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United Fuel Investments

Limited

AND

Controlled Companies



Second Annual Report

March 31, 1930

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United Fuel Investments Limited

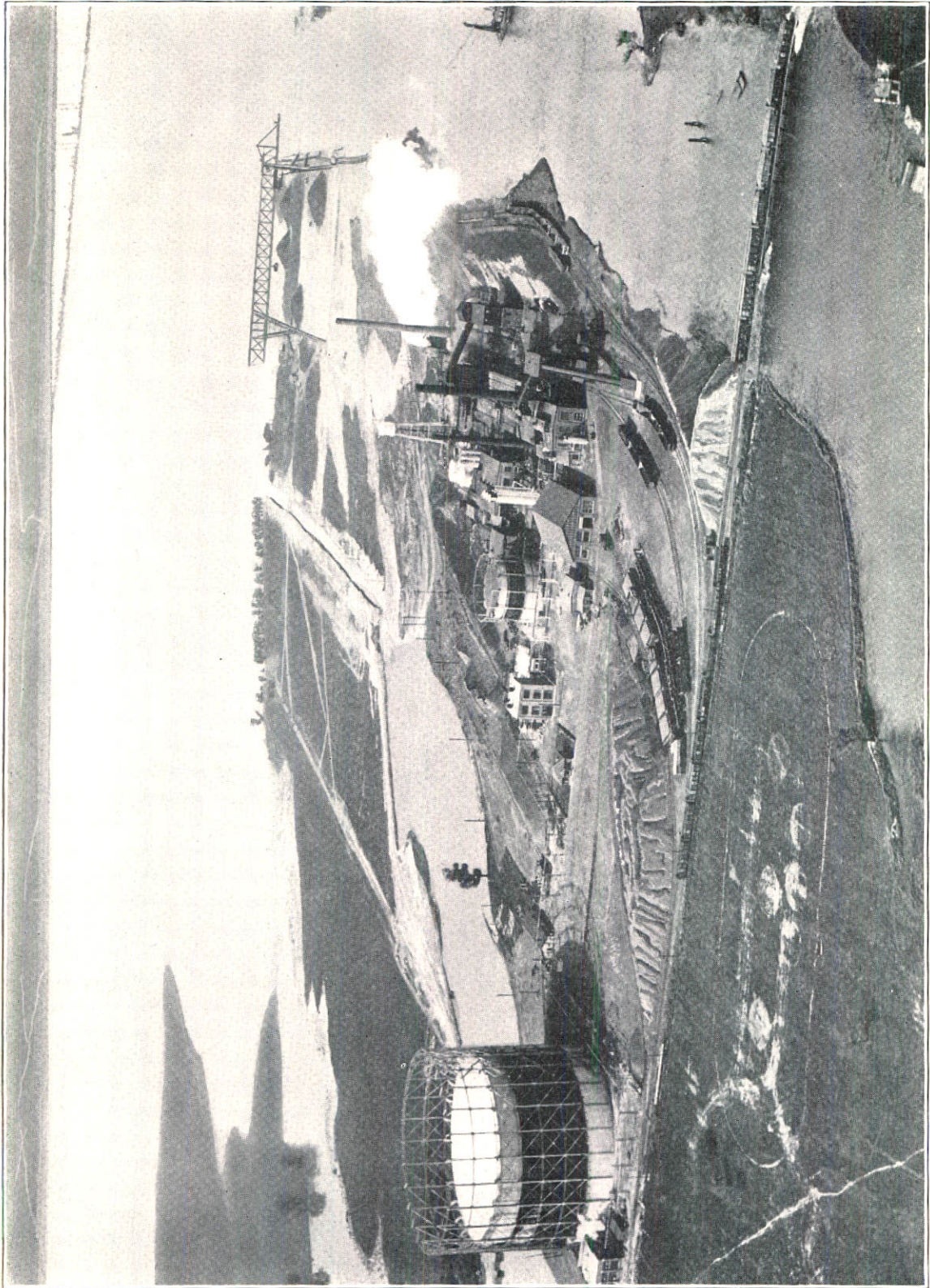
Owning and Operating

Hamilton By-Product Coke Ovens, Limited
United Gas and Fuel Company of Hamilton, Limited
The United Suburban Gas Company Limited

Second Annual Report

March 31, 1930

Head Office
Hamilton, Ontario



Aerial view of the Company's Coal Dock, By Products Plant and Gas Holder.

