

The Consumers' Gas Company  
~ of Toronto ~  
Ninety-Fourth Annual Report

Year ended 30th September, 1942

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# The Consumers' Gas Company *of* Toronto

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Director, The Manufacturers Life Insurance Company  
Director, The Consolidated Mining and Smelting Company of Canada, Limited

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Vice-President, Imperial Bank of Canada  
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Vice-President, Lake St. John Power & Paper Company, Limited  
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F. S. CORRIGAN

Vice-President and General Manager, General Steel Wares Limited  
Director, North American Life Assurance Company  
Director, Canada Permanent Mortgage Corporation

*His Worship the Mayor of Toronto*

FRED. J. CONBOY, D.D.S.

EDWARD J. TUCKER

General Manager  
The Consumers' Gas Company of Toronto

Ninety-Fourth Annual Report *of the*  
Directors *of* The Consumers' Gas  
Company *of* Toronto

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TO THE SHAREHOLDERS:

Your Directors present herewith the Ninety-fourth Annual Report of the operations of the Company, together with the Financial Statements for the year ended September 30th, 1942.

It is gratifying to report a substantial increase in the volume of gas sold during the year; the revenue from gas sales amounting to \$5,964,516, representing an increase over last year of \$427,668.

While there was an appreciable improvement in the volume of gas sold for domestic uses, the greatest growth occurred in the use of gas for industrial processes, the sales in this category exceeding all previous records.

Sales of gas for house heating were also greater than in any prior year, and the number of central heating installations in service at the end of the year was equal to five times the number in use two years ago.

The greatly increased demand for gas was fully met without any large capital expenditure for additional plant having to be undertaken; our existing production and distribution facilities being adequate to care for the full demands of our regular domestic, commercial and industrial customers, as well as for the present and known future gas requirements of industrial undertakings engaged in the manufacture of war materials.

The revenue, expenses and operating results are summarized as follows:

Gross Earnings.....	\$7,805,344.18
Operating Expenses and Taxes.....	5,780,567.06
Net Earnings.....	\$2,024,777.12
Interest Earnings.....	81,584.08
Transferred from Reserve Fund....	196,593.81
	<u>\$2,302,955.01</u>
Dividends.....	\$1,164,416.00
Transferred to Plant and Buildings Renewal Fund.....	1,138,539.01
	<u>\$2,302,955.01</u>

The year's operations were affected by marked increases in the wages paid for labour and in the prices of the important commodities required in the production and distribution of gas. The higher unit prices paid for coal and gas oil, as compared with last year's prices, were responsible for \$204,866 of added expense.

With regard to the Company's coal supply which must be imported from the United States, we are fortunate in being able to report that notwithstanding transportation and other difficulties, we shall have accumulated in Canada at the close of the lake navigation season sufficient gas coal for our requirements until June 1943.

The cost to the Company of exchange on payments to the United States covering purchases of coal during the year was \$166,439.

Taxes charged to 1942 operations totalled \$610,287. The extent of the disproportionate increase in this



important element of expense in relation to the growth of the Company's business is illustrated by a comparison of the figures of 1927 and 1942. For every dollar of gas sales revenue in 1927, taxes amounted to 5.96 cents; whereas the comparable figure for 1942 was 10.23 cents.

Payrolls and salaries amounted to \$2,110,608, an increase over last year of \$269,524. Included in these figures is the Cost of Living Bonus, amounting to \$179,211, which was paid to the employees during the year in accordance with the terms of the Government Order-in-Council No. 8253. Regular and continuous employment under reasonable working conditions with good wages was afforded 1,163 persons throughout the year, 750 of whom have been in the Company's service for 10 years or more.

Long and faithful service has always been rewarded by the Company, and at the end of the year there were 89 former employees, having an average length of service of 30 years, receiving retirement allowances from the Company.

There are 162 names on the Honour Roll of the Company's employees now engaged in active military service with Canada's Armed Forces.

