

The Consumers' Gas Company
of Toronto
Ninety-Fifth Annual Report

Year ended 30th September, 1943

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The Consumers' Gas Company of Toronto

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

EDWARD J. TUCKER

General Manager
The Consumers' Gas Company of Toronto

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

TO THE SHAREHOLDERS:

Your Directors present herewith the Ninety-fifth Annual Report of the operations of the Company, together with the Financial Statements for the year ended September 30th, 1943.

During the year we have had to meet many complicated and urgent problems arising out of war conditions which have been common to all industry, as well as some peculiar to our own business. It is of more than passing interest, however, to record that after four years of war we are still able to secure adequate supplies of coal and oil for gas-making; necessary equipment and materials for the upkeep of our plants; and to maintain sufficient personnel; thus enabling us to meet unprecedented demands for service.

The volume of gas sold in 1943 was greater than in any prior year in the Company's history, being 11.9 per cent. higher than in 1942, and 26.3 per cent higher than in the pre-war year of 1939.

On the coldest day of the year, February 15th, a total volume of 25,149,000 cubic feet of gas was distributed, constituting an all-time record output for a single day.

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

Gross Earnings	\$8,275,779.95
Operating Expenses and Taxes.....	6,214,710.24
Net Earnings.....	2,061,069.71
Interest Earnings.....	74,444.36
Transferred from Reserve Fund....	171,375.66
	<u>\$2,306,889.73</u>
Dividends.....	\$1,164,416.00
Transferred to Plant and Buildings Renewal Fund.....	1,142,473.73
	<u>\$2,306,889.73</u>

The revenue from the sale of gas amounted to \$6,418,340, an increase of \$453,824 over last year. Domestic sales, which are still the backbone of our business, continue to show advancement, while the sales of gas for industrial processes have greatly expanded owing to war production and related activities.

Sales of domestic and industrial gas appliances were well maintained and reached a total value of \$435,127. Future sales of appliances, however, will be greatly curtailed because of governmental restrictions on their manufacture and the limited stocks available.

The improvement in gas earnings was almost entirely offset by higher operating expenses, and we again have to record substantial increases in the cost of coal, in rates of wages paid for labour, and in other uncontrollable items. Production, Distribution and Administration Expenses and Taxes for the year amounted to \$6,214,710, an increase of \$434,143 over 1942.

Further advances in the cost of coal at the mines and in transportation costs were made effective during the year. Since 1939 successive increases in the unit prices of coal have aggregated \$1.49 per ton, equivalent to a total extra cost of \$419,122 on the quantity used in 1943.

Notwithstanding the unsettled labour conditions prevailing in the coal industry our suppliers have given us excellent service, and at the close of the lake navigation season this year we shall have accumulated sufficient coal to meet our requirements for some months to come.

Payrolls and salaries, including cost of living bonus, amounted to \$2,106,057. The average number of employees engaged throughout the year was 1,121.

Taxes charged to the year's operations, exclusive of Customs Duties, Sales Tax, War Exchange Tax, and other taxes and fees, totalled \$673,709, an amount equal to 10.5 cents for each dollar received from the sale of gas; or 58 cents for each dollar paid as dividends.

The Directors have continued to adhere to their well-established policy of maintaining and improving the manufacturing plants, distribution system, and other properties, thus assuring at all times the most efficient use of the Company's physical resources. During the period from April 1st to September 15th one-half of the coal gas retort plant at Station "B" Works was closed down and completely renewed. Expenditures on repairs and renewals for the year amounted to \$543,749.

The names on the Honour Roll of the Company's employees serving with Canada's Armed Forces now

number 207. Our best wishes follow these men wherever they may be called upon to serve. We regret to report that three of their number have made the supreme sacrifice, one has been reported missing and another is a prisoner of war in Germany. Our sympathy is extended to their bereaved and anxious loved ones.

The Directors desire to record their entire approval of the manner in which the officers and employees have carried out their several duties during the year. They have been called upon to exercise more than ordinary vigilance and care in dealing with the many details of Government Orders-in-Council, regulations affecting taxation, wage control, manpower control and priorities and restrictions relating to the supply of materials, and it is largely due to their efforts that all demands of our customers were successfully met.

All of which is respectfully submitted.

A. L. BISHOP,
President.

The Consumers' Gas Company *of* Toronto

Statement of Income

For Year ended September 30th, 1943

GROSS OPERATING REVENUE:

Gas Sales.....	\$6,418,340.14	
Residuals Produced.....	1,418,500.25	
Merchandise Sold.....	435,127.53	
Miscellaneous Revenue.....	3,812.03	
		\$8,275,779.95
Production, Distribution and Administration Expenses and Taxes.....		6,214,710.24
NET OPERATING INCOME.....		2,061,069.71
INTEREST EARNINGS NET.....		74,444.36
TOTAL NET INCOME before Provision for Plant and Buildings Renewal Fund.....		2,135,514.07
Dividends on Capital Stock.....		1,164,416.00
		\$ 971,098.07
Transferred from Reserve Fund.....		171,375.66
		\$1,142,473.73
Transferred to Plant and Buildings Renewal Fund		<u>1,142,473.73</u>

The Consumers' Gas

Balance

September

LIABILITIES

Capital Stock.....	\$14,555,200.00
Reserve Fund.....	4,345,992.16
Plant and Buildings Renewal Fund:	
Amount at credit October 1, 1942..	\$8,352,408.65
Less Repairs and Renewals.....	543,749.15
	\$7,808,659.50
Appropriation Authorized by	
Statute.....	1,142,473.73
	8,951,133.23
Reserved for Dividend No. 374.....	291,104.00
Provision for Exchange, Workmen's Compensation and	
Dominion Government Taxation.....	145,460.58
Accounts Payable.....	496,172.50
	<u>\$28,785,062.47</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, 1943

ASSETS

Real Estate, Plant and Equipment.....	\$23,642,104.92
Investment in Dominion of Canada and Province of Ontario Bonds (At Cost).....	2,031,869.88
Materials and Supplies.....	1,802,933.95
Cash in Bank and Offices.....	287,062.65
Accounts Receivable, after making provision for Doubtful Accounts.....	875,145.56
Interest Accrued, not due.....	22,792.72
Prepaid Taxes and Insurance.....	123,152.79

\$28,785,062.47

We have audited the accounts of The Consumers' Gas Company of Toronto for the year ended 30th September, 1943, 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, 1943, according to the best of our information and as shown by the books of the Company.

GUNN, ROBERTS & COMPANY,
Chartered Accountants.

TORONTO, NOVEMBER 9th, 1943.

