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United Fuel Investments
Limited
and
Controlled Companies



Fourth Annual Report

March 31, 1932

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FOURTH ANNUAL REPORT
OF THE DIRECTORS OF
UNITED FUEL INVESTMENTS LIMITED
FOR THE YEAR ENDED 31st MARCH, 1932

Hamilton, Ontario,
15th June, 1932.

To the Shareholders:

Your Directors present the Fourth Annual Report of your Company accompanied by the Consolidated Profit and Loss Statement for the fiscal year ended March 31, 1932, and the Consolidated Balance Sheet as of that date.

The Consolidated Profit available for interest and depreciation amounted to \$626,645.03, compared to \$858,608.15 for the previous fiscal year.

The earnings of the Company from the sales of gas were severely affected by the lower domestic rate now being charged under the Company's amended franchise (exclusive for ten years) in the City of Hamilton. Pursuant to the powers conferred upon it by the amendment, our subsidiary, the United Gas and Fuel Company of Hamilton Limited, has launched a suit to restrain the Dominion Natural Gas Company Limited from distributing gas in that portion of Hamilton where the latter Company has duplicated the pipeline system of the United Company and thereby inflicted heavy losses in business upon the United Company. This suit recently came to trial and judgment is expected in the near future. The earnings were further adversely affected by the mildness of the winter and the severe recession in industrial activity which resulted in heavily reduced industrial gas consumption.

During the year Hamilton By-Product Coke Ovens Limited marketed 312,880 tons of coke, an increase of 51,129 tons over the quantity sold during the previous twelve months. The average price received was substantially the same as last year so that gross revenue from these coke sales showed an increase of \$338,242.54. The resulting increase in operating profits, however, was largely offset by the high exchange rates on United States funds in connection with the purchase of coal and by reductions in revenues from the sale of by-products, namely ammonium sulphate, tar and motor benzol, owing to reduced prices.

United Fuel Investments Limited

Under an Agreement entered into with Union Gas Company of Canada, Limited, a cash payment of \$180,000 was received during the year and placed to the credit of Profit and Loss Account.

Reference was made in the last Annual Report to arrangements then being consummated through Union Gas Company of Canada Limited for the permanent financing of the special Bank Loans incurred by your companies in connection with large capital expenditures for additions to plant and equipment made during the previous three years. During the year this financing was accomplished through the sale to Union Gas Company of Canada Limited of \$775,000 6½% General Mortgage Bonds of United Fuel Investments Limited and \$2,325,000 6½% General Mortgage Bonds of Hamilton By-Product Coke Ovens Limited. This financing has strengthened the consolidated current position of United Fuel Investments Limited.

During the year the Hamilton By-Product Coke Ovens Limited retired \$99,000 of its First Mortgage Bonds and United Gas and Fuel Company of Hamilton Limited \$33,000 of its First Mortgage Bonds by the operation of their respective Sinking Funds.

During the last twelve months necessary additions were made to the distributing systems and plants of your constituent Companies and all the properties have been maintained in excellent condition and are operating efficiently.

For the Board of Directors,

S. A. MORSE,
President.

UNITED FUEL INVESTMENTS
 AND ITS SUBSIDIARIES
HAMILTON BY-PRODUCT GAS COMPANY
UNITED GAS AND FUEL COMPANY
UNITED SUBURBAN GAS COMPANY

CONSOLIDATED BALANCE SHEET

31st March, 1932

ASSETS

PROPERTY:

Comprising Gas and Coke Manufacturing Plant, Transmission Lines, Distribution Systems, Real Estate, Buildings, Automobiles, Fixtures, Franchises, Rights, Organization Expenses, Interest during Construction, etc., including premiums paid on acquisition of Subsidiary Companies of \$6,378,954.68.....	\$16,051,484.40
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Note.—The above assets are shown at their book values.

CURRENT AND WORKING ASSETS:

Cash on Hand and in Banks.....	\$122,214.47	
Accounts Receivable less Reserve for losses.....	426,369.56	
Inventories	945,859.23	
Jobs in Process and Trial Installations.....	5,149.07	
	1,499,592.33	

DEFERRED CHARGES, BOND DISCOUNT AND PREPAID EXPENSES	659,916.33
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\$18,210,993.06

AUDITORS' CERTIFICATE

We have audited the accounts of United Fuel Investments Limited and United Gas and Fuel Company of Hamilton Limited and United Suburban Gas Company. The Physical Assets is as approved by the Consulting Engineer of the Companies. This statement correctly sets forth the combined position of the Companies at 31st March, 1932, as shown to us and as shown by the books of the Companies. We have received all the

Toronto, 9th June, 1932.

