

MONTREAL LIGHT, HEAT AND POWER CONSOLIDATED

EIGHTH ANNUAL REPORT

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MONTREAL LIGHT, HEAT AND
POWER
CONSOLIDATED

EIGHTH ANNUAL REPORT

1924

MONTREAL LIGHT, HEAT AND POWER CONSOLIDATED

NOTICE OF MEETING

The Annual General Meeting of Shareholders of Montreal Light, Heat & Power Consolidated will be held at the Company's Offices, Room 319, Power Building, Montreal, Que., on

Wednesday, the 4th day of February, 1925,

at twelve o'clock noon, for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said meeting.

The Transfer Books of the Company will be closed from February 3rd to February 5th, 1925, both days inclusive.

By order of the Board,

C. S. BAGG,
Secretary-Treasurer.

MONTREAL, January 21st, 1925.

DIRECTORS

SIR HERBERT S. HOLT President.
J. S. NORRIS Vice-President.

J. E. ALDRED

SIR H. MONTAGU ALLAN, C.V.O.

GEORGE CAVERHILL

SIR LOMER GOUIN, K.C.M.G.

CHAS. R. HOSMER

T. B. MACAULAY

G. H. MONTGOMERY, K.C.

HIS HONOUR NARCISSE PERODEAU
Lieutenant-Governor Province of Quebec

HON. H. B. RAINVILLE

R. M. WILSON

C. S. BAGG Secretary-Treasurer.

G. R. WHATLEY Asst. Secretary-Treasurer

EIGHTH ANNUAL REPORT

MONTREAL LIGHT, HEAT AND POWER CONSOLIDATED

OPERATING

The Montreal Light, Heat & Power Co., The Montreal Gas Co., The
Cedars Rapids Manufacturing & Power Co., The Royal
Electric Co., Lachine Rapids Hydraulic and Land
Co., Provincial Light, Heat & Power Co.,
Standard Light & Power Co., etc.

REPORT

OF THE

PRESIDENT AND DIRECTORS

Submitted at the 8th Annual Meeting of the Shareholders, held
on Wednesday, February 4th, 1925.

TO THE SHAREHOLDERS:

Your Directors beg to submit the following Report and
Financial Statement of the Company's operations for fiscal
year ended December 31st, 1924:

Gross Revenue.....	\$17,394,091.97
Expenses:	
Operating.....	\$6,847,884.11
Taxes.....	1,136,608.52
Depreciation and Renew- al Reserve.....	1,739,409.19
	9,723,901.82
Net Revenue.....	\$ 7,670,190.15
Fixed Charges.....	1,209,778.39
	6,460,411.76
Net Income.....	\$ 6,460,411.76
Dividends Paid.....	\$3,770,642.09
Dividend Accrued.....	754,261.66
	4,524,903.75
Surplus.....	\$ 1,935,508.01
Less appropriated for:	
Insurance Reserve.....	\$ 150,000.00
Pension Fund.....	20,000.00
	170,000.00
Transferred to General Surplus.....	\$ 1,765,508.01

REVENUE

The Gross and Net Revenues and Surplus Earnings show substantial and satisfactory increases over the previous year, notwithstanding the industrial depression that prevailed during the period and the liberal reduction made in rates for service in the early part of the year. The increase in revenues is solely accounted for by additional business, including that of the Quebec-New England Hydro-Electric Corporation acquired during the year; incidentally the additional business indicates the continued growth of the city and suburbs.

OPERATIONS

There has been little or no relief in operating conditions, and the costs for equipment, supplies and labour are still abnormally high. There has been a slight reduction in the cost of coal at the mines, notwithstanding the present cost of coal delivered is still 75% above pre-war costs, while the cost of gas oil and the rates for labour are upwards of 100% higher than those prevailing prior to 1915; this has particular reference to gas operations.

The taxation of your Company is excessively heavy and openly discriminatory, as our operations are subject to heavy Federal Income Taxes, whereas the Provincial and Municipal undertakings of Ontario, although on a similar commercial basis, not only enjoy immunity from Provincial and Municipal taxation, but under the Federal law are exempted entirely from Income taxation. These taxes unfavourably handicap Montreal and the Province of Quebec and retard the attraction of new industries.

