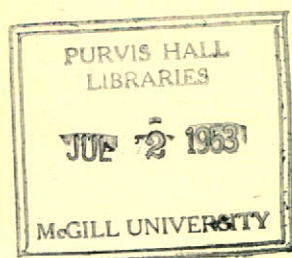
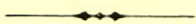


Dominion-Scottish Investments
Limited



Seventeenth
Annual Report
1946



Board of Directors

D. C. MACLACHLAN, *Chairman of the Board*

President, Maple Leaf Milling Company, Ltd.

J. K. MACDONALD

Vice-President, Confederation Life Association

BRIAN N. BARRETT

Toronto, Ont.

GEORGE D. KIRKPATRICK

Vice-Pres., Toronto Mortgage Company

E. JAMES BENNETT, O.B.E., Managing Director,

Director, Economic Investment Trust Limited

Advisory Committee

W. H. EDDY

New York

C. S. MACDONALD

Chairman of the Board of Directors, Confederation Life Association

Dominion-Scottish Investments Limited

*Report to be presented at the Seventeenth Ordinary General Meeting
of the Trust to be held on the 30th day of July, 1946*

The Directors present their report and the audited accounts for the financial year ended 31st May, 1946.

The Revenue Account, as in previous years, does not include interest or dividends accruing but not due at the end of the financial year, only taking into account income actually received.

Dividends, interest and other income received during the year amounted to.....	\$185,294.50
Balance from 1945 amounted to.....	69,937.86
	<hr/>
Making a total of.....	\$255,232.36
	<hr/>
Total Expenses, including Bank interest, amounted to	\$ 18,326.33
Bond Interest	40,000.00
Leaving a balance of.....	196,906.03
	<hr/>
	\$255,232.36
	<hr/>
From the balance of \$196,906.03 has been deducted:	
Preference Dividends at the rate of 5% per annum.....	\$122,840.00
Provision for Income Taxes.....	6,189.01
Leaving to be carried forward.....	67,877.02

Your Directors report that during the past year the market value of the portfolio has increased. The net asset value per preference share is approximately \$82.00 as compared with \$64.50 on the 31st May, 1945. Income showed a moderate decrease and the preference dividend of \$2.50 was paid, being at the rate of 5%.

The amount of the carry forward is subject to the final determination of Income and Excess Profits Taxes liability. Representations are still being made to the Government with a view to obtaining relief from discriminatory provisions in the Act.

The investments of the Trust at the 31st May, 1946, number 228. Of the 215 Preference and Common stocks, 203 are listed on recognized Exchanges. On the last page of this Report will be found summaries showing:

- 1—Classification according to Type of Investment.
- 2—Classification according to Geographical Distribution.
- 3—Classification according to Nature of Undertakings.

For the convenience of British shareholders the Accounts converted into Sterling are included in this Report.

The Directors record their appreciation of the valuable assistance accorded them by the Advisory Committee.

The Directors retiring at the forthcoming meeting, in accordance with the By-law, are: Mr. D. C. MacLachlan, Mr. E. James Bennett, O.B.E., and Mr. J. K. Macdonald, who, being eligible, offer themselves for re-election.

On behalf of the Board,
D. C. MACLACHLAN,
Chairman.

Montreal Trust Building,
67 Yonge Street,
Toronto, Ontario,
3rd July, 1946.

Dominion-Scottish

BALANCE

As at the 31st

ASSETS

Investments at book value less reserve.....	\$3,570,696.25
(Approximate market value at 31st May, 1946, \$4,989,000.00.)	
Cash at Bankers.....	146,182.88
Sundry accounts receivable.....	271.49

\$3,717,150.62

Approved on behalf of the Board,

D. C. MACLACHLAN }
E. JAMES BENNETT } *Directors.*

Investments Limited

SHEET

May, 1946

LIABILITIES

Accrued charges	\$	1,450.00
Dividend on preference stock payable 1st June, 1946.....		49,136.00
Accrued bond interest.....		16,666.65
Provision for taxes.....		36,067.95
	\$	<u>103,320.60</u>
First Collateral Trust 4% Bonds due 1st January, 1952:		
Authorized	\$	<u>1,500,000.00</u>
Issued		1,000,000.00
Capital Stock —		
Authorized:		
89,136 5% Cumulative Redeemable Pref- erence shares \$50 par value.....	\$	4,456,800.00
200,000 Common shares \$1 par value.....		200,000.00
		<u>\$4,656,800.00</u>
Issued:		
49,136 5% Cumulative Redeemable Pref- erence shares \$50 par value.....	\$	2,456,800.00
89,153 Common shares \$1 par value.....		89,153.00
		<u>2,545,953.00</u>
Revenue Account.....		67,877.02
		<u>\$3,717,150.62</u>

Note—Cumulative preference stock dividends not declared and not accrued on books at 31st May, 1946, amounted to \$294,816.00 or \$6.00 per share.

AUDITORS' CERTIFICATE

We have examined the books and accounts of Dominion-Scottish Investments Limited for the year ended 31st May, 1946, and report that we have obtained all the information and explanations we have required. In our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st May, 1946, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants
AUDITORS

Toronto, Ontario,
29th June, 1946.

