



**Dominion Coal Company,  
LIMITED**

---

**ANNUAL REPORTS  
BALANCE SHEETS  
AND  
PROFIT AND LOSS ACCOUNTS  
of the Company  
and its  
Subsidiary Companies  
for the Year  
1940**



# 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

GEO. F. DOWNS

D. W. FRASER

J. H. GUNDY

SIR HERBERT S. HOLT

A. N. JONES

H. J. KELLEY

JOS. A. KILPATRICK

C. B. LANG

GEO. H. MONTGOMERY, K.C.

DR. G. B. WATERHOUSE

HON. LORNE C. 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 23rd May, 1941

---

Your Directors submit herewith the Balance Sheet of your Company as at 31st December, 1940, together with the Profit and Loss Account for the year, as certified by the Auditors, Messrs. Price, Waterhouse and Company.

### PROFIT AND LOSS ACCOUNT

The net profit after payment of all Mining, Selling and Administrative charges and after provision for depreciation and taxes, and after payment of interest on current loans and funded debt and preferred dividend, amounted to \$258,209.99 as compared with \$190,670.09 for the year 1939.

The balance at credit of surplus account brought forward from the previous year was \$923,256.20, to which is added the surplus earnings for the year 1940 amounting to \$258,209.99, making a balance at credit of surplus account at 31st December, 1940, of \$1,181,466.19.

### BALANCE SHEET

Net additions to property during the year amounted to \$687,385.41. The reserve for depreciation has been increased to \$23,337,369.81 leaving the net value of property at \$23,497,811.10 as compared with \$23,821,303.20 at 31st December, 1939.

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 principal amount of \$151,500.00.

On October 1st, 1940, the First Mortgage 5% Bonds of the Cumberland Railway & Coal Company outstanding at that date amounting to \$2,148,000.00 were redeemed.

Current and working assets including deferred charges amounted to \$7,701,434.04 and current liabilities to \$2,704,980.01. The excess of current and working assets over current liabilities amounted to \$4,996,454.03, an increase of \$819,701.49 over the corresponding amount at 31st December, 1939.

## GENERAL

The sales of coal for the year amounted to 5,159,055 gross tons, as compared with 4,518,040 gross tons in the previous year.

During the year the opening of a new colliery in the Harbour seam at Dominion No. 1B Colliery was commenced. This development will materially increase the production of Dominion No. 1B Colliery.

In the Gardiner District work was started in the development of a colliery on the Gardiner Seam.

The increased production from these mines will replace the loss of output from present declining collieries.

All properties of your Company have been maintained in efficient condition.

Your Directors wish to acknowledge and express their appreciation of the loyal and efficient services of the employees and officials of the Company, also to extend best wishes to all employees on leave of absence now serving in His Majesty's Service.

On behalf of the Board of Directors,

A. CROSS,

President.

16th April, 1941.

# **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, 1940, and have received all the information and explanations we have required, and we report that the attached Consolidated Balance Sheet as at December 31, 1940, 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 17th, 1941.



# Dominion Coal Company, Limited and Subsidiary Companies

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1940

Profit from Operations after deducting Mining Costs, Selling and Administration Expenses and providing for Income and Profits Taxes but before charging Depreciation and Interest on Funded Debt.....		\$ 2,231,997.04
Provision for Depreciation.....		1,250,000.00
		\$ 981,997.04
INTEREST ON FUNDED DEBT:		
Interest on First Mortgage Bonds of Dominion Coal Company Limited.....	\$ 268,125.00	
Interest on First Mortgage Bonds of Cumberland Railway & Coal Company.....	80,550.00	
Interest on Serial Equipment Bonds of Dominion Rolling Stock Co. Ltd.....	43,332.05	
		392,007.05
Profit for the year ending December 31, 1940, after providing for Income and Profits Taxes.....		\$ 589,989.99
DIVIDENDS PAID:		
Dominion Coal Company Limited Preferred Stock.....		331,780.00
		\$ 258,209.99
Surplus as at December 31, 1939.....		923,256.20
Surplus December 31, 1940.....		\$ 1,181,466.19

# Dominion Coal and Subsidiary

## CONSOLIDATED BALANCE SHEET

### ASSETS

**PROPERTIES:**

At Cost as at December 31, 1939.....\$ 46,147,795.50  
 Additions during 1940 (net)..... 687,385.41

\$ 46,835,180.91  
 LESS: Reserve for Depreciation..... 23,337,369.81

\$ 23,497,811.10

Cash in hands of Trustees for Bondholders..... 161,486.00

Inventories, as certified by the Management, valued at Cost or Market,  
 whichever was the lower.....\$ 2,357,584.77  
 Trade Accounts Receivable, less Reserve..... 3,100,824.95  
 Other Accounts Receivable, less Reserve..... 243,451.39  
 Investments..... 239,060.00  
 Cash in Banks and on Hand..... 513,119.90

6,454,041.01

Balance receivable from Dominion Steel & Coal Corporation Limited  
 and Subsidiary Companies—

On Demand Note.....\$ 600,000.00  
 On Current Account..... 454,589.92

1,054,589.92

**DEFERRED CHARGES:**

Insurance and Other Expenses paid in Advance.....\$ 192,803.11  
 Discount on Bonds..... 223,890.28

416,693.39

Submitted with our Report dated February 17, 1941.  
 PRICE, WATERHOUSE & Co.,  
 Auditors.

\$ 31,584,621.42



# Company, Limited

## Companies

AS AT DECEMBER 31, 1940

### 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			492,775.00
220,289 shares outstanding.....			5,507,225.00
FUNDED AND MORTGAGE DEBT:			\$ 17,507,225.00
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 1941-1943.....		\$	1,500,000.00
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
		\$	6,000,000.00
Dominion Rolling Stock Company Limited—			
4% Serial Equipment Bonds, 1941-1945....		\$	130,000.00
3½% Serial Equipment Bonds, 1941-1942....			136,000.00
4% Serial Equipment Bonds, 1943-1947....			340,000.00
4½% Serial Equipment Bonds, 1941-1947....			371,000.00
			977,000.00
			6,977,000.00
Accounts Payable and Accrued Liabilities including provision for Taxes.....		\$	1,852,105.95
Wages Payable and Accrued.....			288,786.85
Bond Interest Accrued.....			74,247.05
			2,215,139.85
Balance payable to Associated Companies.....			489,840.16
RESERVES:			
Renewals and Betterments, Contingencies and Other Operating Reserves.....			3,213,950.22
Earned Surplus, balance.....			1,181,466.19
		\$	31,584,621.42







