

United Fuel Investments Limited

BOARD OF DIRECTORS

A. L. FULLERTON, *President*

Vice-President, The Dominion Securities Corporation
Limited

A. T. LEAVITT, *Managing Director*

A. F. WHITE

Vice-President, The Canadian Bank of Commerce

G. R. COTTRELLE

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

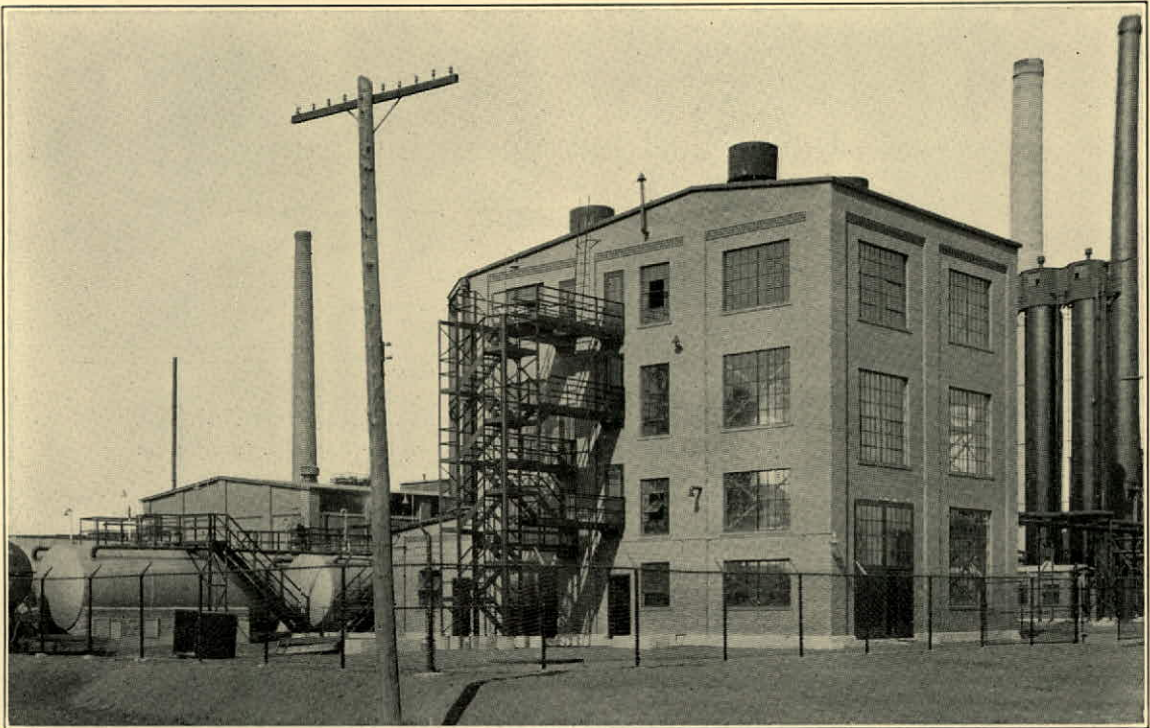
President, John A. Bruce & Company, Ltd.

