid 1st Jan., 1903 .. 84,380 28

—\$239,018 71

#### Surplus—

To profit and loss account ..... 216,350 51  
—\$455,369 22

#### BALANCE SHEET, YEAR ENDING DEC. 31ST, 1902.

Brazilian Currency Converted to Canadian at Average Rate  
of Exchange for Year.

#### Assets.

Hydraulic plant, transmission lines, railway, real  
estate and buildings, etc. ....\$12,579,673 78  
Stores in hand ..... 363,836 34

Accounts receivable ..... 136,392 15  
Cash on hand ..... 222,200 22

\$13,302,102 49

Verified,

CLARKSON & CROSS,

Auditors.

#### Liabilities.

Capital stock .....\$ 6,757,540 00  
Bonds sold ..... 4,129,000 00  
Advances on bonds ..... 1,584,518 99  
Accrued interest charges ..... 32,597 13  
Accounts and wages payable ..... 103,392 19  
Unredeemed tickets ..... 2,523 50  
Dividend No. 3 ..... 84,380 28  
Suspense exchange ..... 106,115 21  
Profit and loss account at Dec. 31, 1901 \$285,684 68  
Surplus, 1902 ..... 216,350 51  
502,035 19

Balance, December 31st, 1902 .....\$13,302,102 49

Correct,

J. M. SMITH,

Secretary-Treasurer.

#### COMPARATIVE STATEMENT.

Earnings and Operating Expenses for Years 1901 and 1902,  
Converted into Canadian Currency at Average Rate of  
Exchange for Each Year.

	1902.	1901.	Increase.
Gross Earnings—			
Railway ... ..	\$879,907 49	\$630,282 45	\$249,625 04
Light and power ..	243,377 68	119,394 18	123,983 50
Total ... ..	<u>\$1,123,285 17</u>	<u>\$749,676 63</u>	<u>\$373,608 54</u>
Operating Expense—			
Railway ... ..	\$324,733 09	\$393,071 24	* \$ 68,338 15
Light and power ..	93,182 86	93,648 14	* 465 28
	<u>\$417,915 95</u>	<u>\$486,719 38</u>	<u>* \$ 68,803 43</u>
Net Income—			
Railway ... ..	\$555,174 40	\$237,211 24	\$317,963 19
Light and power ..	150,194 82	25,746 04	124,448 78
	<u>\$705,369 22</u>	<u>\$262,957 25</u>	<u>\$442,411 97</u>
Percentage of operating expenses to earnings..	37.2%	64.9%	*27.7%

\* Decrease

#### Auditors' Certificate.

We have audited the books and accounts of the Sao Paulo Tramway, Light and Power Company at the head office in Toronto, Canada, from its inception in June, 1899, to 31st December, 1902, and hereby certify that all disbursements have been satisfactorily vouched and recorded. We have also audited the returns from the office at Sao Paulo of their operations, and find the result thereof to be correctly stated in the accompanying report.

Toronto, 9th April, 1903.

CLARKSON & CROSS.

The following gentlemen were elected as directors for the ensuing year: Wm. Mackenzie, Frederic Nicholls, Hon. Geo. A. Cox, E. R. Wood, Alexander Mackenzie, J. H. Plummer, F. S. Pearson, H. M. Pellatt, A. W. Mackenzie.

At a subsequent meeting of the directors, the following officers were elected: Wm. Mackenzie, president; Frederic Nicholls and Alexander Mackenzie, vice-presidents.

#### CLEARING HOUSE FIGURES.

The following are the figures for Canadian clearing houses for the week ended with Thursday, April 16, 1903, compared with those of the previous week.

CITIES	April 16, 1903	April 9, 1903
Montreal ..	\$14,390,653	\$19,830,065
Toronto ..	11,040,088	17,185,467
Winnipeg ..	3,459,508	3,721,346
Halifax ..	1,441,489	1,493,570
Hamilton ..	896,423	900,166
St. John ..	751,417	818,934
Vancouver ..	999,597	1,249,274
Victoria ..	282,511	433,422
Quebec ..	1,158,275	1,446,400
Ottawa ..	1,532,531	2,183,290
London ..	716,950	874,756
	<u>\$36,669,462</u>	<u>\$50,686,690</u>