Dominion-Scottish

REVENUE

For the Year End

To Rent, salaries, office and general expenses.....	\$ 9,061.32
Executive salary	2,500.00
Directors' fees	3,750.00
Interest, exchange, etc.....	334.10
Trustees', registrars' and auditors' fees.....	2,680.91
Bond interest	40,000.00
Balance to revenue appropriation account.....	126,968.17
	<hr/>
	\$ 185,294.50

REVENUE APPROPRIATION

For the Year End

To Income and Excess Profits taxes for the year ended 31st May, 1946	\$ 6,189.01
Dividends declared on preference shares at the rate of 5% per annum during the year ended 31st May, 1946.....	122,840.00
Balance carried forward.....	67,877.02
	<hr/>
	\$ 196,906.03

NET PROFIT FROM CHARGES

For the Year End

To Transfer to investment reserve account.....	\$ 302,567.93
	<hr/>
	\$ 302,567.93

Investments Limited

ACCOUNT

ended 31st May, 1946

By Dividends, Interest and Other Revenue..... \$ 185,294.50

\$ 185,294.50

VARIATION ACCOUNT

ended 31st May, 1946

By Balance as at 1st June, 1945..... \$ 69,937.86

Balance from Revenue Account..... 126,968.17

\$ 196,906.03

CHANGES IN INVESTMENTS

ended 31st May, 1946

By Net profit realized on book value of securities sold during
the year \$ 302,567.93

\$ 302,567.93

Dominion-Scottish

BALANCE

As at the 31st

ASSETS

	£	s	d
Investments at book value less reserve.....	733,704.14.		4
(Approximate market value at 31st May, 1946, £1,025,100.)			
Cash at Bankers.....	30,037.11.		7
Sundry Accounts Receivable.....		55.15.	9

£763,798. 1. 8

Investments Limited

SHEET

May, 1946

LIABILITIES

	£	s	d
Accrued Charges		297	18.11
Dividend on Preference Stock payable 1st June, 1946.....	10,096	8	9
Accrued Bond Interest.....	3,424	13	1
Provision for Taxes.....	7,411	4	6
	£	21,230	5. 3
First Collateral Trust 4% Bonds due 1st January, 1952:			
Authorized	£308,219	3	6
Issued		205,479	9. 0
Capital Stock—			
Authorized:			
89,136 5% Cumulative Redeemable Pref- erence Shares £10. 5. 6 par value.....	£915,780	16	5
200,000 Common Shares 4/1d par value.....	41,095	17	10
	£956,876	14	3
Outstanding:			
49,136 5% Cumulative Redeemable Pref- erence Shares £10. 5. 6 par value.....	£504,821	18	4
89,153 Common Shares 4/1d par value.....	18,319	2	3
		523,141	0. 7
Revenue Account.....		13,947	6.10
	£763,798	1	8

Note—Cumulative preference stock dividends not declared and not accrued on books at 31st May, 1946, amounted to £60,578.18.10, or £1.4.8 per share.

Note—Conversion of Canadian Currency into Sterling has been made at the par rate of exchange.

Dominion-Scottish

REVENUE

For the Year Ended

	£	s	d
To Rent, Salaries, Office and General Expenses.....	1,861.18.	4	
Executive Salary	513.14.	0	
Directors' Fees	770.10.	11	
Interest, Exchange, etc.....	68.13.	0	
Trustees', Registrars' and Auditors' Fees.....	550.17.	6	
Bond Interest	8,219.	3.	7
Balance to Revenue Appropriation Account.....	26,089.	7.	1
	<u>£38,074.</u>	<u>4.</u>	<u>5</u>

REVENUE APPRO

For the Year Ended

	£	s	d
To Income Taxes—Year ended 31st May, 1946.....	1,271.14.	3	
Dividends declared on Preference Shares at the rate of 5% per annum during the year ended 31st May, 1946.....	25,241.	1.11	
Balance carried forward.....	13,947.	6.10	
	<u>£40,460.</u>	<u>3.</u>	<u>0</u>

NET PROFIT FROM CHAI

For the Year Ended

	£	s	d
To Transfer to Investment Reserve Account.....	62,171.	9.	9
	<u>£62,171.</u>	<u>9.</u>	<u>9</u>

Investments Limited

ACCOUNT

31st May, 1946

	£	s	d
By Dividends, Interest and Other Income Received.....	38,074.	4.	5

£38,074. 4. 5

VARIATION ACCOUNT

31st May, 1946

	£	s	d
By Balance as at 1st June 1945.....	14,370.	15.	11
Balance from Revenue Account.....	26,089.	7.	1

£40,460. 3. 0

CHANGES IN INVESTMENTS

31st May, 1946

	£	s	d
By Net Profit realized on Book Values of Securities sold during the year	62,171.	9.	9

£62,171. 9. 9

Note—Conversion of Canadian Currency into Sterling has been made at the par rate of exchange.

SUMMARY OF INVESTMENTS

(on the basis of Market Value)

1. CLASSIFICATION ACCORDING TO TYPE OF INVESTMENT

Bonds and Debentures and Cash	30.59%
Preference Shares and Stocks	21.29%
Ordinary and Common Shares	48.12%
	<hr/>
	100.00%
	<hr/> <hr/>

2. CLASSIFICATION ACCORDING TO GEOGRAPHICAL DISTRIBUTION

Canada	90.47%
Great Britain and British Dominions	3.21%
United States of America	5.51%
South America81%
	<hr/>
	100.00%
	<hr/> <hr/>

3. CLASSIFICATION ACCORDING TO NATURE OF UNDERTAKINGS

Cash	2.87%
Government and Municipal	23.66%
Banking and Financial	9.80%
Manufacturing	13.18%
Pulp and Paper	8.71%
Foodstuffs and Beverages	8.40%
Oil	8.07%
Public Utilities	6.95%
Trading	3.62%
Miscellaneous	3.09%
Gold Mining	2.81%
Textiles	2.58%
Auto and Aviation Accessories	1.38%
Electrical	1.35%
Engineering	1.21%
Base Metals96%
Milling80%
Steel38%
Railways and Steamships18%
	<hr/>
	100.00%
	<hr/> <hr/>