A. L. PAGE

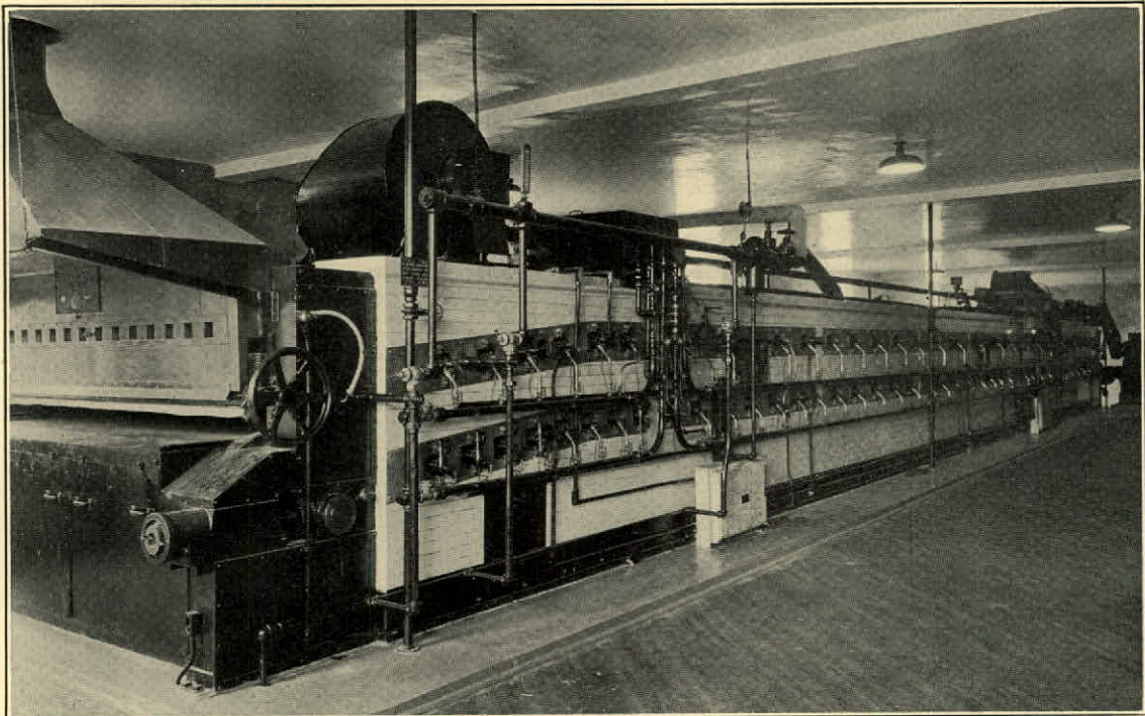
President, Frost Steel & Wire Company, Ltd.

F. F. TRELEAVEN

Barrister



The New Benzol Plant



Typical industrial installation made by the Company for the
Ideal Bread Company, Limited

FIRST ANNUAL REPORT
OF THE DIRECTORS OF
UNITED FUEL INVESTMENTS LIMITED

Year ending March 31st, 1929.

HAMILTON, Ontario,
May 15th, 1929.

TO THE SHAREHOLDERS:

This Report sets forth in summarized form the business and affairs of your Company and its subsidiaries for its first year of operations. A Balance Sheet as at March 31st, 1929, and an Earnings Statement for the fiscal year ending on the same date is embodied herewith.

United Fuel Investments, Limited, is a public utility holding company controlling United Gas and Fuel Company of Hamilton, Limited, and Hamilton By-Product Coke Ovens, Limited. The subsidiary companies are engaged in basically sound undertakings, supplying the City of Hamilton with gas for domestic and industrial purposes, and Central Ontario with domestic coke and such important by-products as benzol, tar and sulphate of ammonia.

At the time of the organization of your Company it acquired substantially all of the share capital of the Hamilton By-Product Coke Ovens, Limited, and over 90% of the share capital of the United Gas & Fuel Company of Hamilton, Limited. Since that date your Company has acquired the balance of these stocks and now owns all the capital stock of both companies.

No direct financing was done during the year by your Company but its subsidiary, United Gas and Fuel Company of Hamilton, Limited, called for redemption its \$1,880,000 First Mortgage 6% Bonds and issued new 5½% Bonds, due July 1st, 1948, which will show the Company a substantial saving in interest over the period.

During the year your Company's subsidiary, the Hamilton By-Product Coke Ovens, Limited, retired \$351,400 of its outstanding First Mortgage Bonds and Serial Notes. In addition, \$125,000 was set aside to meet the April 1st, 1929, Serial Note Maturity, making a total of \$476,400 for the period. \$1,157,000 was also expended on capital additions.

These various expenditures have had an adverse effect upon the Hamilton By-Product Coke Ovens, Limited, Current Assets position.

This, however, will be adjusted in due course by the refunding of its First Mortgage Bonds and Serial Notes and by the permanent financing of the expenditures in connection with the construction of the new dock.

While earnings for the year were not as high as had been hoped for, when the whole situation is reviewed the statement is a satisfactory one. The charges on the outstanding securities of the subsidiary companies were in each instance covered by a very excellent margin and the dividend requirements of United Fuel Investments safely earned.