United Fuel Investments Limited

BOARD OF DIRECTORS

A. L. FULLERTON, *President*Vice-President, The Dominion Securities Corporation
LimitedA. T. LEAVITT, *Managing Director*

A. F. WHITE

Vice-President, The Canadian Bank of Commerce

G. R. COTTRELL

Director, Hamilton Bridge Company, Limited

G. H. CASSELS, K.C.

Blake, Lash, Anglin & Cassels

Hamilton By-Product Coke Ovens, Limited

BOARD OF DIRECTORS

A. T. LEAVITT, *President*

J. T. BYRNES

Vice-President, Manager of Sales

J. P. BELL

Manager-in-Chief, The Canadian Bank of Commerce,
Hamilton

A. V. YOUNG

President, Hamilton Cotton Company Limited

J. A. FRASER

Vice-President, The Dominion Securities Corporation
Limited

N. S. BRADEN

Vice-President, Canadian Westinghouse Company
Limited

W. H. LOVERING

Deputy Registrar, Hamilton

United Gas and Fuel Company of Hamilton, Limited

BOARD OF DIRECTORS

JUDGE J. G. GAULD, *President*

W. I. S. HENDRIE

President, Hamilton Bridge Company, Limited

COLONEL W. H. BRUCE

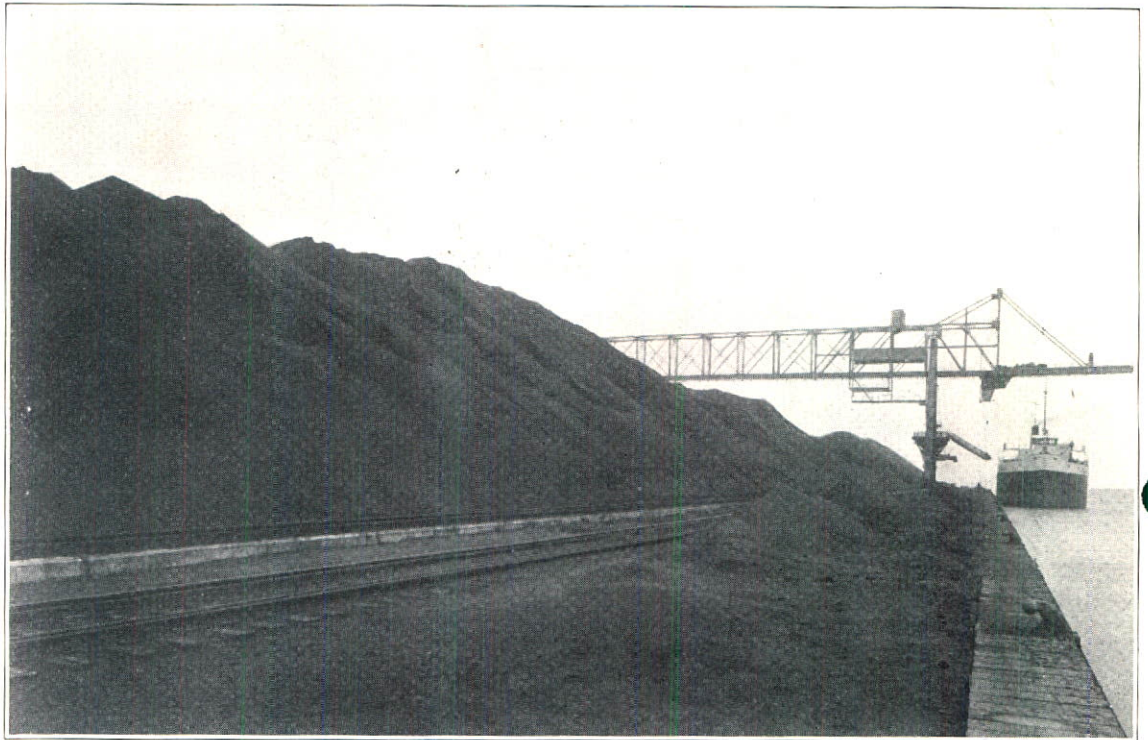
President, John A. Bruce & Company, Ltd.

