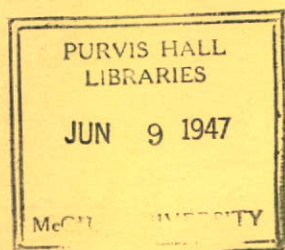


DOMINION COAL COMPANY
LIMITED

ANNUAL REPORTS
CONSOLIDATED BALANCE SHEETS
AND
PROFIT AND LOSS ACCOUNTS

for the Years

1945 and 1946



**DOMINION COAL COMPANY,
LIMITED**

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

for the Years

1945 and 1946

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

C. E. HUNT, K.C.

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 19th June, 1947.

Your Directors submit herewith the Balance Sheet of your Company as at 31st December, 1945, 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 \$512,818.22, as compared with a profit of \$518,020.82 for 1944.

The balance at the credit of Surplus Account carried over from the previous year was \$1,531,403.23, to which has been added the profit for the year of \$512,818.22, and an adjustment relative to prior years in respect to taxes and Government assistance leaving a balance at the credit of the account at 31st December, 1945, of \$2,126,705.83.

BALANCE SHEET

Additions to the property and Plant Account during the year were \$725,341.18 with disposals of \$1,116,350.98. The Reserve for Depreciation stands at \$27,134,928.55, leaving the net book value of property and plants at \$21,304,211.88, as compared with \$22,050,502.05 at 31st December 1944.

Capital Liabilities were reduced in accordance with Sinking Fund requirements, the amount redeemed by the Trustee during the year of First Mortgage 4½% Bonds amounted to \$375,500.00, and Dominion Rolling Stock Equipment Bonds \$212,000.00.

Current and Working Assets, including Insurance and other expenses paid in advance, amounted to \$12,852,933.74 and Current Liabilities to \$7,219,377.66, the Net Working Capital being \$5,633,556.08.

Dividends on the Preferred Shares were in arrears to the amount of \$1,044,123.13.

GENERAL

The sales of coal from your collieries for the year amounted to 3,114,002 gross tons as compared with 3,594,533 gross tons in the previous year.

During the year 3,084,679 gross tons were mined from the Collieries of the Company.

On behalf of the Board of Directors.

A. CROSS,
President.

MONTREAL, P.Q.,
29th May, 1947.

Dominion Coal Company, Limited and Subsidiary Companies

LIST OF SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED
BALANCE SHEET AS AT DECEMBER 31, 1945

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, 1945, 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, 1945, 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.
May 21, 1947.

Dominion Coal Company, Limited and Subsidiary Companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1945

Combined loss from operations after deducting mining costs, selling and administration expenses.....	\$4,502,648.80	
Miscellaneous income, including Government assistance.....	6,924,241.55	
	\$2,421,592.75	
Provision for depreciation.....	\$1,318,734.75	
Interest on funded debt.....	206,044.52	
Interest on bank loans.....	292,011.73	
Provision for Government taxes.....	91,983.53	
	1,908,774.53	
Balance, net profit for the year.....		\$ 512,818.22
Surplus as at December 31, 1944.....	\$1,531,403.23	
ADD: Adjustment affecting prior years in respect to income and excess profits taxes and Government assistance.....	82,484.38	
	1,613,887.61	
Surplus as at December 31, 1945.....		\$2,126,705.83

Dominion Coal C
and Subsidiar
CONSOLIDATED BALANCE SHE

ASSETS

PROPERTIES:			
At cost as at December 31, 1944.....	\$48,830,150.23		
Additions during year.....	725,341.18		
	\$49,555,491.41		
Disposals during year.....	1,116,350.98		
	\$48,439,140.43		
Reserve for depreciation.....	27,134,928.55		
		\$21,304,211.88	
Cash in hands of Trustees for Bondholders.....			365,202.29
Employees' Victory Loan Subscriptions Receivable: Secured by Dominion of Canada Bonds, which in turn have been pledged with bank as security for special loan.....			1,873,416.50
Inventories, as certified by the management, valued at cost or market, whichever was the lower.....	\$ 2,406,807.93		
Trade accounts receivable, less reserve.....	2,959,256.88		
Other accounts receivable, less reserve.....	6,031,510.18		
Investments.....	354,800.00		
Cash on hand and in banks.....	440,350.46		
		12,192,725.45	
Balance receivable from Dominion Steel and Coal Corporation Limited and its Subsidiary Companies.....			341,759.04
DEFERRED CHARGES:			
Insurance and other expenses paid in advance.....	\$ 318,449.25		
Discount on bonds.....	108,783.42		
		427,232.67	

\$36,504,547.83

Approved on Behalf of the Board:
A. CROSS, Director
C. P. BEAUBIEN, Director

Company, Limited

y Companies

ET AS AT DECEMBER 31, 1945

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 \$1,044,123.13)

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 451,500.00

\$ 4,048,500.00

The Dominion Rolling Stock Company Limited—

4% Serial equipment bonds, 1946-1947.... \$ 136,000.00

4½% Serial equipment bonds, 1946-1947.... 106,000.00

4% Serial equipment bonds, 1946..... 65,000.00

307,000.00

4,355,500.00

Special Bank Loan for purchase of Victory Bonds for employees
(per contra).....

1,873,416.50

Bank Loan (secured under Section 88 of the Bank Act)..... \$ 5,000,000.00

Accounts Payable and Accrued Liabilities..... 1,526,596.55

Wages Payable and Accrued..... 558,409.49

Bond Interest Accrued..... 48,531.43

7,133,537.47

Balance payable to Nova Scotia Steel and Coal Company Limited
and its Subsidiary Companies.....

85,840.19

RESERVES:

Renewals and betterments, contingencies and other operating
reserves.....