STMENTS LIMITED

SIDIARIES

COKE OVENS LIMITED

NY OF HAMILTON LIMITED

S COMPANY LIMITED

CONSOLIDATED BALANCE SHEET

31st March, 1932

LIABILITIES

CAPITAL STOCK:

Authorized:

250,000 6% Cumulative Preferred Shares of \$100 each
 Redeemable at the option of the Company by call
 at \$110 per share or by purchase not exceeding
 \$110 per share..... \$25,000,000.00
 250,000 Common Shares of No Par Value.

Issued:

90,000 6% Cumulative Redeemable Preferred Shares
 of \$100 each..... \$9,000,000.00
 100,000 Common Shares of No Par Value..... 100,000.00

\$9,100,000.00

Deficit..... 59,962.81

\$9,040,037.19

General Mortgage 6½% Bonds due 1st July, 1956..... \$775,000.00

Hamilton By-Product Coke Ovens Limited First Mortgage
 7% Bonds due 1st February, 1943..... 1,286,800.00

Hamilton By-Product Coke Ovens Limited General Mortgage
 6½% Bonds due 1st July, 1956..... 2,325,000.00

United Gas and Fuel Company of Hamilton, Limited, First
 Mortgage 5½% Bonds due 1st July, 1948..... 1,787,500.00

6,174,300.00

CURRENT LIABILITIES:

Bank Loan (Secured) less amount on deposit..... \$922,101.71

Accounts Payable and Accrued Charges..... 201,653.77

Meter Deposits..... 10,241.87

Accrued Interest on Bonds including Provision for U.S.
 Exchange..... 44,245.21

1,178,242.56

RESERVE FOR DEPRECIATION AND RENEWALS..... 1,818,413.31

Preferred Dividends are in arrears to the extent of 4½%.

\$18,210,993.06

CERTIFICATE

and its Subsidiaries, Hamilton By-Product Coke Ovens Limited, United
 Company Limited for the year ended 31st March, 1932. Depreciation of
 s subject to which we report that in our opinion the above Balance Sheet
 1932, according to the best of our information and the explanations given
 information and explanations we have required.

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH,
 Chartered Accountants.

United Fuel Investments Limited

United Fuel Investments Limited
 AND ITS SUBSIDIARIES
 HAMILTON BY-PRODUCT COKE OVENS LIMITED
 UNITED GAS AND FUEL COMPANY OF HAMILTON LIMITED
 UNITED SUBURBAN GAS COMPANY LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year ended 31st March, 1932

Profit from Operations before charging Depreciation, Interest or Management Fee.....		\$661,547.71
<i>Add:</i> Miscellaneous Revenue.....		2,791.89
		\$664,339.60
<i>Deduct:</i>		
Management Fee.....	\$10,000.00	
Interest on Bonds.....	306,845.36	
Interest on Bank Loans, etc.....	126,247.58	
Bond and Loan Expenses and Discount absorbed....	27,694.57	
		470,787.51
		\$193,552.09
Provision for Depreciation on basis recommended by Companies' Consulting Engineer.....		197,591.24
		\$4,039.15
Combined losses less profits for all Companies for year ended 31st March, 1932		\$4,039.15

CONSOLIDATED SURPLUS ACCOUNT

Balance (Surplus) at 1st April, 1931.....	\$3,242.09	
<i>Less:</i> Adjustments applying to prior years (Net).....	59,165.75	
		\$55,923.66
Received from Union Gas Company of Canada Limited, under contract.....	180,000.00	
		\$124,076.34
Combined losses less profits for all Companies as above... .	\$4,039.15	
Dividends Paid.....	180,000.00	
		184,039.15
Balance (Deficit) at 31st March, 1932.....		\$59,962.81

United Fuel Investments Limited

United Fuel Investments Limited

BOARD OF DIRECTORS

S. A. MORSE, *President*

A. T. LEAVITT, *Vice-President*

ARTHUR F. WHITE

G. R. COTTRELL

G. H. CASSELS, K.C.

J. A. FRASER

R. L. BEVAN

Hamilton By-Product Coke Ovens Limited

BOARD OF DIRECTORS

S. A. MORSE, *President*

A. T. LEAVITT, *Vice-President and General Manager*

R. L. BEVAN, *Vice-President*

A. V. YOUNG

J. P. BELL

N. S. BRADEN

W. H. LOVERING

United Gas and Fuel Company of Hamilton Limited

BOARD OF DIRECTORS

S. A. MORSE, *President*

JUDGE J. G. GAULD

A. T. LEAVITT

First Vice-President and Advisory Counsel

Vice-President and General Manager

R. L. BEVAN, *Vice-President*

A. L. PAGE

W. I. S. HENDRIE

F. F. TRELEAVEN

United Suburban Gas Company Limited

BOARD OF DIRECTORS

S. A. MORSE, *President*

R. L. BEVAN

A. T. LEAVITT

