

**MONTREAL LIGHT, HEAT AND POWER
CONSOLIDATED**

THIRD ANNUAL REPORT

McGill University
School of Commerce
Library

1919

Pres. Direct APR 11'44

McGill University
School of Commerce
Library



POWER BUILDING—HEAD OFFICE

MONTREAL LIGHT, HEAT AND
POWER
CONSOLIDATED

THIRD ANNUAL REPORT

1919

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 5th Day of June, 1919,

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 June 4th to June 5th, 1919, both days inclusive.

By Order of the Board,

C. S. BAGG,
Secretary-Treasurer.

MONTREAL, May 21st, 1919.

DIRECTORS

SIR HERBERT S. HOLT	President.
J. S. NORRIS	Vice-President.
J. E. ALDRED		
SIR H. MONTAGU ALLAN, C.V.O.		
GEORGE CAVERHILL		
ARTHUR V. DAVIS		
C. R. HOSMER		
T. B. MACAULAY		
G. H. MONTGOMERY, K.C.		
HON. NARCISSE PERODEAU		
HON. H. B. RAINVILLE		
C. S. BAGG	Secretary-Treasurer
G. R. WHATLEY	Asst. Secretary-Treasurer

THIRD 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 3rd Annual Meeting of the Shareholders, held
on Thursday, June 5th, 1919.

TO THE SHAREHOLDERS:

Your Directors beg to submit the following Report and Financial Statement of the Company's operations for fiscal year ended April 30th, 1919:

Gross Revenue	\$10,939,272.85
Expenses and Taxes	\$5,357,492.72
Depreciation & Renewal Reserve	943,927.29
	6,301,420.01
Net Revenue	\$ 4,637,852.84
Fixed Charges	1,032,671.10
	\$ 3,605,181.74
Net Income	\$ 3,605,181.74
Dividends paid	\$1,921,030.00
Dividend payable May 15, 1919	641,261.00
	2,562,291.00
Surplus	\$ 1,042,890.74
Less appropriated for Pensions	20,000.00
	\$ 1,022,890.74
Transferred to General Surplus, subject to Income Tax	\$ 1,022,890.74

REVENUE.

The **Gross and Net Revenues and Surplus Earnings** show increases over previous year, accrued mostly from operations prior to the armistice. The present is a period of readjustment, affecting your Company like most other industries, and it remains to be seen if our revenues will be maintained during the transition of industry to peace conditions. Meantime unsettled labour conditions and high cost of materials would appear to be retarding the adjustment if not preventing the expansion that was contemplated.

Operating expenses continue abnormal with no sign of relief, as while supplies in some instances have declined, increased costs of labour and taxation have more than offset any reductions; taxes alone increased \$176,000.00 for the year under review.

Labour is more plentiful, but in a general state of unrest due to the continued high cost of living, and while as a result wages will undoubtedly further increase, the extra supply should permit of better selection and resultant efficiency. Incidentally your Company experienced a strike of its employees in the month of April last which continued for a week, without, however, any interruption to the service or inconvenience to the public; the men returned to work and the adjustment of their wages is now pending.

For years past your Company has been unique in consistently reducing its gas and electric rates and to-day enjoys an unrivalled position for minimum rates, but if operating costs continue to rise (and this will be evident to both consumers and shareholders) it will be impossible for your Company to make further reductions; on the contrary, it may be necessary to increase rates, as has already been done to a marked degree, and in some cases repeatedly, by practically all other public utilities in this locality and throughout Canada and the United States.

SURPLUS EARNINGS.

The **Surplus Earnings** from the year's operations amounted to \$1,042,890.74, out of which \$20,000.00 has been

appropriated for pensions; the balance, amounting to \$1,022,-890.74, subject to Income Tax, has been carried forward to General Surplus, bringing the Accrued Surplus as at the close of the year to \$6,608,204.28 as per Balance Sheet.

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. Our up-to-date provision on this account, as noted in Balance Sheet, amounts to \$6,268,801.35, which will in due course be required for replacement of worn-out and obsolete plant; meantime the fund is not idle but is invested, with other reserves, in productive plant, and is thus temporarily employed as additional 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 4% per annum.

There were redeemed during the year for sinking fund purposes, in accordance with the mortgages securing the respective issues, \$55,000.00 of mortgage debt, as constituted by \$34,000.00 of The Montreal Light, Heat & Power Company's Lachine Division Sinking Fund Bonds and \$21,000.00 of Provincial Light, Heat & Power Company Sinking Fund Bonds.

ADDITIONS AND BETTERMENTS.

The extension of the Cedars Rapids hydro-electric plant, referred to in the last Annual Report, was completed, and the two additional units, aggregating 20,000 H.P., inaugurated in October last and have since been in continuous operation.

Your Company has under construction at its Lasalle Gas Works additional retort capacity of 2,000,000 cubic feet per diem, which it is expected will be ready for operation in the fall.

PROPERTIES AND PLANTS.

The **Properties** and **Plants** 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 \$541,104.66, which, with the appropriation for Depreciation and Renewal Reserve, as noted, represents a total expenditure and provision in this connection of \$1,485,031.95.

OBITUARY.

Your Directors record with regret the death in February last of Sir Rodolphe Forget, who was a pioneer member of the Board of this Company and its predecessors, and who during his lifetime rendered valuable services to your Company.

BOARD OF DIRECTORS.

The vacancy on the Board created by the death of Sir Rodolphe Forget was filled by the appointment of T. B. Macaulay, Esq., President of the Sun Life Assurance Company of Canada.

FISCAL YEAR.

Your Directors deem it advisable to change the fiscal year to conform with the calendar year and to overcome the conflict that now exists between the termination of the fiscal year and the May moving season, incidentally our busiest time; accordingly you will be requested to ratify a by-law authorizing this change at a Special General Meeting of Shareholders to be convened at the conclusion of the Annual General Meeting of Shareholders.

