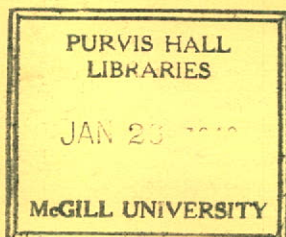


**Dominion Coal Company,  
LIMITED**

---

**ANNUAL REPORT  
CONSOLIDATED BALANCE SHEET  
AND  
PROFIT AND LOSS ACCOUNT  
for the Year  
1941**





# Dominion Coal Company, Limited

Executive and General Offices

CANADA CEMENT COMPANY BUILDING

Montreal, Que.

## DIRECTORS

HON. C. P. BEAUBIEN

C. J. BURCHELL, K.C.

A. CROSS

D. W. FRASER

J. H. GUNDY

A. N. JONES

H. J. KELLEY

JOS. A. KILPATRICK

C. B. LANG

GEO. H. MONTGOMERY, K.C.

M. W. McDONALD

DR. G. B. WATERHOUSE

COLIN W. WEBSTER

---

## OFFICERS

A. CROSS, *President*

H. J. KELLEY, *First Vice-President and General Manager*

C. B. LANG, *Vice-President*

M. W. McDONALD, *Secretary and Treasurer*

W. A. DOIG, *Assistant Secretary*



# Dominion Coal Company, Limited

---

## Report of the Board of Directors to be submitted to the Shareholders at the Annual General Meeting on 14th April, 1942

---

Your Directors submit herewith the Balance Sheet of your Company as at 31st December, 1941, with relative Profit and Loss Account for the year, together with Certificate of the Auditors, Messrs. Price, Waterhouse & Company.

### PROFIT AND LOSS ACCOUNT

The operations for the year resulted in a net loss of \$566,124.97, which with dividends amounting to \$164,909.25, paid on the Preferred Shares for the first six months of the year, has reduced the surplus established as at 31st December, 1940, by \$731,034.22.

In view of the operating results for the year, your Directors decided that no amount should be provided for Depreciation on the Company's properties.

The unfavourable operating result referred to above is directly attributable to internal discord in the Miners Union. Certain members of that body in an organized campaign calculated to force the retirement of the Executive Officers of the Union, persuaded their membership to reduce the daily production of coal by approximately one-third of normal. Between the latter part of April and the first of October the results of this practice were,—a loss in coal production of some 620,000 tons, greatly increased cost of operation and a loss to the employees in wages of \$885,000.00.

As the earnings of the Company had been so adversely affected by this serious loss in coal production, your Directors, at a meeting held on the 8th September, found it necessary to discontinue payment of dividends on the preferred shares until the earnings of the company permit the payment to be resumed

### BALANCE SHEET

Net additions to property during the year amounted to \$1,186,985.86. The reserve for depreciation stands at \$23,277,007.62, leaving the net value of property at \$24,745,159.15 as compared with \$23,497,811.10 at 31st December, 1940.

Capital liabilities were reduced by redemption of First Mortgage Serial 3½% Bonds amounting to \$500,000.00, Dominion Rolling Stock Equipment Bonds amounting to \$147,000.00 and preferred stock to the amount of \$10,875.00.

During the year Equipment Bonds amounting to \$325,000.00 were issued consisting of \$195,000.00 of 3½% three-year Serial Bonds, 1942-1944 and \$130,000.00 4% two-year Serial Bonds, 1945-1946.

Current Working assets including deferred charges amounted to \$7,372,972.99 and current liabilities to \$4,499,478.10. The excess of current and working assets over current liabilities amounted to \$2,873,494.89, a reduction of \$2,122,959.14 as compared with the corresponding figure at 31st December, 1940.

The sales of coal for the year amounted to 4,665,126 gross tons as compared with 5,159,055 gross tons in the previous year.

#### GENERAL

The development of the collieries in the Dominion No. 1B and Gardiner districts referred to in last year's report has been progressing satisfactorily and a quantity of coal should be produced from these mines during the current year.

Additional rolling stock consisting of 150-50 ton Hopper Cars and three locomotives was purchased by Sydney & Louisburg Railway.

A new modern machine shop of fire-proof construction has been erected during the year to replace the old wooden building destroyed by fire.

All properties of your company have been maintained in good condition.

Your Directors wish to express their appreciation of the loyal and efficient service of the official staff of the Company and also to extend best wishes to all employees on leave of absence now serving in His Majesty's forces.

On behalf of the Board of Directors,

A. CROSS,  
President.

20th February, 1942.

# **Dominion Coal Company, Limited and Subsidiary Companies**

---

## **Auditors' Report to the Shareholders**

---

We have made an examination of the books and accounts of Dominion Coal Company Limited and its Subsidiary Companies for the year ending December 31, 1941, and have received all the information and explanations we have required. No provision has been made for depreciation accruing during the year ending December 31, 1941, and, subject thereto, we report that the attached Consolidated Balance Sheet as at December 31, 1941, in our opinion, is properly drawn up so as to show a true and correct view at that date of the combined affairs of Dominion Coal Company Limited and its Subsidiary Companies according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,  
Auditors.