3,569,572.84

Earned Surplus, balance.....

2,126,705.83

\$36,504,547.83

Submitted with our Report dated May 21, 1947.

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 19th June, 1947.

Your Directors submit herewith the Balance Sheet of your Company as at 31st December, 1946, 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 \$580,470.19 as compared with a profit of \$512,818.22 for 1945.

The balance at credit of Surplus Account brought forward from the previous year was \$2,126,705.83 and after adding the profit for this year of \$580,470.19 and deducting dividends of \$722,524.63 on the 6% Cumulative Sinking Fund Preferred Stock, the balance at credit of Surplus Account at 31st December, 1946, was \$1,984,651.39. The dividends of \$722,524.63 covered arrears for the period October 1st, 1942, to 31st March, 1944, and the current period April 1st, 1946, to 31st December, 1946.

BALANCE SHEET

Additions to the property and Plant Account during the year were \$410,016.45 less disposals \$1,580,020.59. The Reserve for Depreciation stands at \$27,236,312.63 leaving the net book value of property and plants at \$20,032,823.66, as compared with \$21,304,211.88 at 31st December, 1945.

Capital Liabilities were reduced in accordance with Sinking Fund requirements, the amount redeemed by the Trustee during the year of First Mortgage 4½% Bonds amounted to \$356,500.00, Dominion Rolling Stock Equipment Bonds by \$186,000.00.

Current and Working Assets, including Insurance and other expenses paid in advance, amounted to \$14,149,143.23 and Current Liabilities to \$8,176,976.77, the Net Working Capital being \$5,972,166.46.

Dividends on the Preferred Shares were in arrears to the amount of \$643,197.00.

GENERAL

The sales of coal from your collieries for the year amounted to 3,138,872 gross tons as compared with 3,114,002 gross tons in the previous year.

During the year 3,292,353 gross tons were mined from the Collieries of the Company.

The Directors record with regret the death of Mr. T. L. McCall, former General Manager of the Company. Mr. McCall rendered valuable and faithful service in various capacities for a period of over twenty-five years.

On behalf of the Board of Directors.

A. CROSS,
President.

MONTREAL, P.Q.,
29th May, 1947.

Dominion Coal Company, Limited and Subsidiary Companies

LIST OF SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED
BALANCE SHEET AS AT DECEMBER 31, 1946

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, 1946, 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, 1946, 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.
May 21, 1947.

Dominion Coal Company, Limited and Subsidiary Companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1946

Combined loss from operations after deducting mining costs, selling and administration expenses		\$5,190,519.59
Miscellaneous income, including Government assistance		7,529,416.94
		\$2,338,897.35
Provision for depreciation	\$1,308,271.80	
Interest on funded debt	181,483.27	
Interest on bank loans	184,848.18	
Provision for Government taxes	83,823.91	
		1,758,427.16
Balance, net profit for the year		\$ 580,470.19
Surplus as at December 31, 1945		2,126,705.83
		\$2,707,176.02
Dividend on preferred shares—		
Arrears, October 1, 1942 to March 31, 1944	\$ 482,397.75	
Current, April 1, 1946, to December 31, 1946	240,126.88	
		722,524.63
Surplus as at December 31, 1946		\$1,984,651.39

**Dominion Coal
and Subsidiary
CONSOLIDATED BALANCE SHEET**

ASSETS

PROPERTIES:			
At cost as at December 31, 1945.....	\$48,439,140.43		
Additions during year.....	410,016.45		
	\$48,849,156.88		
Disposals during year.....	1,580,020.59		
	\$47,269,136.29		
Reserve for depreciation.....	27,236,312.63		
		\$20,032,823.66	
Cash in Hands of Trustees for Bondholders.....			719,563.45
Advances on Account of Employees' Purchase of Canada Savings Bonds — per contra.....			737,295.25
Inventories, as certified by the management, valued at cost or market, whichever was the lower.....	\$ 3,084,724.84		
Trade accounts receivable, less reserve.....	3,586,875.08		
Other accounts receivable, less reserve.....	6,317,621.72		
Investments.....	61,450.00		
Cash on hand and in banks.....	500,492.74		
		13,551,164.38	
Balance receivable from Dominion Steel and Coal Corporation Limited and its Subsidiary Companies.....			431,284.05
DEFERRED CHARGES:			
Insurance and other expenses paid in advance.....	\$ 166,694.80		
Discount on bonds.....	90,417.93		
		257,112.73	

\$35,729,243.52

Approved on behalf of the Board:
A. CROSS, Director
C. P. BEAUBIEN, Director

Company, Limited
Companies
AS AT DECEMBER 31, 1946

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 \$643,197.00)		

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.....	808,000.00	
	\$ 3,692,000.00	
The Dominion Rolling Stock Company Limited —		
4% Serial equipment bonds 1947.....	\$ 68,000.00	
4½% Serial equipment bonds 1947.....	53,000.00	
	121,000.00	
		3,813,000.00

Special Bank Loan — re employees' purchase of Canada Savings Bonds — per contra.....		737,295.25
Bank Loan (Secured under Section 88 of the Bank Act).....	\$ 6,000,000.00	
Accounts payable and accrued liabilities.....	1,398,336.43	
Wages payable and accrued.....	536,648.85	
Bond interest accrued.....	42,811.25	
Dividend payable.....	79,327.63	
		8,057,124.16

Balance payable to Nova Scotia Steel and Coal Company Limited and its Subsidiary Companies.....		119,852.61
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RESERVES:

Renewals and betterments, contingencies and other operating reserves.....		3,657,345.11
Earned Surplus, balance.....		1,984,651.39

\$35,729,243.52

Submitted with our Report dated May 21, 1947.

PRICE, WATERHOUSE & Co.,

Auditors.

