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The Consumers' Gas Company
of Toronto
Ninety-Seventh Annual Report
Year ended 30th September, 1945

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The Consumers' Gas Company
of Toronto

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

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A. L. BISHOP

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

Vice-President

EDWARD J. TUCKER

General Manager
The Consumers' Gas Company of Toronto

Directors

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President, Michie & Company
Vice-President, Confederation Life Association
Director, Imperial Bank of Canada

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President, R. Laidlaw Lumber Company,
Limited
Director, Imperial Bank of Canada
Director, Canada and Dominion Sugar
Company, Limited

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President, Manufacturers Life Insurance
Company
President, Alexandra Apartments Limited

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Executive Vice-President, General Steel
Wares Limited
Vice-President, Canada Permanent Mortgage
Corporation
Director, North American Life Assurance
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President, Chartered Trust and Executor
Company
President, Boiler Inspection and Insurance
Co. of Canada

J. G. PARKER

Managing Director
The Imperial Life Assurance Co. of Canada

V. R. SMITH

President, Confederation Life Association
Director, Bell Telephone Co. of Canada

His Worship the Mayor of Toronto

ROBERT H. SAUNDERS, K.C.

TO THE SHAREHOLDERS:

Your Directors present herewith the Ninety-seventh Annual Report of the operations of the Company together with the Balance Sheet as of September 30th, 1945, and the Statement of Income for the year ended September 30th, 1945.

The output of gas during the year amounted to 7,417,492,000 cubic feet and exceeded all previous records, being 4.54 per cent. greater than in 1944, and 35.25 per cent higher than the output of 1939.

On each of the three days of January 24, 25 and 26, when sub-zero temperatures were recorded, the previously established maximum day's output of gas was exceeded. The average daily output for the three days was 26,158,000 cubic feet.

Fortunately, by reason of the forward-looking policy established by the Directors of being prepared at all times to meet possible increases in demand for service, the gas-making capacity of the plants was well in advance of immediate requirements at the outbreak of the war, and the Company was thereby enabled to meet adequately all service demands of its regular residential, commercial, and industrial customers, as well as those of establishments engaged in the production of war materials. The value to the Company in having so fully anticipated future requirements can be easily appreciated.

There were 169,554 active meters in use at the end of the year, an increase of 2,577 during the year. More than 15,000 meters have been added in the past five years.

The following figures from the Statement of Income present in short form the financial results of the year's operations:

Gross Earnings.....	\$8,883,236.32
Operating Expenses and Taxes.....	6,806,406.65
Net Earnings..	2,076,829.67
Interest Earnings.....	86,746.55
Transferred from Reserve Fund....	158,714.83
	<u>\$2,322,291.05</u>
Dividends.....	1,164,416.00
Transferred to Plant and Buildings Renewal Fund.....	1,157,875.05
	<u>\$2,322,291.05</u>

Revenue from Gas Sales amounted to \$6,917,175, an increase of \$274,290 over last year. The increased revenue resulting from expansion in residential sales was \$292,770; and from greater commercial sales, \$46,768. Sales of gas for industrial purposes were \$65,248 less than in 1944 due to recessions in the production of war materials.

Operating expenses, including taxes, aggregated \$6,806,407, an increase over last year of \$436,834. The principal items contributing to this increase were the cost of producing a larger volume of gas, advances in the cost of coal and higher taxes.

The cost of coal in 1945 was \$2.21 per ton higher than the cost in 1939. Based on the quantity of coal used in 1945 the increase represents an added annual expense of \$702,668.

Taxes charged against the year's operations aggregated \$676,419, a sum equal to about 9.8 cents on each dollar received from the sale of gas.

Payrolls for the year, including both operating and construction employees, amounted to \$2,148,395, and the average number of men and women employed was 1,115.

Sales and promotion activities were necessarily restricted to the number of gas appliances available. When the opportunity affords, the Company will again actively promote the use of gas through the sale of modern, attractive and efficient gas-burning equipment.

The plants and properties of the Company have been maintained in good physical and operating condition. Expenditures on repairs and renewals for the year totalled \$548,833.

It has not been possible to augment the capacity of the Company's gas manufacturing plant during the war years. However, several projects are now receiving study, having as their objective the further improvement and extension of the gas-making equipment.

The new steam raising plant at Station "A" Works referred to in last year's report is now practically completed and will be put into operation shortly.