A. L. PAGE

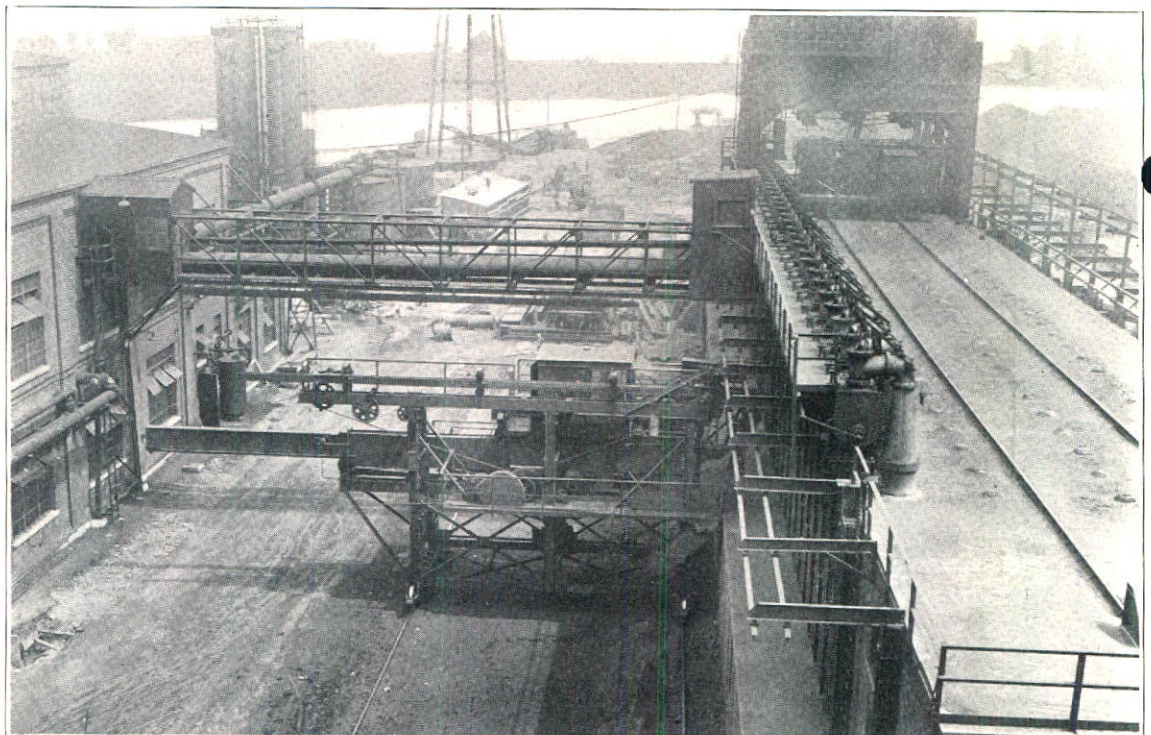
President, Frost Steel & Wire Company, Ltd.

F. F. TRELEAVEN

Barrister



Coal in storage. Dock storage capacity 400,000 tons. Coal Handling Bridge capable of unloading from boats at the rate of 600 tons per hour.



Panorama of Coke Plant.