Earnings were affected by delays beyond the control of the company, which occurred in making several of the larger industrial gas connections and in the construction work on the new coal dock. As a result of these delays business did not increase uniformly throughout the year, but by December these difficulties had been largely overcome, and since that time a marked improvement has taken place. The subsidiary companies are now operating at capacity. The growing preference for the use of coke, as opposed to other fuels, was reflected in the good coke market during the winter months, of which business your company procured its full share.

There has been a large growth in gas sales for industrial purposes and many of Hamilton's larger industries have changed from other fuels to gas, because of its greater convenience and efficiency. As a result of the broader gas market the Coke Company has been able to steadily increase its output and last year coke production was increased approximately 30% over the preceding twelve months' period, and it is anticipated that the coming year will show similar improvement. The improvement in the marketing of gas and coke is indicated by the charts herewith, which show graphically the progress made.

Property Additions and Improvements

During the year substantial progress has been made in expansion by your company's subsidiaries. Considerable sums have been spent on improvements and additions to plant, totalling altogether \$1,298,000. The Coke Company has added a motor benzol plant and a modern coal-handling and storage dock, both of which are now operating. This dock, in connection with which the Company has expended more than \$750,000, is of the most modern type and construction, consisting of a travelling bridge of 350' span, with a bucket of ten tons capacity, capable of unloading coal direct from vessels at the rate of 400 tons per hour. Considerable additions to the company's property holdings were necessary for the dock site, as well as for the protection of the Coke plant against future expansion. More than fifty acres on the Hamilton waterfront adjoining the company's present properties have been secured for this purpose.

This dock will prove a very big factor in the company's operations, as it makes lower-priced fuel areas tributary to the company's plant and also makes possible considerable savings in freight by substituting water transportation for rail. Operating on its present schedules, the Coke Company will use as raw material more than 325,000 tons of bituminous coal during the coming year. In 1928 transportation charges amounted to 67% of the cost of bituminous coal bought for coking purposes. The new dock will enable the company to reduce these transportation charges to 53% of the laid-down cost of coal which indicates the great value of this dock to the company.

United Gas and Fuel Company, Limited under its perpetual franchise for the sale and distribution of gas in Hamilton, has extended its distribution system to include the Westdale subdivision, the site of McMaster University. The Gas Company's capital expenditures during the year have totalled more than \$140,000 and, in addition to the extension mentioned above, a modern gas compressor station has been installed with equipment of sufficient capacity to handle the greatly increased volume of gas being marketed. This plant has been so designed that additional units can be added to take care of the growth of the City, and also of suburban areas.

It has been the policy of United Fuel Investments Limited to extend its activities, and during the year it has obtained thirty-year franchises in the thickly settled Burlington Beach area, and in the Townships of Nelson and Trafalgar and Towns of Bronte and Oakville. These franchises have now been confirmed by Private Act of the Ontario Legislature and will form a valuable addition to the company's assets. Work has already begun on the gas line from Hamilton to the Burlington Beach ship canal, and will be continued from that point as soon as negotiations now under way with the Department of Public Works have been completed.

The capital additions which have been proceeded with during the last year are steps towards the fulfilment of the company's plan to take advantage of all business available. Favourable progress was made during the year on the expansion plans of the subsidiary companies as laid out at the time of the formation of United Fuel Investments, Limited. Giving consideration to all branches of the company's business, the Directors are well pleased with the progress made during this formative period, and look forward with confidence to the company's future.

For the Directors,

A. L. FULLERTON,
President

UNITED FUEL INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET

March 31st, 1929

ASSETS

CURRENT ASSETS:	
Cash on hand and in banks.....	\$229,828.39
Bonds and Securities.....	98,796.10
Accounts receivable, less reserve for bad debts.....	428,777.79
Inventories, as certified to by the management.....	541,705.93
	\$ 1,299,108.21
CASH IN HANDS OF TRUSTEES FOR REDEMPTION OF SERIAL GOLD NOTES OF THE HAMILTON BY-PRODUCT COKE OVENS LIMITED: Due April 1st.....	
	146,750.00
PROPERTIES, PLANTS, GOODWILL, FRANCHISES, ETC.:	
As at April 1, 1928.....	\$14,330,121.20
Additions since.....	1,026,627.29
	\$15,356,748.49
PREPAID INSURANCE, BOND DISCOUNT, ETC.:.....	119,238.92
	\$16,921,845.62

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year ending March 31st, 1929