Montreal, P.Q.,  
February 26, 1942.



# Dominion Coal Company, Limited and Subsidiary Companies

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1941

Loss from Operations after deducting Mining Costs, Selling and Administration Expenses, but before charging Depreciation and Interest on Funded Debt.....		\$ 269,956.17
INTEREST ON FUNDED DEBT:		
Interest on First Mortgage Bonds of Dominion Coal Company Limited.....	\$ 250,625.00	
Interest on Serial Equipment Bonds of Dominion Rolling Stock Co. Ltd.....	45,543.80	
		296,168.80
Net Loss from Operations before providing for Depreciation, for the year ending December 31, 1941.....		\$ 566,124.97
Surplus, December 31 1940.....	\$ 1,181,466.19	
DIVIDENDS PAID:		
Dominion Coal Company Limited Preferred Stock.....	164,909.25	
		1,016,556.94
Surplus, December 31 1941.....		\$ 450,431.97

# Dominion Coal and Subsidiary

## CONSOLIDATED BALANCE SHEET

### ASSETS

PROPERTIES:

At Cost as at December 31, 1940.....	\$	46,835,180.91	
Additions during 1941 (net).....		1,186,985.86	
		48,022,166.77	
LESS: Reserve for Depreciation.....		23,277,007.62	
		24,745,159.15	\$ 24,745,159.15

Cash in hands of Trustees for Bondholders.....			219,788.34
--	--	--	------------

Inventories, as certified by the Management, valued at Cost or Market, whichever was the lower.....	\$	2,476,814.62	
Trade Accounts Receivable, less Reserve.....		3,182,659.47	
Other Accounts Receivable, less Reserve.....		539,604.03	
Investments.....		352,260.00	
Cash in Banks and on Hand.....		166,589.89	
		6,717,928.01	6,717,928.01

Balance Receivable from Dominion Steel & Coal Corporation Limited and Subsidiary Companies.....			428,431.93
--	--	--	------------

DEFERRED CHARGES:

Insurance and Other Expenses paid in Advance.....	\$	226,613.05	
Discount on Bonds.....		198,525.00	
		425,138.05	425,138.05

Submitted with our Report dated February 26, 1942.  
PRICE, WATERHOUSE & Co.,  
Auditors.

\$ 32,536,445.48



# Company, Limited

## Companies

AS AT DECEMBER 31, 1941

### LIABILITIES

#### CAPITAL STOCK:

Common Stock—Authorized and Issued—	
480,000 shares of a par value of \$25.00 each (owned by Dominion Steel & Coal Corporation Limited).....	\$ 12,000,000.00
6% Cumulative Sinking Fund Preferred Stock—	
Authorized—400,000 shares of a par value of \$25.00 each.....	\$ 10,000,000.00
Issued—240,000 shares of a par value of \$25.00 each.....	\$ 6,000,000.00
Less: Redeemed through Sinking Fund	503,650.00
219,854 shares outstanding.....	5,496,350.00
Preferred Dividend in Arrears \$164,890.50	\$ 17,496,350.00

#### FUNDED AND MORTGAGE DEBT:

Dominion Coal Company Limited—	
First Mortgage Bonds:	
Authorized.....	\$ 12,000,000.00
Outstanding—	
First Mortgage Serial Bonds 3½% Series "A" due October 1 each year 1942-1943.....	\$ 1,000,000.00
First Mortgage 15 year Bonds 4½% Series "A" due October 1, 1952..	3,000,000.00
4½% First Mortgage Bonds, 1939 Series due 1952.....	1,500,000.00
	\$ 5,500,000.00
Dominion Rolling Stock Company Limited—	
4% Serial Equipment Bonds, 1942-1945..	104,000.00
3½% Serial Equipment Bonds, 1942.....	68,000.00
4% Serial Equipment Bonds, 1943-1947..	340,000.00
4½% Serial Equipment Bonds, 1942-1947..	318,000.00
3½% Serial Equipment Bonds, 1942-1944..	195,000.00
4% Serial Equipment Bonds, 1945-1946..	130,000.00
	1,155,000.00
	6,655,000.00
Bank Loans (Secured under Sec. 88 of the Bank Act).....	\$ 2,250,000.00
Accounts Payable and Accrued Liabilities.....	1,523,529.99
Wages Payable and Accrued.....	459,365.11
Bond Interest Accrued.....	70,338.35
	4,303,233.45
Balance payable to Associated Companies.....	196,244.65

#### RESERVES:

Renewals and Betterments, Contingencies and Other Operating Reserves.....	3,435,185.41
Earned Surplus, balance.....	450,431.97
	\$ 32,536,445.48