SECOND ANNUAL REPORT
of the Directors of
UNITED FUEL INVESTMENTS LIMITED
Year ended March 31, 1930

HAMILTON, Ontario.
May 23, 1930

TO THE SHAREHOLDERS:

The Directors present herewith the Second Annual Report, accompanied by the Consolidated Profit and Loss Statement for the fiscal year ended March 31, 1930, and the Consolidated Balance Sheet as at March 31, 1930.

The consolidated profit from operations, after provision for maintenance, renewals and repairs, amounted to \$1,229,770.83 for the fiscal year ended March 31, 1930, as against \$1,028,026.47 for the fiscal year ended March 31, 1929. This substantial increase, amounting to \$201,744.36, reflects the growth and development of the territory served and the more efficient operation of the plants and equipment of the Company's subsidiaries.

The Consolidated Balance Sheet shows that during the fiscal year fixed assets increased \$450,774.62 representing additions to plant including the distributing system of the United Suburban Gas Company Limited. The outstanding First Mortgage Bonds and Serial Notes of the Hamilton By-Product Coke Ovens Limited were reduced by \$376,400, and \$28,000 First Mortgage Bonds of the United Gas and Fuel Company of Hamilton Limited were retired, making a total of \$404,400, and in addition \$100,000 was set aside to meet the April 1st, 1930, Serial Note Maturity of the Hamilton By-Product Coke Ovens Limited. As the above expenditures amounting in all to \$955,174.62 were met out of current funds, the consolidated net current asset position was further

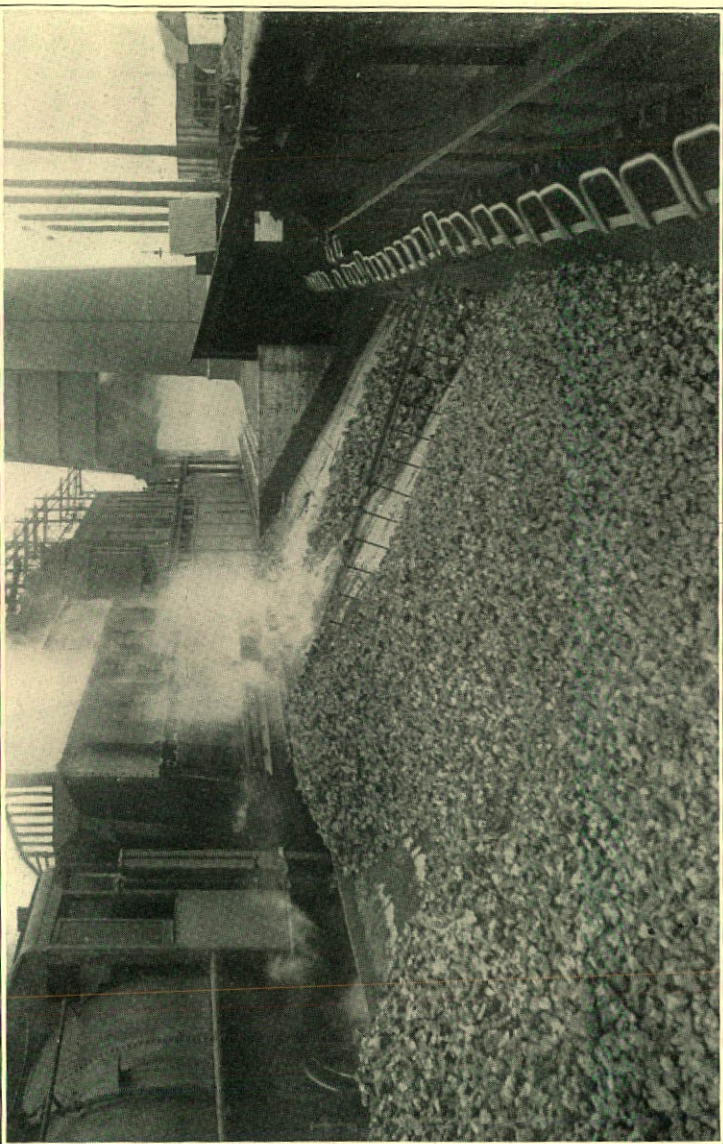
impaired. Last year's Report made mention of the intention to reimburse the subsidiary companies, by permanent financing, for large capital expenditures in connection with additions to plant and equipment, and to refund the outstanding securities of the By-Products Company. This financing has been delayed pending an improvement in general investment conditions but it is anticipated that it can be completed at an early date.