The volume of sales of domestic gas appliances was adversely affected by the restrictions imposed by the Dominion Government on the manufacture, importation, and sale of such appliances. In this connection it was necessary to limit the number of new gas house heating installations which the Company could undertake this year owing to the impossibility of securing some of the essential equipment.

The Industrial Gas Sales Department has actively continued its efforts to widen and increase the application of gas in the field of industrial operations and the sales of industrial gas-burning equipment show a substantial gain over previous years.

The total revenue from merchandise sales amounted to \$358,448.

Expenditures on repairs and renewals during the year amounted to \$533,252. The manufacturing plants, distribution system and other properties of the Company have been kept up to their usual high standard of operating efficiency and good physical condition. After eleven years of continuous operation it became necessary to close down a part of the Coal Gas Retort Plant at Station "A" Works for the four-month period from March to June, in order to carry out extensive renewals. Normal operation was resumed in July.

The officers and employees have had a most arduous task throughout the year in conducting the affairs of the Company under conditions of unusual difficulty, and the Directors acknowledge with appreciation the spirit of loyalty and co-operation displayed.

All of which is respectfully submitted.

A. L. BISHOP,  
President.

# The Consumers' Gas Company *of* Toronto

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## Statement of Income

For Year ended September 30th, 1942

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### GROSS OPERATING REVENUE:

Gas Sales.....	\$5,964,516.07	
Residuals Produced.....	1,471,009.50	
Merchandise Sold.....	358,448.35	
Miscellaneous Revenue.....	11,370.26	
	<hr/>	\$7,805,344.18
Production, Distribution and Administration Expenses and Taxes.....		5,780,567.06
		<hr/>
NET OPERATING INCOME.....		2,024,777.12
INTEREST EARNINGS NET.....		81,584.08
		<hr/>
TOTAL NET INCOME before Provision for Plant and Buildings Renewal Fund.....		2,106,361.20
Dividends on Capital Stock.....		1,164,416.00
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		\$941,945.20
Transferred from Reserve Fund.....		196,593.81
		<hr/>
		\$1,138,539.01
Transferred to Plant and Buildings Renewal Fund		<u>\$1,138,539.01</u>

# The Consumers' Gas

Balance

September

## LIABILITIES

Capital Stock.....	\$14,555,200.00
Reserve Fund.....	4,517,367.82
Plant and Buildings Renewal Fund:	
Amount at Credit October 1, 1941..	\$7,747,121.15
Less Repairs and Renewals.....	533,251.51
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	\$7,213,869.64
Appropriation Authorized by	
Statute.....	1,138,539.01
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	8,352,408.65
Reserved for Dividend No. 370.....	291,104.00
Provision for Exchange and Dominion and Ontario	
Government Taxation.....	230,651.14
Accounts Payable.....	425,714.96
Bank Advance.....	186,224.45
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	<u>\$28,558,671.02</u>

Approved on behalf of the Board of Directors.

(Signed) A. L. BISHOP,  
*President.*

(Signed) EDWARD J. TUCKER,  
*Director and General Manager.*



# Company of Toronto

## Sheet

30th, 1942

### ASSETS

Real Estate, Plant and Equipment.....	\$23,565,525.09
Investment in Dominion of Canada and Province of Ontario Bonds (At Cost).....	1,984,522.00
Materials and Supplies.....	1,805,685.85
Cash in Bank and Offices.....	12,453.00
Accounts Receivable, after making provision for Doubtful Accounts.....	1,010,915.08
Interest Accrued, not due.....	25,480.22
Prepaid Taxes and Insurance.....	154,089.78

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\$28,558,671.02

We have audited the accounts of The Consumers' Gas Company of Toronto for the year ended 30th September, 1942, and in the conduct of the work have received all of the information and explanations we have required.

We report that, in our opinion, the above balance sheet fairly represents, in accordance with accepted principles of accounting appropriately applied and consistently maintained, the financial position of the Company at 30th September, 1942, according to the best of our information and as shown by the books of the Company.

GUNN, ROBERTS & COMPANY,  
*Chartered Accountants.*

TORONTO, NOVEMBER 7th, 1942.





