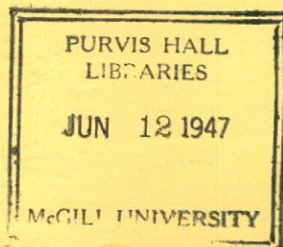


**DOMINION COAL COMPANY
LIMITED**

**ANNUAL REPORTS
CONSOLIDATED BALANCE SHEETS
AND
PROFIT AND LOSS ACCOUNTS**

for the Years

1943 and 1944



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

L. A. FORSYTH, K.C.

J. H. GUNDY

A. N. JONES

H. J. KELLEY

C. B. LANG

GEO. H. MONTGOMERY, K.C.

F. E. NOTEBAERT

D. R. TURNBULL

DR. G. B. WATERHOUSE

COLIN W. WEBSTER

OFFICERS

A. CROSS, *President*

C. B. LANG, *Executive vice-President*

R. C. McDONALD, *Secretary and Treasurer*

G. C. BROADBENT, *Assistant Secretary-Treasurer*

Dominion Coal Company, Limited

Report of the Board of Directors to be submitted to the Shareholders at the Annual General Meeting on 8th July, 1946

Your Directors submit herewith the Balance Sheet of your Company as at 31st December, 1943, together with the relative Profit and Loss Account and the Certificate of the Auditors, Messrs. Price, Waterhouse & Co.

PROFIT AND LOSS ACCOUNT

The combined net profit from the operations of the Company after payment of all charges, provisions for depreciation and taxes and after receipt of subsidies from the Federal Government, was \$502,907.00 as compared with a profit of \$469,618.36 for 1942.

The balance at the credit of Surplus Account carried over from the previous year was \$920,050.33, to which has been added the profit for the year of \$502,907.00, leaving a balance at the credit of the account at 31st December 1943 of \$1,013,382.41, after deduction of dividend paid on the 6% Cumulative Sinking Fund Preferred Stock of \$409,574.92 for the period 1st July 1941 to 30th September, 1942.

BALANCE SHEET

Net additions to the property and Plant Account during the year were \$315,561.34. The Reserve for Depreciation stands at \$25,544,643.60, leaving the net value of property and plants at \$22,806,132.05, as compared with \$23,722,349.62 at 31st December, 1942.

Capital Liabilities were reduced in accordance with Sinking Fund requirements by the redemption of First Mortgage Serial 3½% Bonds amounting to \$500,000.00. Dominion Rolling Stock Equipment Bonds by \$212,000.00.

Current and Working Assets, including Insurance and other expenses paid in advance, amounted to \$11,805,863.23 and current liabilities to \$7,725,007.67, the Net Working Capital being \$4,080,855.56.

Dividends on the Preferred Shares were in arrears to the amount of \$407,396.33.

GENERAL

The sales of coal from your collieries for the year amounted to 3,776,749 gross tons as compared with 4,597,963 gross tons in the previous year.

During the year 3,719,055 gross tons were mined from the Collieries of the Company being 1,680,945 gross tons or 31.1% below capacity, this loss of production was occasioned by shortage of skilled mining labour.

On behalf of the Board of Directors,

A. CROSS,
President.

Montreal, P.Q.,
10th June, 1946.

Dominion Coal Company, Limited and Subsidiary Companies

LIST OF SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED
BALANCE SHEET AS AT DECEMBER 31, 1943

THE CUMBERLAND RAILWAY AND COAL COMPANY
SYDNEY AND LOUISBURG RAILWAY COMPANY
THE DOMINION ROLLING STOCK COMPANY LIMITED

Dominion Coal Company, Limited and Subsidiary Companies

Auditors' Report to the Shareholders

We have examined the books and accounts of Dominion Coal Company Limited, and its Subsidiary Companies for the year ending December 31, 1943, and have received all the information and explanations we have required. Provision has been made for Income and Excess Profits Taxes in an amount considered by the Directors to be adequate and this provision is subject to final determination by the Income Tax Department. On this basis we report that the attached Consolidated Balance Sheet as at December 31, 1943, 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.

