

MONTREAL LIGHT, HEAT AND POWER CONSOLIDATED

FIFTH ANNUAL REPORT

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POWER BUILDING—HEAD OFFICE

MONTREAL LIGHT, HEAT AND
POWER
CONSOLIDATED

FIFTH ANNUAL REPORT

1921

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 317, Power Building, Montreal, Que., on

Thursday, the 2nd day of February, 1922,

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.

A Special General Meeting of the Shareholders of the Company will be held immediately after the adjournment of the Annual General Meeting for the purpose of approving a by-law adopted by the Directors of the Company increasing the number of Directors.

The Transfer Books of the Company will be closed from February 1st to February 3rd, 1922, both days inclusive.

By order of the Board,

C. S. BAGG,

Secretary-Treasurer.

MONTREAL, January 19th, 1922.

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.
HON. NARCISSE PERODEAU
HON. H. B. RAINVILLE
R. M. WILSON

C. S. BAGG Secretary-Treasurer.
G. R. WHATLEY Asst. Secretary-Treasurer.

FIFTH 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 & Land Co., Provincial
Light, Heat & Power Co., Standard
Light & Power Co.

REPORT

OF THE

PRESIDENT AND DIRECTORS

Submitted at the 5th Annual Meeting of the Shareholders, held
on Thursday, February 2nd, 1922.

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, 1921:

Gross Revenue.....	\$13,289,964.65
Expenses and Taxes.....	\$6,549,933.46
Depreciation & Renewal Reserve	1,328,996.46
	7,878,929.92
Net Revenue.....	\$ 5,411,034.73
Fixed Charges.....	1,188,292.92
	\$ 4,222,741.81
Net Income.....	\$ 4,222,741.81
Dividends Paid.....	\$2,689,740.42
Dividend Accrued (not declared)	537,948.33
	3,227,688.75
Surplus.....	\$ 995,053.06
Less appropriated for Pensions.....	20,000.00
	\$ 975,053.06
Transferred to General Surplus, subject to Income Tax.....	\$ 975,053.06

REVENUE

The Gross and Net Revenues and Surplus Earnings show substantial increases over the previous year and reflect in some measure recovery from the period of "restricted rates and unrestricted costs" that your Company, in common with all other public utility companies, has been operating under during and since the war. The recovery is gratifying so far as it goes, but we continue to suffer in our Gas Department where the revenues are still insufficient to adequately meet expenses. The principal trouble is that the rate for gas is too low, but it is to be hoped that improved conditions will enable us to carry on without increasing the present rate.

The costs for equipment, supplies and labour are still abnormally high and must be considerably further reduced before we can expect normal operating conditions.

Taxation is more burdensome than ever and is in certain respects discriminatory against our consumers, 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 Municipal taxation, but under the Federal law are exempted entirely from Income taxation. We have also had to pay a heavy Municipal surtax, which is unheard of elsewhere. These taxes unfavourably handicap Montreal and the Province of Quebec and retard the attraction of new industries.

It is to be hoped that the above unfair conditions will not unduly delay our adopted policy of sharing our prosperity with our consumers by reducing rates as circumstances warrant.

Meantime 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, and on the other hand that our climate from the standpoint of adverse operating conditions has no parallel, except possibly Scandinavia.

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 appropriation for the year amounting to \$1,328,996.46 has been credited to Depreciation Account and an amount of \$873,437.42 has been charged to the account to partially take care of depreciated and discarded plant of our various subsidiary companies, as represented by the securities that we hold in these corporations.

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

During the year regular quarterly dividends have been, declared and paid on the stock of the Company at the rate of 5% per annum.

There was redeemed during the year \$544,666.67 of mortgage debt, as constituted by \$486,666.67 of matured bonds of Montreal Gas Company, \$34,000.00 of the Montreal Light, Heat & Power Company's Lachine Division Sinking Fund bonds and \$24,000.00 of Provincial Light, Heat & Power Company's sinking fund bonds.

There were issued from escrow \$487,000.00 of the Montreal Light, Heat & Power Company's Collateral Trust 4½% mortgage bonds due 1932 against retirement of the Montreal Gas Company's bonds as mentioned. These escrow bonds were added to those in our Investment Securities Account and are available for sale when required.

ADDITIONS AND BETTERMENTS

The additions to the Lasalle Gas Works, which were under construction and referred to at the time of our last Annual Report, have since been completed and inaugurated.

The installation of the two additional hydro-electric units and the involved extensions to Power and Transformer

Houses at Cedars and transmission system, which were under construction and referred to at the time of our last Report, have been completed with the exception of the generators which have been delayed on account of the failure of the contractors to meet their schedule. It is expected, however, that the generators will be completed in the course of the next couple of months. With this installation the Cedars Plant is complete for 160,000 H.P. with provision for 60,000 H.P. additional capacity involving hydro-electric equipment only.

During the coming year we will have considerable capital outlay for cables to equip the underground conduit system as extended into new territory, as well as for ordinary extensions and reinforcements to our gas and electric distributing systems.

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, as evidence of which there was expended during the year on Maintenance Account \$697,886.36. which, with the appropriation for Depreciation and Renewal Reserve, as noted, represents a total expenditure and provision in this connection of \$2,026,882.82.

BOARD OF DIRECTORS

During the year Sir Lomer Gouin, K.C.M.G., was appointed to the Board of Directors of the Company.

A Special General Meeting of the Shareholders will be held subsequent to this Meeting to ratify amendment to our by-laws increasing the number of Directors from eleven to twelve.

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 19th, 1922.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1921.