The continued increase in disbursements for taxes—Municipal, Provincial and Federal—reflect the national situation with respect to the present habit of lavish expenditures by governmental agencies. It is a question that calls for serious individual thought when a business such as yours

furnishing public necessities is called upon to disburse in taxes the sum of \$1,136,608.52, upwards of seventeen per cent. of the Company's Net Income.

DEPRECIATION

The policy of your Directors in this respect has continued on lines that are recognized as sound and reasonable and in the interests of both shareholders and consumers. The regular appropriation for the year has been credited to Depreciation Account and an amount of \$933,740.71 has been charged to the account to partially take care of depreciated and discarded plant of our various subsidiary companies.

This, with other reserves, is invested in productive plant, thus being employed as capital on which no dividends or interest charges have to be paid.

FINANCIAL

Regular quarterly dividends have been declared and paid on the stock of the Company at the rate of 7% per annum.

There were redeemed during the year \$58,000.00 of mortgage debt, as constituted by \$30,000.00 of the Montreal Light, Heat & Power Company's Lachine Division Sinking Fund bonds and \$28,000.00 of Provincial Light, Heat & Power Company's Sinking Fund bonds.

ADDITIONS AND BETTERMENTS

During the year there have been numerous and considerable additions to generation and distribution systems of both Gas and Electric Departments in order to meet the demand for service consequent upon the rapid development of the city and suburbs; these additions represent no less a sum than \$3,251,666.67. Notable amongst these additions are the completion of the two final hydro-electric units at our Cedars Rapids Plant, 8,000,000 cubic feet per diem additional

gas generating and subsidiary equipment at our Lasalle Plant and upwards of 50 miles of gas distributing mains. These mains are in new territory, and while unproductive in part at present, are hopeful for the future, meantime extending an essential utility to many people heretofore without service of the kind.

As intimated, we have acquired the business of the Quebec-New England Hydro-Electric Corporation, constituting about fifteen thousand electric consumers, operating in the same territory as your Company with parallel lines and sub-stations—a duplication unnecessary and unwarranted. This absorption, like past consolidations, will ultimately accrue to the benefit of the public by the elimination of waste and duplication; incidentally it will clear the streets of a lot of unnecessary poles and wires.

RATES

It will be pleasing to the Shareholders, as it is to the Directors, to know that your Company enjoys an unrivalled position for minimum rates in respect of both gas and electricity throughout the Continent of America—the more remarkable when it is considered, on the one hand, that we are farther afield than others from the source of our raw materials, involving long freights and import duties, and on the other hand, that our climate from the standpoint of adverse operating conditions during the winter has no parallel.

It has always been our policy to share our prosperity with our consumers as conditions warranted, and your Directors are hopeful that with the expected revival of trade they will soon be able to make further reduction in rates.

PROPERTIES AND PLANT

The properties and plant of the Company and its subsidiaries have been maintained in the same high state of efficiency as heretofore.

AUDIT OF ACCOUNTS

The accounts of the Company have been audited by Messrs. P. S. Ross & Sons, Chartered Accountants, of Montreal, and their certificate is appended hereto.

Submitted on behalf of the Directors,

H. S. HOLT,
President.

MONTREAL, January 21st, 1925.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1924

ASSETS

Stocks, Bonds and Interests in other Corporations.....	\$60,426,012.70	
Advances to Subsidiary Com- panies.....	12,653,360.69	
	<hr/>	\$73,079,373.39

CURRENT ASSETS

Investment Securities.....	\$ 8,100,880.81	
Bills and Accounts Receivable	1,257,788.17	
Supplies.....	1,624,410.17	
Cash on Hand and in Bank..	2,291,690.48	
	<hr/>	\$13,274,769.63
		<hr/>
		<u>\$86,354,143.02</u>

Audited and Verified,

P. S. ROSS & SONS,
Chartered Accountants.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1924

LIABILITIES

Capital Stock.....	\$64,651,000.00	
Reserves, inc. Subsidiary Companies:		
Insurance.....	641,956.30	
Contingent.....	534,002.87	
Depreciation and Re- newal.....	9,116,486.68	
	<hr/>	\$74,943,445.85

CURRENT LIABILITIES

*Accounts Payable.....	\$ 1,940,067.64	
Customers' Deposits.....	564,878.21	
Accrued Interest on Bonds..	42,581.32	
General Suspense Account..	637,826.60	
Dividend Accrued.....	754,261.66	
	<hr/>	\$ 3,939,615.43
		<hr/>
		\$78,883,061.28
Surplus Jan. 1st, 1924.....	\$ 6,331,811.55	
Less Income Taxes Paid....	626,237.82	
	<hr/>	
Balance.....	\$ 5,705,573.73	
Add Surplus for Year.....	1,765,508.01	
	<hr/>	\$ 7,471,081.74
		<hr/>
		<u>\$86,354,143.02</u>

*Including provision for Income Tax.