June 6, 1946.

Dominion Coal Company, Limited

and Subsidiary Companies

CONSOLIDATED STATEMENT OF PROFIT & LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1943

Combined loss from operations after deducting Mining Costs, Selling and Administration Expenses.....		\$ 1,115,587.98
Miscellaneous Income, including Government Assistance.....		3,532,265.49
		\$ 2,416,677.51
Provision for Depreciation.....	\$ 1,263,544.91	
Provision for Income and Excess Profits Taxes.....	157,500.00	
Interest on Funded Debt.....	249,520.42	
Interest on Bank Loans.....	243,205.18	1,913,770.51
		\$ 502,907.00
Balance, Net Profit for the year.....		920,050.33
Surplus as at December 31, 1942.....		\$ 1,422,957.33
Dividend paid on Preferred Shares.....		409,574.92
Surplus as at December 31, 1943.....		\$ 1,013,382.41

Dominion Coal and Subsidiary CONSOLIDATED BALANCE SHEET

ASSETS

PROPERTIES:

At Cost as at December 31, 1942.....	\$	48,035,214.31
Additions during 1943 (net).....		315,561.34

LESS: Reserve for Depreciation.....	\$	48,350,775.65
		25,544,643.60

\$ 22,806,132.05

Cash in hands of Trustees for Bondholders.....		270,177.83
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Employees' Victory Loan Subscriptions Receivable: Secured by Dominion of Canada Bonds, which, in turn, have been pledged with Bank as security for Special Loan.....		789,935.00
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Inventories, as certified by the Management, valued at Cost or Market, whichever was the lower.....	\$	3,463,864.02
Trade Accounts Receivable, less Reserve.....		3,532,512.92
Other Accounts Receivable, less Reserve.....		3,503,882.46
Investments.....		529,300.00
Cash in Banks and on hand.....		334,566.61
		11,364,126.01

Balance Receivable from Associated Companies (Dominion Steel and Coal Corporation, Limited and Subsidiary Companies).....		101,564.92
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DEFERRED CHARGES:

Insurance and Other Expenses paid in advance.....	\$	340,172.30
Discount on Bonds.....		139,794.10

479,966.40

\$ 35,811,902.21

Approved on Behalf of the Board:

A. CROSS, Director
C. P. BEAUBIEN, Director

Company, Limited

Companies

AS AT DECEMBER 31, 1943

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. 553,525.00

217,859 shares outstanding..... 5,446,475.00 \$17,446,475.00

(Preferred Dividend in arrears \$407,396.33)

FUNDED AND MORTGAGE DEBT:

Dominion Coal Company Limited—

First Mortgage Bonds:

Authorized.....\$ 12,000,000.00

Outstanding—

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

\$ 4,500,000.00

Dominion Rolling Stock Company Limited—

4% Serial Equipment Bonds, 1944-1945... \$ 52,000.00

4% Serial Equipment Bonds, 1944-1947... 272,000.00

4½% Serial Equipment Bonds, 1944-1947... 212,000.00

3½% Serial Equipment Bonds, 1944..... 65,000.00

4% Serial Equipment Bonds, 1945-1946... 130,000.00

731,000.00

5,231,000.00

Special Bank Loan for Purchase of Victory Bonds for Employees (per Contra).....

789,935.00

Bank Loan (secured under Sec. 88 of the Bank Act).....\$ 5,175,000.00

Accounts Payable and Accrued Liabilities..... 2,027,601.58

Wages Payable and Accrued..... 279,586.33

Bond Interest Accrued..... 57,669.17

7,539,857.08

Balance Payable to Associated Companies (Nova Scotia Steel and Coal Company Limited and Subsidiary Companies).....

185,150.59

RESERVES:

Renewals and Betterments, Contingencies and Other Operating Reserves.....

3,606,102.13

Earned Surplus, balance.....