PARTICULARS	AMOUNT
Profit from operations after provision for Maintenance, renewals and repairs..	\$1,028,026.47
<i>Deduct:</i>	
Interest on Bonds of Constituent Companies.....	\$230,707.37
Interest on Bank Loans.....	86,912.57
	317,619.94
BALANCE.....	\$710,406.53
Provision for Depreciation.....	101,265.00
	\$609,141.53
BALANCE.....	\$609,141.53
Reserved for Income Taxes.....	49,006.44
	\$560,135.09
NET PROFIT, carried to Balance Sheet.....	\$560,135.09

AND CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEET

March 31st, 1929

LIABILITIES

CURRENT LIABILITIES:

Temporary bank loan re new dock construction.....	\$700,000.00
Other bank loans and overdrafts.....	971,739.77
Dividend payable April 1, 1928.....	135,000.00
Accounts payable.....	272,025.12
Accrued interest, taxes, etc.....	160,194.73
Meter deposits.....	11,158.70

 \$2,250,118.32

BONDS AND SERIAL NOTES:

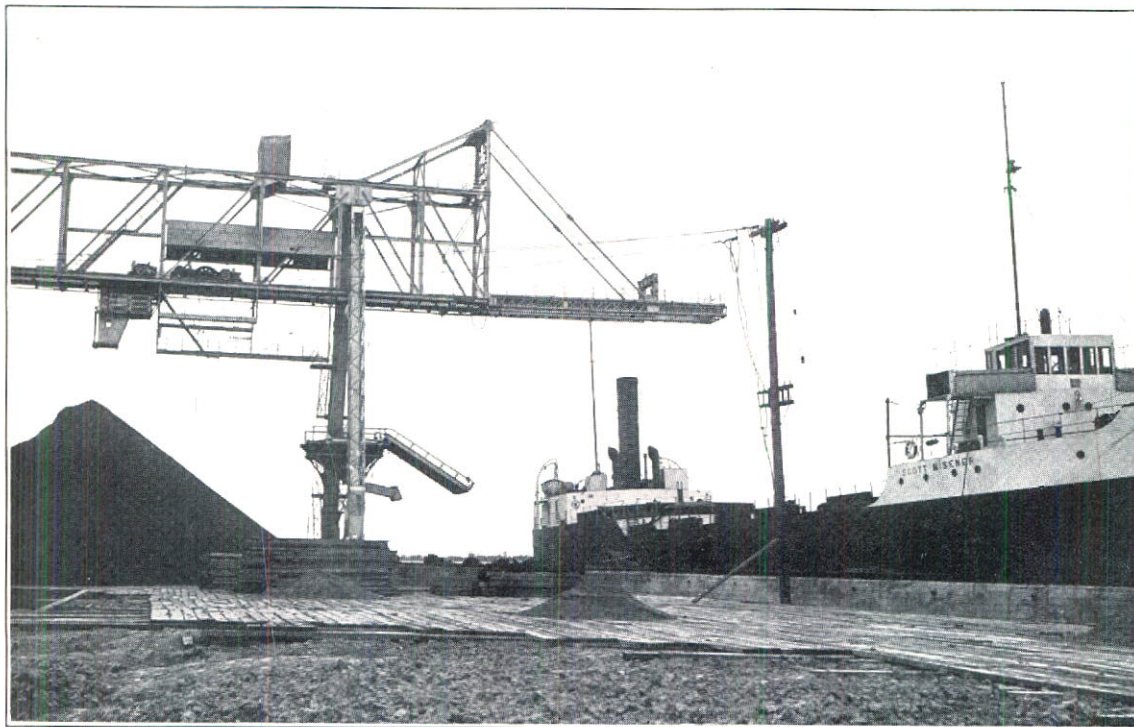
HAMILTON BY-PRODUCT COKE OVENS, LIMITED:

First Mortgage 7% Bonds, due Feb. 1, 1943.....	\$1,588,600.00	
6% Gold Notes, maturing serially April 1, 1929-October 1, 1931.....	800,000.00	
		<hr/> \$2,388,600.00

UNITED GAS & FUEL COMPANY OF HAMILTON, LIMITED:

First Mortgage 5½% Sinking Fund Bonds, due July 1, 1948.....	1,880,000.00	
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 \$4,268,600.00



End of Coal Handling Bridge and Storage Dock