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, May 21st, 1919.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

April 30th, 1919.

□

ASSETS

Stocks, Bonds and Interests in other Corporations	\$65,428,365.23	
Advances to Subsidiary Com- panies	1,765,237.19	
Property and Plant Invest- ment	241,755.18	
		<u>\$67,435,357.60</u>

CURRENT ASSETS

Treasury Bonds	\$ 3,526,250.00	
Investment Securities	1,117,280.64	
Bills Receivable	308,333.58	
Accounts Collectible	1,021,385.19	
Stores	381,174.79	
Coal, Coke, Tar, etc.	364,507.11	
Cash on Hand and in Bank . .	2,219,988.50	
		<u>\$ 8,938,919.81</u>

\$76,374,277.41

Audited and Verified,

P. S. ROSS & SONS,

Chartered Accountants.

Montreal Light, Heat and Power Consolidated

GENERAL BALANCE SHEET

April 30th, 1919.

□

LIABILITIES

Capital Stock.....	\$64,126,100.00	
Reserves, inc. Subsidiary Companies:		
Insurance.....	300,000.00	
Contingent.....	374,304.36	
Depreciation and Re- newal.....	6,268,801.35	
	<u> </u>	\$71,069,205.71

CURRENT LIABILITIES

Accounts Payable.....	\$944,182.11	
Customers' Deposits.....	144,795.87	
Accrued Interest on Bonds...	323,833.13	
General Suspense Account...	642,795.31	
Dividend payable May 15th, 1919.....	641,261.00	
	<u> </u>	\$ 2,696,867.42
		<u> </u>
Surplus Account subject to Income Tax for current year.....		\$73,766,073.13
		<u> </u>
		2,608,204.28
		<u> </u>
		<u> </u>
		<u> </u>
		\$76,374,277.41

Certified Correct,

H. R. LYONS,

Comptroller.

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

MONTREAL, May 21st, 1919.

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 April 30th, 1919, 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 past 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 at the close of the year.

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

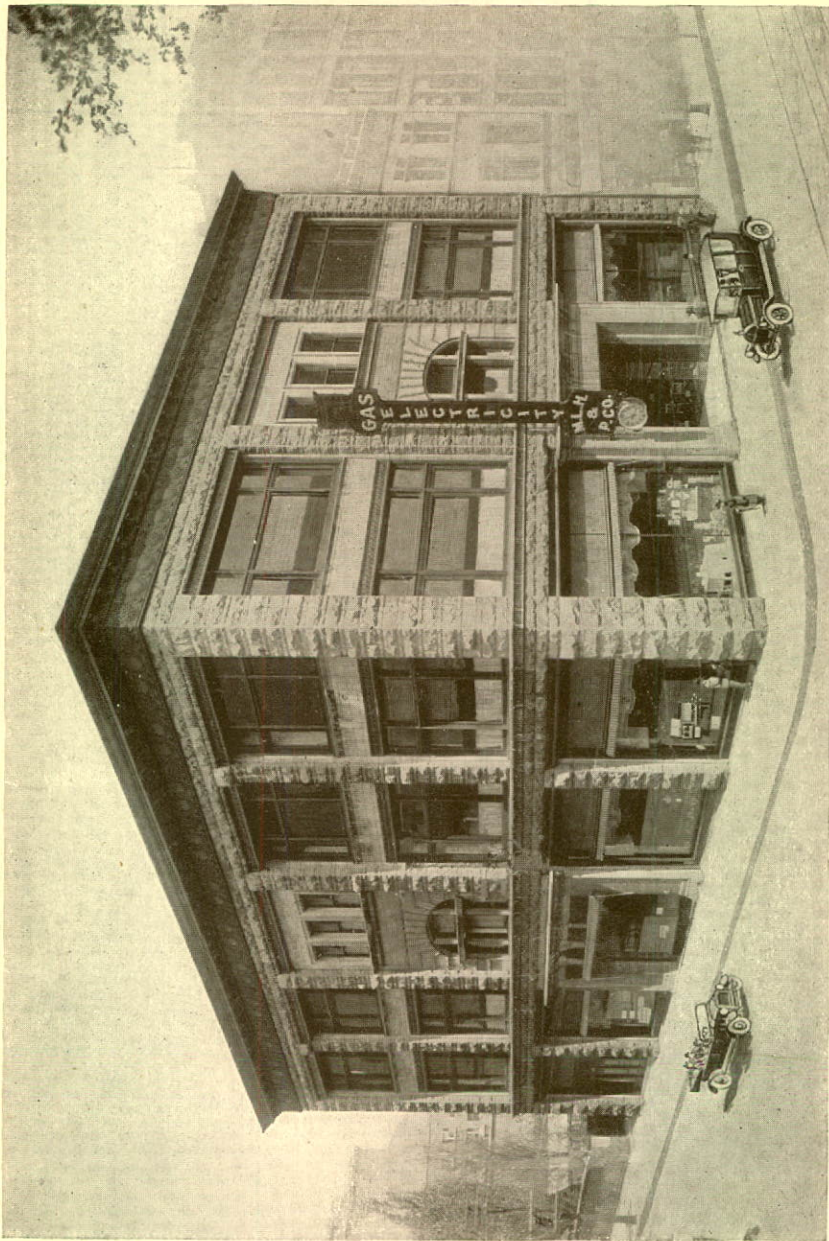
We have obtained all information and explanations that we have asked, and all the requirements of our audit have been complied with.

Respectfully submitted,

(Sgd.)

P. S. ROSS & SONS,

Chartered Accountants.



UPTOWN POWER BUILDING



