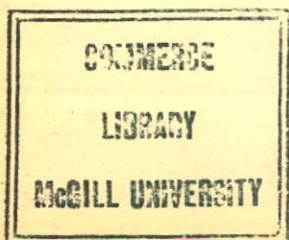


**MONTREAL LIGHT, HEAT AND POWER
CONSOLIDATED**

FOURTH ANNUAL REPORT

1920



Pres. Direct APR 11 '44



POWER BUILDING—HEAD OFFICE

MONTREAL LIGHT, HEAT AND
POWER
CONSOLIDATED

FOURTH ANNUAL REPORT

1920

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 3rd Day of February, 1921,

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 2nd to February 4th, 1921, both days inclusive.

By Order of the Board,

C. S. BAGG,

Secretary-Treasurer.

MONTREAL, January 20th, 1921.

DIRECTORS

SIR HERBERT S. HOLT	: President.
J. S. NORRIS	Vice-President.
J. E. ALDRED	
SIR H. MONTAGU ALLAN, C.V.O.	
GEORGE CAVERHILL	
C. 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

FOURTH ANNUAL REPORT
MONTREAL LIGHT, HEAT AND POWER
CONSOLIDATED

OPERATING

The Montreal Light, Heat & Power Co., The Cedars Rapids Manufacturing
& Power Co., The Royal Electric Co., The Montreal Gas Co.,
Lachine Rapids Hydraulic & Land Co., Provin-
cial Light, Heat & Power Co.,
Standard Light & Power Co.

REPORT

OF THE

PRESIDENT AND DIRECTORS

Submitted at the 4th Annual Meeting of the Shareholders, held
on Thursday, February 3rd, 1921.

TO THE SHAREHOLDERS:

Twenty months have elapsed since the last report of your Directors as a consequence of the change in the fiscal year of the Company enacted by the Shareholders at their last General Meeting.

For the purpose of simplicity and to permit of future comparisons, your Directors have divided the lapsed period into two parts—(a) eight months ended December 31st, 1919, (b) twelve months ended December 31st, 1920.

Surplus revenue resulting from operations of the eight months period, after full provision for expenses and depreciation as well as fixed charges and dividends for the period, has been transferred to the Surplus Account; this disposes of the eight months period, leaving only the twelve months period for your Directors to deal with in detail.

The result of operations for the twelve months ended December 31st, 1920, was as follows:

Gross Revenue.....	\$12,748,409.77
Expenses and Taxes.....	\$6,810,286.82
Depreciation & Renewal Reserve	1,055,166.52
	<hr/>
	7,865,453.34
Net Revenue.....	\$ 4,882,956.43
Fixed Charges.....	1,078,449.86
	<hr/>
Net Income.....	\$ 3,804,506.57
Dividends Paid.....	\$2,683,443.34
Dividend Accrued (not declared)	537,295.83
	<hr/>
	3,220,739.17
Surplus.....	\$ 583,767.40
Less appropriated for Pensions.....	20,000.00
	<hr/>
Transferred to General Surplus, subject to Income Tax.....	\$ 563,767.40

REVENUE

The costs for equipment, supplies and labour show further marked advances for the year, and the ratio of expenses to earnings has been adversely affected. This results from "restricted rates and unrestricted costs" to which public utility companies are peculiarly subject, and in the case of your Company reflects, amongst other things, abnormal costs for Municipal, Provincial and Federal taxes, which are becoming increasingly onerous and burdensome for our consumers.

This condition is emphasized in the operation of our Gas Department, where, notwithstanding increased rates accorded in August last by the Quebec Public Service Commission upon application of the Company, the revenues are still insufficient to adequately meet the expenses of the department, disregarding interest on the millions of money invested in this branch of our business, and it will be obvious to both consumers and shareholders that unless this condition rights itself in the near future, it may be necessary to further increase gas rates, as has already been done to a marked

degree (and in some cases repeatedly) by practically all other gas undertakings throughout Canada and the United States.

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 that we are farther afield than others from the source of our raw materials in the United States, involving relatively heavy and constantly increasing transportation costs also the payment of customs duties and adverse exchange on Canadian currency, to which, of course, similar United States companies are not subject; exchange alone amounted to **\$273,180.30** for the year.

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 **\$1,055,166.52**, has been credited to Depreciation Account, and an amount of **\$1,219,674.45** has been charged to the account to take care of depreciated and discarded plant of our various subsidiary companies, as represented by the securities that we hold in these corporations.

This and other reserves are 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 for sinking fund purposes in accordance with the mortgages securing the respective issues **\$56,000.00** of mortgage debt, as constituted by **\$33,000.00** of The Montreal Light, Heat & Power Company's Lachine Division Sinking Fund Bonds and **\$23,000.00** of Provincial Light, Heat & Power Company Sinking Fund Bonds.

ADDITIONS AND BETTERMENTS

The constantly increasing demand for electricity has necessitated the extension of the Company's hydro-electric development at Cedars, notwithstanding the high cost of the work at this time. The work comprises two additional units of 10,800 H.P. each and involves extensions to Power and Transformer Houses and transmission system. With the additional two units, prospected for completion in the fall of this year, the Company will have 150,000 H.P. nominal capacity available at this plant.

The present extension in comparison with the original installation, as inferred, will be relatively costly on account of the prevailing high prices for equipment, supplies and labour, but your Directors were compelled to undertake the work in order to maintain the plant reserves of the Company in this department.

The demand for gas is likewise increasing, evidently due to the scarcity and high price of coal, compelling your Directors to undertake the installation of additional retort capacity and subsidiary plant at Lasalle Gas Works equivalent to 2,000,000 cubic feet per diem and prospected for completion next midsummer.