□

ASSETS

Stocks, Bonds and Interests in other Corporations.....	\$62,896,361.47	
Advances to Subsidiary Com- panies.....	6,751,863.34	
Property and Plant Invest- ment.....	223,767.18	
	<hr/>	\$69,871,991.99

CURRENT ASSETS

Investment Securities.....	\$ 4,273,838.66	
Bills Receivable.....	186,196.13	
Accounts Collectible.....	1,142,687.88	
Stores.....	315,286.60	
Coal, Coke, Tar, etc.....	1,290,079.92	
Cash on Hand and in Bank..	2,338,507.11	
	<hr/>	9,546,596.30
		<hr/>
		<u>\$79,418,588.29</u>

Audited and Verified,
P. S. ROSS & SONS,
Chartered Accountants.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1921.

□

LIABILITIES

Capital Stock.....	\$64,553,800.00	
Reserves, inc. Subsidiary Com- panies:		
Insurance.....	491,956.30	
Contingent.....	374,304.36	
Depreciation and Re- newal.....	7,234,233.57	
		<hr/>
		\$72,654,294.23

CURRENT LIABILITIES

Accounts Payable.....	\$ 1,691,927.95	
Customers' Deposits.....	342,181.81	
Accrued Interest on Bonds...	44,130.63	
General Suspense Account....	692,214.00	
Dividend Accrued (not de- clared).....	537,948.33	
		<hr/>
		\$ 3,308,402.72
		<hr/>
		\$75,962,696.95

Surplus Jan. 1st, 1921.....	\$ 3,243,652.70	
Less Income Taxes paid.....	762,814.42	
		<hr/>
Balance.....	\$ 2,480,838.28	
Add Surplus for Year.....	975,053.06	
		<hr/>
Total Surplus (subject to Income Taxes)		\$ 3,455,891.34
		<hr/>
		\$79,418,588.29
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Approved on behalf of the Directors,
H. S. HOLT, President.
J. S. NORRIS, Vice-President.

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

MONTREAL, January 19th, 1922.

To the President and Directors of

**Montreal Light, Heat & Power Consolidated,
Montreal.**

GENTLEMEN:

We beg to report having audited the financial transactions of your Company for year ended December 31st, 1921, 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.

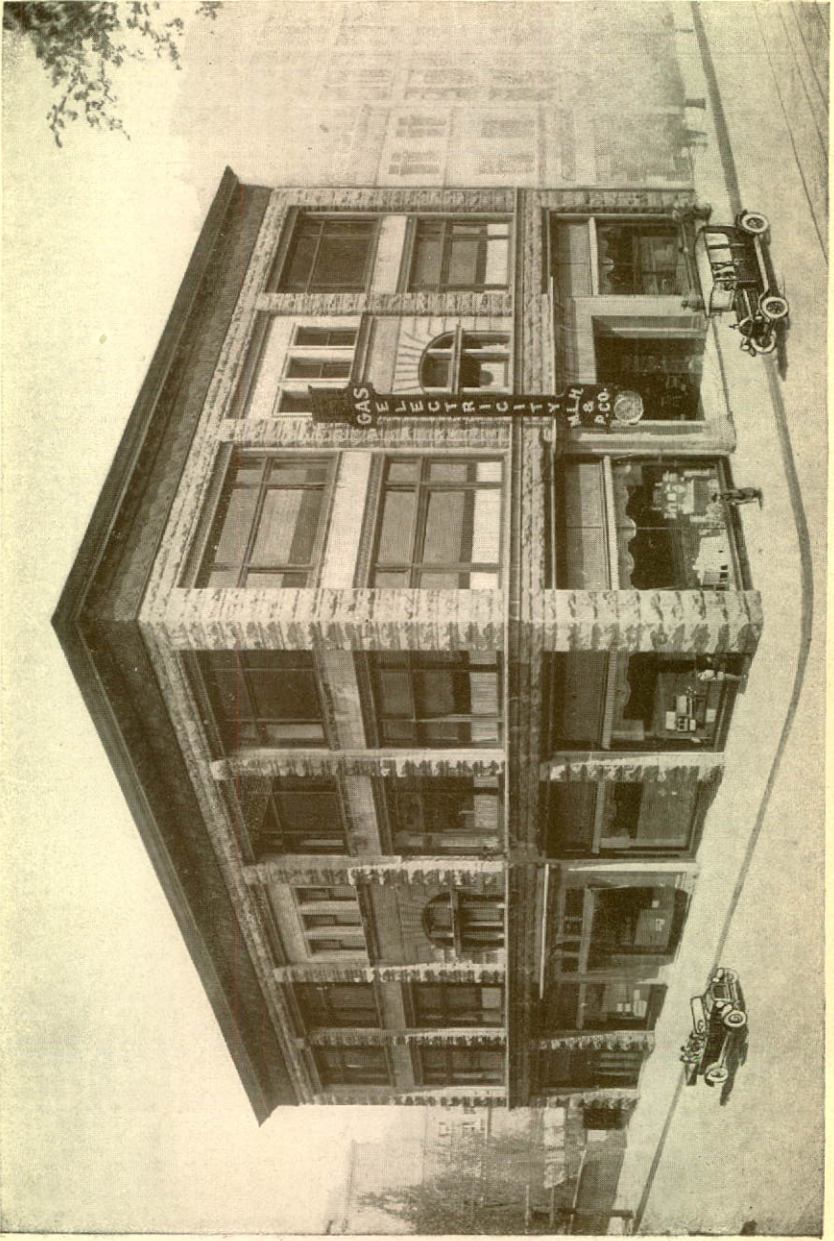
The Bank and Cash balances have been verified by us as of December 31st, 1921.

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

