

THE CIVIC INVESTMENT  
AND INDUSTRIAL  
COMPANY

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FIRST ANNUAL REPORT

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For Nine Months ended April 30th,  
**1917**



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GENERAL OFFICE BUILDING.

Annual Report  
*of*  
**The Civic Investment and Industrial  
Company**

*For Nine Months ended April 30th, 1917*

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**ANNUAL GENERAL MEETING**

The Annual General Meeting of the Shareholders of **The Civic Investment & Industrial Company** will be held at the Company's Offices, Room 319, Power Building, Montreal, Que., on

**Wednesday, the 6th day of June, 1917,**

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 5th to June 6th, 1917, both days inclusive.

By Order of the Board,

**C. S. BAGG,**  
*Secretary-Treasurer.*

Montreal, May 22nd, 1917.

## **DIRECTORS**

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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  
SIR RODOLPHE FORGET, M.P.  
C. R. HOSMER  
G. H. MONTGOMERY, K.C.  
HON. NARCISSE PERODEAU  
HON. H. B. RAINVILLE

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

## FIRST ANNUAL REPORT

# The Civic Investment and Industrial Co.

OPERATING

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

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## REPORT OF THE PRESIDENT AND DIRECTORS

*For Nine Months ended April 30th, 1917.*

Submitted at the 1st Annual Meeting of Shareholders, held on  
Wednesday, June 6th, 1917.

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### To THE SHAREHOLDERS :

Introductory to their First Report, your Directors would remind the Shareholders that this Company was organized for the purpose of operating and placing under one control and management the properties of **The Montreal Light, Heat & Power Company** and **The Cedars Rapids Manufacturing & Power Company** and their subsidiaries. These

objects were formally accomplished in conformity with the terms of the respective operating agreements entered into, effective August 1st, 1916, and your Directors now submit the following Report and Financial Statement for nine months ended April 30th, 1917, as follows:—

Gross Revenue.....		\$6,783,839.65
Operation and Main- tenance Expenses and		
Taxes.....	\$2,866,316.08	
Depreciation and		
Renewal Reserve	675,000.00	3,541,316.08
<b>Net Revenue</b> .....		<b>\$3,242,523.57</b>
Fixed Charges of Subsidiary Cos'...		756,513.96
<b>Net Income</b> .....		<b>\$2,486,009.61</b>
Dividends Paid.....	\$1,266,223.00	
Dividend Payable		
May 15th, 1917...	637,172.00	1,903,395.00
<b>Surplus</b> .....		<b>\$ 582,614.61</b>
Less appropriations:—		
Officers' and Employees' Pension Fund.....		10,000.00
<b>Transferred to General Surplus</b>		<b>\$572,614.61</b>

## REVENUE

The net revenue is very gratifying, having regard to the phenomenal increase in the cost of labour and supplies, although it is to be remarked that the Company's principal supplies of coal and oil were affected only in a slight measure for the period under review, as these supplies were obtained under favourable contracts since terminated by limitation of time.

Coal and oil have since advanced to unprecedented prices and are also difficult to obtain. This will have the inevitable effect of increasing operating costs during the present year, or until normal conditions are restored. Your Company is no exception to this condition, as all other public utilities, railways and manufacturers generally dependent upon these supplies are similarly affected. Unlike the ordinary manufacturer, however, these emergency costs cannot always be passed on to the consumer, although many public utilities in this country and abroad have already increased their rates to meet the prevailing conditions.

Your Company and its predecessors have an unrivalled record in rate reductions for both gas and electricity, in which the consumers have participated to the extent of hundreds of thousands of dollars upon the occasion of each reduction. The local rates

for these commodities are now as low and, in most cases, lower than elsewhere, and while it will be the object of your Directors to refrain from increasing rates they can only do so as long as the burden can be carried without impairing the Company's financial condition. If any temporary increase in rates should become necessary it will be realized by the public and shareholders that it is attributable to conditions beyond the control of your Directors.

### DEPRECIATION

The usual and necessary provision has been made for depreciation, and it is largely due to the past prudence of your Directors in providing amply for this and other reserves that the Company has been able to withstand up to the present the strenuous conditions arising out of the war.

### FINANCIAL

As appears by the Financial Statement, regular quarterly dividends have been declared and paid on the stock of the Company at the rate of 4% per annum.

During the year there were redeemed for sinking fund purposes, in accordance with the mortgages securing the respective issues, \$51,000.00 of mortgage debt, as constituted by \$32,000.00 of The Montreal Light, Heat & Power Company's Lachine Division Sinking Fund Bonds and \$19,000.00 of Provincial Light, Heat & Power Company Sinking Fund Bonds.