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 \$722,829.74, which, with the appropriation for Depreciation and Renewal Reserve, as noted, represents a total expenditure and provision in this connection of \$1,777,996.26.

BOARD OF DIRECTORS

The vacancy on the Board created by the resignation of Mr. Arthur V. Davis was filled by the appointment of Mr. R. M. Wilson, Chief Electrical Engineer of the Company.

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 20th, 1921.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1920.

□

ASSETS

Stocks, Bonds and Interests in other Corporations	\$63,495,650.00	
Advances to Subsidiary Com- panies	4,712,485.53	
Property and Plant Invest- ment	223,767.18	
	<hr/>	\$68,431,902.71

CURRENT ASSETS

Investment Securities	\$ 4,642,632.54	
Bills Receivable	228,542.74	
Accounts Collectible	1,532,926.16	
Stores	323,622.05	
Coal, Coke, Tar, etc.	924,582.90	
Cash on Hand and in Bank . .	2,222,324.67	
	<hr/>	9,874,631.06
		<hr/>
		<u>\$78,306,533.77</u>

Audited and Verified,

P. S. ROSS & SONS,
Chartered Accountants.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

December 31st, 1920.

□

LIABILITIES

Capital Stock.....	\$64,475,500.00	
Reserves, inc. Subsidiary Companies:		
Insurance.....	384,248.25	
Contingent.....	374,304.36	
Depreciation and Re- newal.....	6,778,674.53	
	<u> </u>	\$72,012,727.14

CURRENT LIABILITIES

Accounts Payable.....	\$ 1,518,634.04	
Customers' Deposits.....	275,542.94	
Accrued Interest on Bonds...	45,292.32	
General Suspense Account...	673,388.80	
Dividend Accrued (not de- clared).....	537,295.83	
	<u> </u>	\$ 3,050,153.93
		<u> </u>
Surplus Account subject to Income Tax		\$75,062,881.07
		3,243,652.70
		<u> </u>
		<u> </u>
		\$78,306,533.77

Approved on behalf of the Directors,

H. S. HOLT, President.

J. S. NORRIS, Vice-President.

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

MONTREAL, January 20th, 1921.

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 twenty months ended December 31st, 1920, 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 period and find them to be correctly recorded, and have seen satisfactory vouchers for the Disbursements.

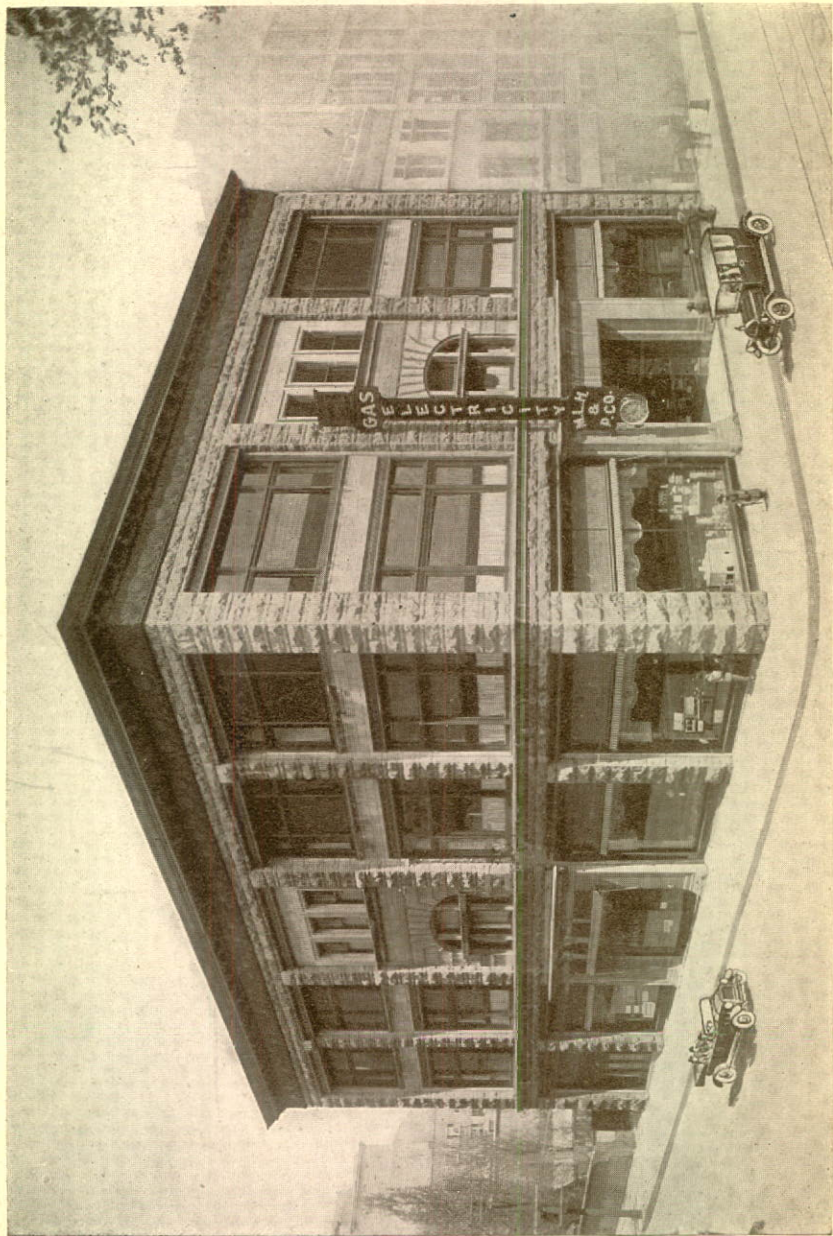
The Bank and Cash balances have been verified by us as of December 31st, 1920.

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