During the year the By-Products Company operated at capacity but a sharp recession in blast furnace operations in the United States resulted in dumping of considerable surplus coke in the Canadian market, thereby reducing your Company's earnings in that department. Sales of tar, ammonium sulphate and motor benzol showed large increases, and the demands for gas were met without interruption, thus providing the Gas Companies with a dependable supply, which is one of the prime requisites of a satisfactory service.

It is gratifying to be able to report again a substantial increase in the volume of gas sold during the fiscal year just ended. Sales showed a healthy increase due not only to an expanding market but also to the fact that the diversity in the uses of gas in the home and in commercial institutions has steadily increased. New appliances and equipment are constantly being perfected to enhance the advantages of using gas, and this is reflected in the increased sales of appliances by the Commercial Department. Industrial gas sales for the past year show that remarkable progress has been made in this field. In 1928, industries in Hamilton consumed 20 million cubic feet of gas per month—to-day 70 million cubic feet per month are being used, and the Company's engineers are actively engaged in the necessary research and experimental work with a view to further development of this branch of the Company's business.

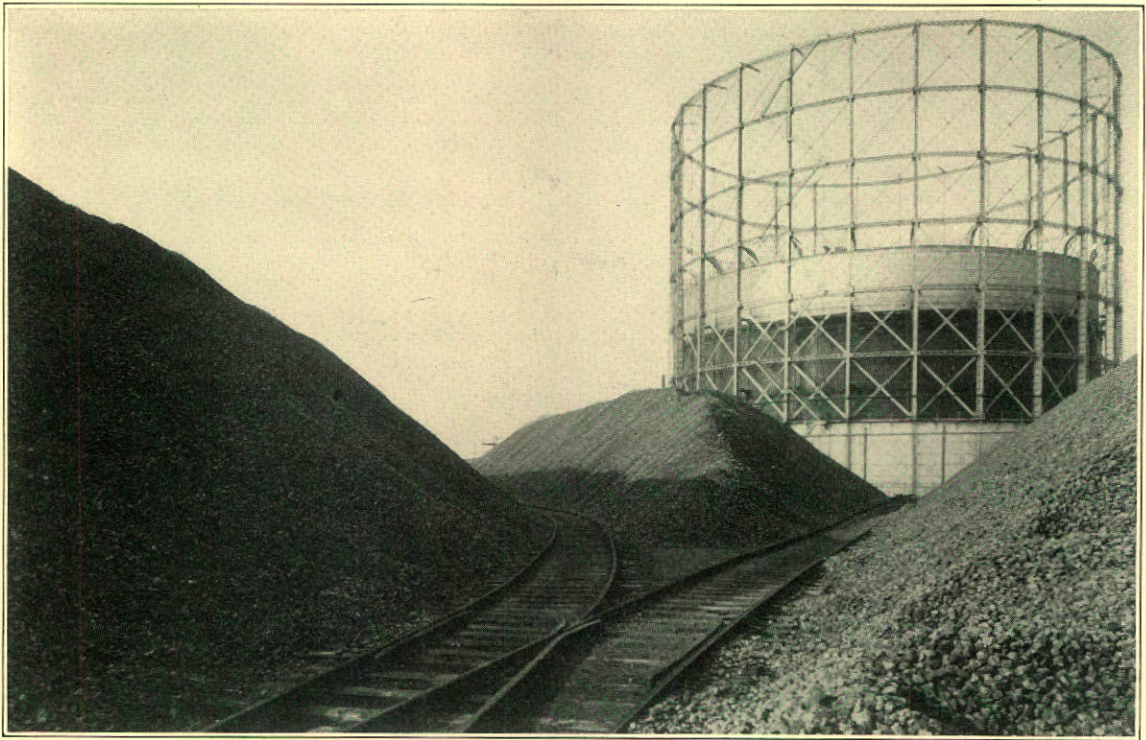
The By-Products Company's new coal dock and coal-handling equipment came into full operation during the year, and the anticipated operating economies are now being realized.