1,013,382.41

\$ 35,811,902.21

Submitted with our Report dated June 6, 1946.

PRICE, WATERHOUSE & Co.,
Auditors.

Dominion Coal Company, Limited

Report of the Board of Directors to be submitted to the Shareholders at the Annual General Meeting on 8th July, 1946

Your Directors submit herewith the Balance Sheet of your Company as at 31st December, 1944, together with the relative Profit and Loss Account and the Certificate of the Auditors, Messrs. Price, Waterhouse & Co.

PROFIT AND LOSS ACCOUNT

The combined net profit from the operations of the Company after payment of all charges, provisions for depreciation and taxes and after receipt of subsidies from the Federal Government was \$518,020.82, as compared with a profit of \$502,907.00 for 1943.

The balance at the credit of Surplus Account carried over from the previous year was \$1,013,382.41, to which has been added the profit for the year of \$518,020.82, leaving a balance at the credit of the account at 31st December 1944 of \$1,531,403.23.

BALANCE SHEET

Net additions to the property and Plant Account during the year were \$479,374.58. The Reserve for Depreciation stands at \$26,779,648.18, leaving the net value of property and plants at \$22,050,502.05, as compared with \$22,806,132.05 at 31st December 1943.

Capital Liabilities were reduced in accordance with Sinking Fund requirements, the amount redeemed by the Trustee during the year of First Mortgage $4\frac{1}{2}\%$ Bonds amounted to \$76,000.00, Dominion Rolling Stock Equipment Bonds \$212,000.00 and Preferred Stock redeemed \$86,500.00.

Current and Working Assets, including Insurance and other expenses paid in advance, amounted to \$14,258,616.12 and Current Liabilities to \$9,649,329.27, the Net Working Capital being \$4,609,286.85.

Dividends on the Preferred Shares were in arrears to the amount of \$722,524.63.

GENERAL

The sales of coal from your collieries for the year amounted to 3,594,553 gross tons as compared with 3,776,749 gross tons in the previous year.

During the year 3,532,581 gross tons were mined from the Collieries of the Company, being 1,721,019 gross tons or 32.8% below capacity, this loss of production was occasioned by shortage of skilled mining labour.

Your Directors in meeting today declared a dividend subject to obtaining the approval of the Foreign Exchange Control Board of Canada of \$2.25 per share on the outstanding 6% Cumulative Sinking Fund Preferred Stock of the Company, payable on 31st July 1946 to shareholders of record at the close of business on 29th June 1946. This Dividend covers the regular quarterly Dividend of 38 cents per share for the three months ending 30th June 1946 plus \$1.87 on account of arrears. After payment of this Dividend the arrears on the Preferred Stock will amount to \$3.37 per share.

The Directors record with regret the death during the year 1945 of Mr. M. W. McDonald, former Secretary and Treasurer and a Director of the Company. Mr. McDonald rendered valuable and faithful service in various capacities for a period of over 50 years.

On behalf of the Board of Directors.

A. CROSS,
President.

Montreal, P.Q.
10th June, 1946.

Dominion Coal Company, Limited and Subsidiary Companies

LIST OF SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED
BALANCE SHEET AS AT DECEMBER 31, 1944

THE CUMBERLAND RAILWAY AND COAL COMPANY
SYDNEY AND LOUISBURG RAILWAY COMPANY
THE DOMINION ROLLING STOCK COMPANY LIMITED

Dominion Coal Company, Limited and Subsidiary Companies

Auditors' Report to the Shareholders

We have examined the books and accounts of Dominion Coal Company Limited, and its Subsidiary Companies for the year ending December 31, 1944, and have received all the information and explanations we have required. Provision has been made for Income and Excess Profits Taxes in an amount considered by the Directors to be adequate and this provision is subject to final determination by the Income Tax Department. On this basis we report that the attached Consolidated Balance Sheet as at December 31, 1944, 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.,
June 6, 1946.