Approved on behalf of the Directors,

H. S. HOLT, President.

J. S. NORRIS, Vice-President.

**P. S. ROSS & SONS,
CHARTERED ACCOUNTANTS,
MONTREAL**

MONTREAL, January 21st, 1925.

To the President and Directors of

Montreal Light, Heat and Power Consolidated,

Montreal.

GENTLEMEN:

We beg to report having audited the financial transactions of your Company for year ended December 31st, 1924, and have verified the following statements, viz.:

1. Revenue Accounts.
2. Assets and Liabilities.
3. Investment Securities.

We have carefully followed up the Revenue Accounts for the year and find them to be correctly recorded, and have seen satisfactory vouchers for the Disbursements.

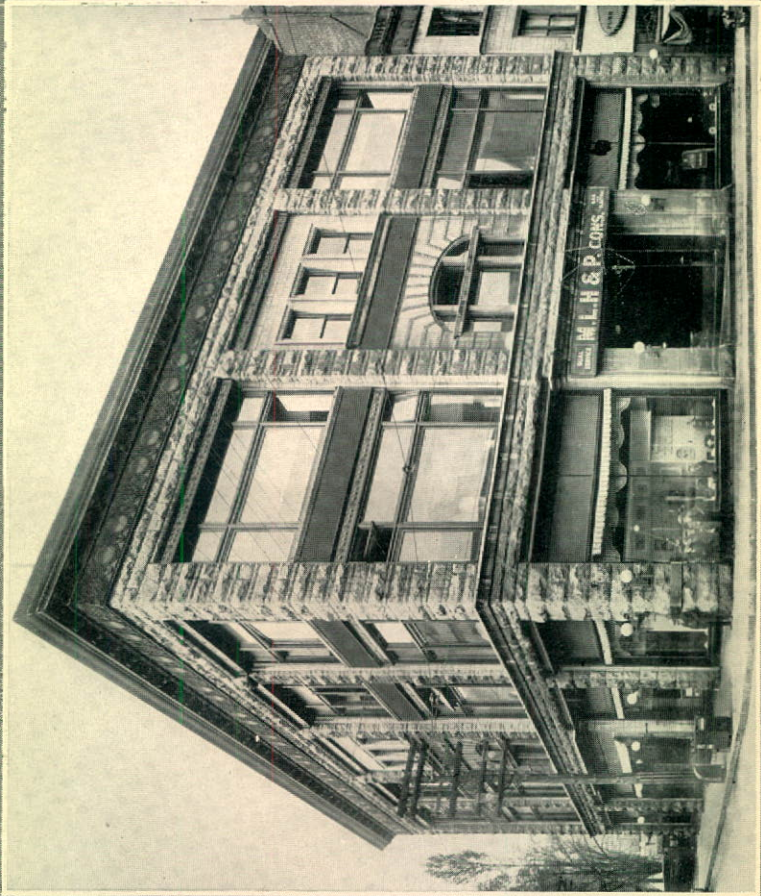
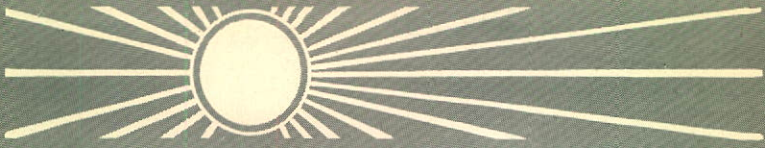
The Bank and Cash balances have been verified by us as of December 31st, 1924.

The inventories of Material and Stock on Hand have been certified by your Storekeeper, and have been accepted by us as correct.

We have obtained all information and explanations that we have asked, and all the requirements of our audit have been complied with.

Respectfully submitted,

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



UPTOWN POWER BUILDING