The United Suburban Gas Company Limited, a wholly owned subsidiary, formed in 1929 for the purpose of distributing gas to the municipalities of Oakville, Burlington Beach, Bronte, Nelson and Trafalgar, has been in operation since October, 1929, when the Company completed construction of a main pipe line of 25 miles running from

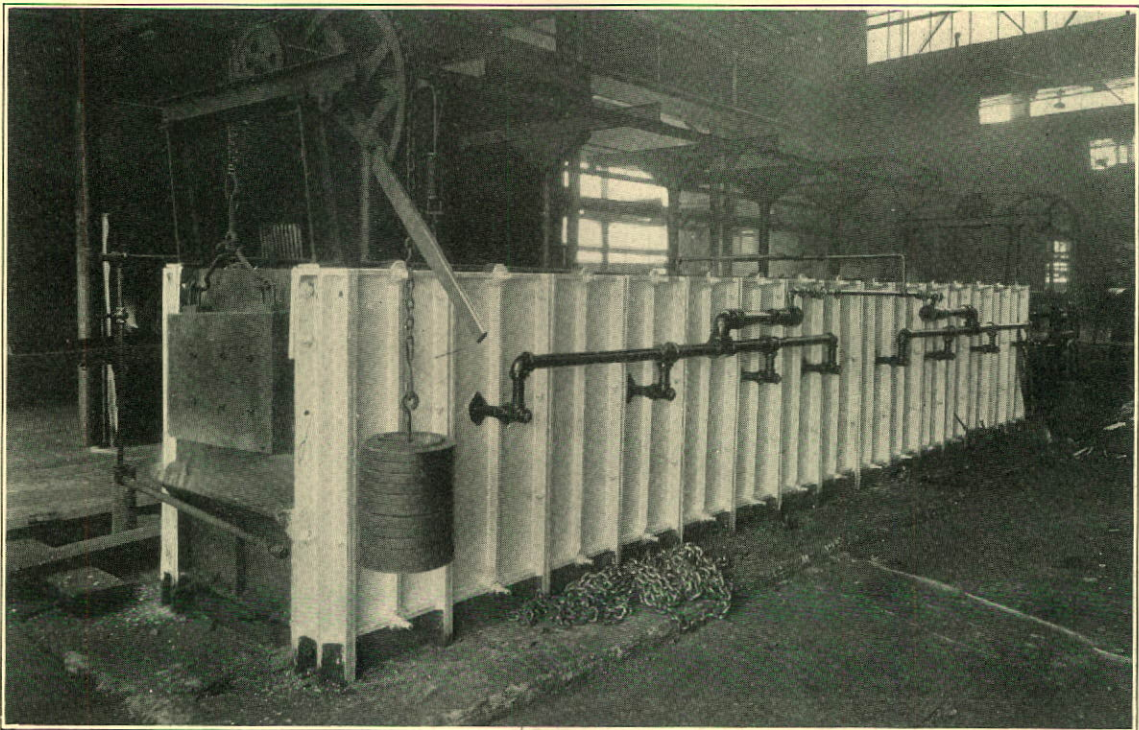


Coke Wharf from which coke is conveyed to the screening station where it is prepared in different sizes for foundry and domestic consumption.





Coke in storage. Readily accessible for loading in freight cars or trucks. 6,000,000 cubic feet capacity gas holder in background.