Dominion Coal Company, Limited and Subsidiary Companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1944

Combined loss from operations after deducting Mining Costs, Selling and Administration Expenses.....		\$ 4,155,961.47
Miscellaneous Income, including Government Assistance.....		6,628,368.91
		\$ 2,472,407.44
Provision for Depreciation.....	\$1,286,685.59	
Provision for Income and Excess Profits Taxes.....	92,500.00	
Interest on Funded Debt.....	227,748.70	
Interest on Bank Loans.....	347,452.33	
		1,954,386.62
Balance, Net Profit for the year.....		\$ 518,020.82
Surplus as at December 31, 1943.....		1,013,382.41
Surplus as at December 31, 1944.....		\$ 1,531,403.23

Dominion Coal and Subsidiary

CONSOLIDATED BALANCE SHEET

ASSETS

PROPERTIES:

At Cost as at December 31, 1943.....\$ 48,350,775.65
 Additions during 1944 (net)..... 479,374.58

\$ 48,830,150.23

LESS: Reserve for Depreciation..... 26,779,648.18

\$ 22,050,502.05

Cash in hands of Trustees for Bondholders..... 640,795.22

Employees' Victory Loan Subscriptions Receivable: Secured by
 Dominion of Canada Bonds, which in turn have been pledged
 with Bank as security for Special Loan..... 1,061,047.50

Inventories, as certified by the Management, valued at cost or market,
 whichever was the lower.....\$ 2,893,279.44

Trade Accounts Receivable, less Reserve..... 3,298,859.49

Other Accounts Receivable, less Reserve..... 6,568,840.64

Investments..... 354,800.00

Cash in Banks and on hand..... 476,821.16

13,592,600.73

Balance Receivable from Associated Companies (Dominion Steel and
 Coal Corporation, Limited and Subsidiary Companies)..... 468,672.31

DEFERRED CHARGES:

Insurance and Other Expenses paid in advance.....\$ 197,343.08

Discount on Bonds..... 127,928.66

325,271.74

\$ 38,138,889.55

Approved on Behalf of the Board:

A. CROSS, Director

C. P. BEAUBIEN, Director

Company, Limited

Companies

AS AT DECEMBER 31, 1944

LIABILITIES

CAPITAL STOCK:

Common Stock—Authorized and Issued—

480,000 shares of a par value of \$25.00 each (owned by
Dominion Steel and 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 640,025.00

214,399 shares outstanding..... 5,359,975.00 \$ 17,359,975.00

(Preferred Dividend in Arrears \$722,524.63)

FUNDED AND MORTGAGE DEBT:

Dominion Coal Company Limited—

First Mortgage Bonds—

Authorized.....\$ 12,000,000.00

Outstanding—

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

\$ 4,500,000.00

LESS: Redeemed through Sinking
Fund..... 76,000.00

\$ 4,424,000.00

Dominion Rolling Stock Company Limited—

4% Serial Equipment Bonds, 1945.....\$ 26,000.00

4% Serial Equipment Bonds, 1945-1947... 204,000.00

4½% Serial Equipment Bonds, 1945-1947... 159,000.00

4% Serial Equipment Bonds, 1945-1946... 130,000.00

519,000.00

4,943,000.00

Special Bank Loan for Purchase of Victory Bonds for Employees
(per Contra).....

1,061,047.50

Bank Loan (secured under Section 88 of the Bank Act).....\$ 7,800,000.00

Accounts Payable and Accrued Liabilities..... 1,438,533.47

Wages Payable and Accrued..... 325,361.11

Bond Interest Accrued..... 54,812.10

9,618,706.68

Balance Payable to Associated Companies (Nova Scotia Steel & Coal
Company Limited and Subsidiary Companies).....

30,622.59

RESERVES:

Renewals and Betterments, Contingencies and Other Operating
Reserves.....

3,594,134.55

Earned Surplus, Balance.....

1,531,403.23

\$ 38,138,889.55

Submitted with our Report dated June 6, 1946.

PRICE, WATERHOUSE & Co.,

Auditors.

