

ANNUAL REPORT AND STATEMENT OF ACCOUNTS
OF THE
Montreal Water & Power Company
For the Year Ended 30th April, 1914.

PRESIDENT'S REPORT.

To the Shareholders of the Montreal Water & Power Company:

GENTLEMEN:—

Your Directors beg to submit herewith their Report and Audited Statement of Accounts of your Company for the year ending 30th April, 1914.

The Gross Revenue continues to steadily improve, that for the year under review reaching the sum of \$783,689.72, an increase over the earnings of the previous year of \$112,005.48, or nearly 17%.

The following table shows the steady growth of the Company in the past and indicates more clearly than words can describe the character and progressive value of the Company's undertaking:

Years.	Gross Revenue.	Gross Increase.	Years.	Gross Revenue.	Gross Increase.
1898-9	\$100,922.61		1906-7	\$263,524.36	\$ 49,856.29
1899-0	117,292.10	\$16,369.49	1907-8	300,836.83	37,312.47
1900-1	127,236.96	10,044.86	1908-9	352,810.47	51,973.64
1901-2	140,816.06	13,579.10	1909-10	388,122.10	35,311.63
1902-3	148,774.76	7,958.70	1910-11	432,150.87	44,028.77
1903-4	165,826.96	17,052.26	1911-12	506,504.13	74,353.26
1904-5	184,838.05	19,011.09	1912-13	671,684.24	165,180.11
1905-6	213,668.07	28,830.02	1913-14	783,689.72	112,005.48

The Operating Expenses for the year, including the Operation and Maintenance of the New Filtration Plant, amounted to the sum of \$324,340.22, showing a gross profit for the year of \$459,349.50. After paying interest in full on all its outstanding Bond obligations there remains a net operating profit for the year of \$208,812.59.

At the beginning of the year there was a balance of profits brought forward amounting to \$96,881.82 which, added to the \$208,812.59 just referred to, makes a total profit of \$305,694.41 to be dealt with.

From this total the Directors have set aside the year's proportion of the discount on bonds sold; the year's proportion of the premium due at maturity on outstanding bonds amounting altogether to \$29,551.71.

Provision has also been made for possible losses and depreciation on certain Assets, such as: Tools, Motor Cars, etc., amounting altogether to the sum of \$34,793.35, while the substantial sum of \$60,000.00 has been added to Reserve Account for General Depreciation, leaving a balance to be carried forward to the credit of Profit and Loss Account of \$189,042.70.

For your further information it may be stated that although the Company provides a Depreciation Fund from its Annual Net Profits, all the Real Estate belonging to the Company and bought many years ago remain in the Company's books at its original cost price.

It will be seen from this General Resume that the fiscal results for the year have been highly satisfactory.

At the last Session of the Quebec Legislature your Company introduced a Bill amending the Company's Charter and, by mutual agreement with the City of Montreal it was, amongst other things, provided that for six months after the Bill became law, the City should have the right to purchase the Capital Stock of the Company, and, at any time after the six months, to expropriate the Company's system.

Although the profits of the Company for the past year fully justify the declaration of a dividend on both classes of stock, your Directors do not deem it proper to declare any such dividend during the six months in question, but, should the City not exercise its right in this respect within the term named, the Directors will then feel justified in giving this matter their favorable consideration.

The Bill also authorized an increase in the Company's Capital Stock from \$1,160,000.00 to \$4,000,000.00 and ratified and confirmed certain franchise agreements between the Company and several Municipalities.

PHYSICAL CONDITION.

The general system has been maintained in a high state of efficiency, the Company having expended during the year in this connection about \$50,000.00, all of which has been charged to Operating Expenses.

RESERVOIR—The new Reservoir is, unfortunately, still unfinished but your Manager, Mr. Pitcher, estimates that the first half will be available for use by September 1st next, and the remaining half in a few months thereafter.

FILTRATION PLANT—The Filtration Plant continues to be operated in a most satisfactory manner. The reports of your experts indicate that it performs the work with great efficiency.

NEW MAINS AND SERVICES—Additions to the Mains during the year were on a smaller scale than usual, only about 3¼ miles having been laid, but the number of New Services added to the system reached 3,246, thus indicating that the greater demand for water arose from districts already piped.

NEW WORK ACCOMPLISHED—All the work set forth in the last Annual Report as then being contemplated has been carried out and adds greatly to the efficiency of the system. In this connection it may be stated that a new Transformer House has been erected at the Main Pumping Station and a duplicate set of Transformers installed by the Power Supplying Company. The same Company has also erected a duplicate transmission line so that the supply of power to your Electric Pumps at the Main Station is now as secure as it is possible.

PROPOSED NEW CONSTRUCTION—It is intended to duplicate the electrically driven pumps at the Clarke Avenue Station so as to place this Station on a par with others and this work will be undertaken as soon as possible.

It is also intended to instal a new and large Force Main from the Lower Pumping Station to the Northern Territory and which will eventually connect with the new Reservoir in Outremont. When completed this will give a duplicate supply to that important part of the Company's territory and system. This is a large undertaking and will require some time to complete.

It is also intended to increase the capacity of the Filtration Plant as soon as possible, all in accordance with the original plans and construction of the present Filtration System.

The Directors have pleasure in testifying to the efficiency and loyalty of all the officers and employees of the Company.

The Auditors, Messrs. Riddell, Stead, Graham & Hutchison retire and offer themselves for re-election. All of which is respectfully submitted.

EDWIN HANSON,
President.

Montreal, 10 June, 1914.