## ADDITIONS AND BETTERMENTS

The great demand for electricity has compelled the extension of the Company's hydro-electric plant at Cedars, notwithstanding the high cost of the work at this time. The work is already in hand and involves the construction of the substructure for the ultimate development of 180,000-H.P., although for the present it is only intended to install two additional units of 10,000-H.P. each, and the necessary superstructure for same. With the additional two units, which are prospected for completion in the fall of 1918, the Company will have 120,000-H.P. available at this plant.

## 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 \$398,191.68, which, with the appropriation for Depreciation and Renewal Reserve, as noted, represents a total expenditure and provision in this connection of \$1,073,191.68.

## 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.

## NATIONAL SERVICE

During the year there have been many appeals for patriotic and national purposes, and your Directors have felt it a duty to subscribe liberally, amongst others, to the Canadian Patriotic and Red Cross and Recruiting Funds, as well as to the several Canadian and Allied War Loans that have been issued.

Your Directors record with pride the fact that up to the present 488 employees (out of a total force of approximately 1,500) have enlisted in the Canadian Expeditionary and Allied Units for Overseas Service.

## WELFARE WORK—OFFICERS' AND EMPLOYEES' PENSION FUND

Your Directors have re-enacted and adopted the by-laws governing the Pension Fund of The Montreal Light, Heat & Power Company for the purpose of extending the benefits of the Fund to the Officers and Employees of this Company. The Pension Fund, as appears by the Balance Sheet, has a credit balance of \$92,722.17, and it is the intention of your Directors to add to same from year to year to secure to aged employees of all ranks their reward for long years of faithful service. It is anticipated the Shareholders will gladly endorse the action of the Directors in this matter.

Your Directors regret to announce the death in December last of their esteemed colleague and friend,

Hon. Senator Robert Mackay, who was a pioneer member of the Board of this Company and its predecessors.

The vacancy on the Board created by the death of Senator Mackay was filled by the appointment of G. H. Montgomery, K.C.

In conclusion your Directors take advantage of the opportunity to express their appreciation of the fidelity and efficiency of the Officers and other Employees of the Company, whose efforts have done much to enhance the value of the Company's service in the interests of shareholders and public alike.

Respectfully submitted on behalf of the Directors,

H. S. HOLT, President.

Montreal, May 22nd, 1917.

# The Civic Investment and Industrial Company

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## GENERAL BALANCE SHEET

APRIL 30TH, 1917.

### ASSETS

Stocks, Bonds and Interests in other Corporations.....	\$65,122,768.06	
Construction.....	535,153.26	
		—————
		\$65,657,921.32

### CURRENT ASSETS

Subsidiary Cos.' Bonds in Treasury.....	\$ 1,354,000.00	
Investment Securities.....	295,565.68	
War Loans.....	863,836.31	
Accounts Collectible.....	1,160,136.64	
Stores, Gas Stoves, etc.....	294,692.05	
Coal, Coke, Tar, etc.....	99,056.51	
Cash on Hand and in Bank.....	2,397,834.66	
	—————	\$ 6,465,121.85
		—————
		\$72,123,043.17
		—————

Verified,

P. S. ROSS & SONS,

Chartered Accountants.

# The Civic Investment and Industrial Company

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## GENERAL BALANCE SHEET

APRIL 30TH, 1917.

### LIABILITIES

Capital Stock.....	\$63,717,200.00
Reserves, including Sub. Cos.—	
Insurance.....	300,000.00
Contingent.....	376,149.36
Depreciation and Renewal..	4,383,892.10
Officers' and Employees' Pension Fund.....	92,722.17
	<hr/>
	\$68,869,963.63

### CURRENT LIABILITIES

Accounts Payable.....	\$816,769.43
Customers' Deposits.....	68,816.55
Accrued Interest on Bonds.....	315,709.50
General Suspense Account.....	841,997.45
Dividend Payable May 15th, 1917	637,172.00
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	2,680,464.93
Surplus Account.....	572,614.61
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	\$72,123,043.17
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Certified Correct,

H. R. LYONS,

Comptroller.

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

MONTREAL, May 22nd, 1917.

*To the President and Directors of*

**The Civic Investment & Industrial Co.**  
Montreal.

Gentlemen :—

We beg to report having audited the financial transactions of your Company for nine months ended 30th April, 1917, 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 from August 1st, 1916, to April 30th, 1917, 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.

Respectfully submitted,

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