During the year nine miles of gas mains were added to the distribution system.

The Directors are proud of the record made by the Company's employees in the war. Of the 240 who served in Canada's Armed Forces, eight have been reported killed in action. The Directors desire to pay their tribute of respect to the memory of these brave men. Opportunity will be afforded every returned man who was permanently in the Company's employ at the time of his enlistment to re-enter the service.

Our employees have been active in their support of the war effort on the home front. Their record of purchases of Victory Bonds is a creditable one. They have given generously of their money to the Red Cross and other organizations, and many have donated their blood to the Red Cross Blood Donor Service, and have participated in various other wartime activities.

The Company's capital shares were held at the close of the year by 4,727 shareholders, 93 per cent of whom reside in Canada.

The Directors regret to report that Mr. C. S. Macdonald, a Director from October 15th, 1934; and Mr. H. H. Horsfall, a Director from November 3rd, 1941, have both found it necessary, owing to ill health, to tender their resignations as Directors. Both Mr. Macdonald and Mr. Horsfall have at all times during their terms of office rendered valuable services to the Company, and the Directors regret very much their retirement. The vacancies on the Directorate were filled by the election to the Board of Mr. Victor R. Smith and Mr. John G. Parker.

The Directors report also that Colonel John F. Michie, a Director of the Company from September 17th, 1917, and Vice-President from February 7th, 1938, advised that he wished to be relieved from the duties of the office of Vice-President, and his resignation from that office was accepted with reluctance and regret.

At a meeting of the Directors held on October 5th, Mr. Edward J. Tucker, General Manager, who has served the Company since February, 1910, was elected Vice-President of the Company to succeed Colonel Michie.

The Directors acknowledge with appreciation the contribution made by all employees toward the successful conduct of the Company's business during the past year. Despite the difficulties imposed by conditions, the officers and staff have, by diligence and resourcefulness, maintained the usual high standard of service to the public.

All of which is respectfully submitted.

A. L. BISHOP,
President.

The Consumers' Gas Company *of Toronto*

Statement of Income

For Year ended September 30th, 1945

GROSS OPERATING REVENUE:	
Gas Sales.....	\$6,917,174.88
Residuals Produced.....	1,520,529.70
Merchandise Sold.....	441,451.18
Miscellaneous Revenue.....	4,080.56
	\$8,883,236.32
Production, Distribution and Administration Expenses and Taxes.....	6,806,406.65
NET OPERATING INCOME.....	2,076,829.67
INTEREST EARNINGS NET.....	86,746.55
	TOTAL NET INCOME before Provision for Plant and Buildings Renewal Fund.....
	2,163,576.22
Dividends on Capital Stock.....	1,164,416.00
	\$ 999,160.22
Transferred from Reserve Fund.....	158,714.83
	\$1,157,875.05
Transferred to Plant and Buildings Renewal Fund	1,157,875.05

The Consumers' Gas Company of Toronto

Balance Sheet

September 30th, 1945

LIABILITIES

Capital Stock.....	\$14,555,200.00
Reserves:	
Reserve Fund.....	\$3,970,439.38
Plant and Buildings Renewal Fund.....	10,151,657.92
	14,122,097.30
Dividend No. 382, payable October 1st, 1945.....	291,104.00
Accounts Payable.....	601,172.80
Provision for Workmen's Compensation and Dominion Government Taxation.....	181,895.81
	\$29,751,469.91

ASSETS

Real Estate, Plant and Equipment.....	\$24,155,733.72
Investment in Dominion of Canada Bonds (At Cost)	2,813,925.12
Materials and Supplies.....	1,394,609.39
Cash in Bank and Offices.....	312,168.05
Accounts Receivable, after making provision for Doubtful Accounts.....	901,186.05
Interest Accrued, not due.....	26,301.05
Prepaid Taxes and Insurance.....	147,546.53
	\$29,751,469.91

Approved on behalf of the Board of Directors.

(Signed) A. L. BISHOP,
President.

(Signed) EDWARD J. TUCKER,
Vice-President and General Manager.

We have audited the accounts of The Consumers' Gas Company of Toronto for the year ended 30th September, 1945, 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, 1945, according to the best of our information and as shown by the books of the Company.

GUNN, ROBERTS & COMPANY,
Chartered Accountants

TORONTO, NOVEMBER 6th, 1945.