Typical gas industrial installation made by the Company for the National Steel Car Corporation Limited—an upsetting furnace for making rivets. The temperature of operation is 1900° Fahrenheit.

UNITED FUEL INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET

March 31, 1930

ASSETS

CURRENT ASSETS:

Cash on hand and in banks.....	\$239,327.96	
Bonds and Securities.....	24,546.10	
Accounts receivable, less reserve for bad debts.....	486,535.20	
Inventories, as certified to by the management.....	556,145.68	
		<u>\$1,306,554.94</u>

CASH IN HANDS OF TRUSTEES FOR REDEMPTION OF SERIAL GOLD NOTES OF THE HAMILTON BY-PRODUCT COKE OVENS LIMITED: Due April 1, 1930.....		100,000.00
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PROPERTIES, PLANTS, GOODWILL, FRANCHISES, ETC.:

As at April 1, 1929.....	\$15,356,748.49	
Additions since.....	450,774.62	
		<u>15,807,523.11</u>

PREPAID INSURANCE, BOND DISCOUNT, ETC.:.....		112,890.34
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\$17,326,968.39

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year ended March 31, 1930

Profit from operations after provision for maintenance, renewals, and repairs...		\$1,229,770.83
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Deduct:

Interest on Bonds of Constituent Companies.....	\$256,108.09	
Interest on Bank Loans.....	119,135.39	
		<u>375,243.48</u>

BALANCE.....		\$854,527.35
Provision for Depreciation.....		135,000.00

BALANCE.....		\$719,527.35
Reserved for Income Taxes.....		30,000.00

NET PROFIT, carried to Balance Sheet.....		<u>\$689,527.35</u>
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Approved on behalf of the Board,

A. L. FULLERTON	} Directors.
A. F. WHITE	

AND CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEET

March 31, 1930

LIABILITIES

CURRENT LIABILITIES:

Special bank loans for Capital Expenditures pending permanent financing	\$1,150,000.00	
Other bank loans	1,191,649.17	
Dividend payable April 1, 1930	135,000.00	
Accounts payable	87,445.43	
Accrued interest, taxes, etc.	198,785.79	
Meter deposits	12,233.35	
		\$2,775,113.74

BONDS AND SERIAL NOTES:

HAMILTON BY-PRODUCT COKE OVENS, LIMITED:

First Mortgage 7% Bonds, due Feb. 1, 1943	\$1,487,200.00	
6% Gold Notes, maturing serially April 1, 1930.—October 1, 1931..	525,000.00	
		\$2,012,200.00

UNITED GAS AND FUEL COMPANY OF HAMILTON, LIMITED:

First Mortgage 5½% Sinking Fund Bonds, due July 1, 1948	1,852,000.00	
		3,864,200.00
RESERVES FOR DEPRECIATION AND RENEWALS		1,404,681.71

CAPITAL AND SURPLUS:

Capital Stock:

Six per cent. Cumulative Redeemable Preferred Shares:		
Authorized	\$25,000,000.00	
Issued	\$9,000,000.00	
Common Stock:		
Consisting of 100,000 shares without nominal or par value	100,000.00	
(authorized 250,000 shares)		

Surplus:

Balance as at April 1, 1929	\$33,445.59	
Add: Net profits for the year ended March 31, 1930, after provision for interest charges, depreciation and taxes	689,527.35	
		\$722,972.94
Deduct: Dividends paid	540,000.00	
		182,972.94
		9,282,972.94

\$17,326,968.39

We have examined the books and accounts of United Fuel Investments Limited and controlled companies for the year ended March 31, 1930, and have obtained all the information and explanations we have required. Provision of \$135,000 has been made for depreciation accruing during the year, and, on that basis, we certify that the above consolidated balance sheet is, in our opinion, properly drawn up and shows the true financial position of the combined companies as at the close of business on March 31, 1930, according to the best of our information and the explanations given to us, and as shown by the books of the companies.

Toronto, April 28, 1930.

PRICE, WATERHOUSE & Co.,
Auditors.

