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**DOMINION AND ANGLO INVESTMENT CORPORATION**  
**LIMITED**

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**BOARD OF DIRECTORS:**

J. CHRISTOPHER BARRON  
WILLIAM J. CORCORAN  
HENRY N. R. JACKMAN

HENRY E. LANGFORD, Q.C.  
ROBERT M. MACINTOSH, LL. D.  
MALCOLM D. RICHARDSON

**OFFICERS:**

HENRY N. R. JACKMAN,  
*President*

L. R. ROONEY,  
*Secretary-Treasurer*

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Bankers:  
THE BANK OF NOVA SCOTIA

Auditors:  
PRICE WATERHOUSE & CO., TORONTO

Transfer Agent and Registrar:  
CANADA PERMANENT TRUST COMPANY, TORONTO

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**REPORT OF THE DIRECTORS**

TO THE SHAREHOLDERS

Your Directors submit herewith their fifty-third Annual Report together with Audited Accounts for the year ended December 31, 1980.

Your Directors report that the net liquidating value of the Company's assets based on market quotations as of December 31, 1980 was equivalent to \$115.17 per Common share compared with \$97.59 as of December 31, 1979. The net liquidating value of \$115.17 as of December 31, 1980 is after making full provision for taxes on unrealized net capital gains.

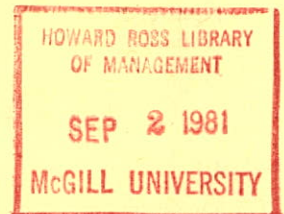
Regular quarterly dividends of \$1.25 were paid on the Company's preferred stock. On December 31, 1980, the Company paid \$0.50 on the 515,000 Common shares.

A comparative summary of the Company's progress since its inception appears on Page 6.

Respectfully submitted by the Board

August 19, 1981  
10th Floor  
165 University Avenue,  
Toronto, Ontario  
M5H 3B8

H. N. R. JACKMAN,  
*President*



**DOMINION AND ANGLO INVESTMENT CORPORATION  
LIMITED**

**STATEMENT OF ASSETS AND LIABILITIES**

	ASSETS	
	December 31	
	1980	1979
Investments, at indicated market value (Note 1) (Cost — 1980 — \$38,755,450; 1979 — \$31,060,430) .....	\$66,628,125	\$53,182,517
Cash, including deposit receipts of \$2,100,000 in 1979 .....	—	2,294,408
Due from brokers .....	491,158	—
Accrued interest and accounts receivable .....	187,705	122
	<u>67,306,988</u>	<u>55,477,047</u>
	LIABILITIES	
Bank indebtedness .....	372,789	—
Sundry liabilities .....	20,047	9,000
Income taxes payable .....	826,938	64,097
Provision for taxes on unrealized net capital gains (Note 2) .....	5,776,142	4,142,943
	<u>6,995,916</u>	<u>4,216,040</u>
Net assets at indicated market value .....	<u>\$60,311,072</u>	<u>\$51,261,007</u>
	SHAREHOLDERS' EQUITY	
Capital stock (Note 3) .....	\$26,970,000	\$26,970,000
Distributable surplus (unchanged since 1935) .....	219,301	219,301
Realized gain on investments .....	4,706,138	1,631,053
Unrealized appreciation of investments (Note 2) .....	22,107,675	18,000,087
Earned surplus .....	6,307,958	4,440,566
Total shareholders' equity .....	<u>\$60,311,072</u>	<u>\$51,261,007</u>

APPROVED BY THE BOARD:

H. N. R. JACKMAN, Director

W.J. CORCORAN, Director

**AUDITORS' REPORT**

To the Shareholders of  
DOMINION AND ANGLO INVESTMENT CORPORATION LIMITED:

We have examined the statement of assets and liabilities of Dominion and Anglo Investment Corporation Limited as at December 31, 1980 and the statements of income and expenses, earned surplus, realized gain on investments and changes in net assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1980 and the results of its operations and the changes in its net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada  
February 27, 1981

PRICE WATERHOUSE & CO.  
Chartered Accountants

## SCHEDULE OF INVESTMENTS

December 31, 1980

	Cost	Indicated market value  (Note 1)
<b>Bonds:</b>		
\$100,000 Government of Canada, 9-1/2%, June 15, 1994 .....	\$ 101,500	\$ 80,000
\$5,250,000 Government of Canada, 8-1/2%, February 1, 1981 .....	5,208,000	5,210,625
	5,309,500	5,290,625
<b>Investments listed on stock exchanges:</b>		
<b>Preferred shares-</b>		
181,953 E-L Financial Corporation Limited, series 'A' convertible .....	2,341,699	2,410,877
64,691 Fulcrum Investment Company Limited, 6% .....	579,969	679,256
	2,921,668	3,090,133
<b>Common shares-</b>		
164,008 Algoma Central Railway .....	2,135,270	3,936,199
1,127,190 E-L Financial Corporation Limited .....	13,248,716	14,653,470
206,316 Economic Investment Trust Limited .....	3,265,418	5,776,848
81,396 Fulcrum Investment Company Limited .....	520,870	1,343,034
80,000 National Trust Company, Limited .....	1,710,000	2,240,000
91,079 United Corporations Limited, Class 'B' .....	950,569	2,732,370
697,075 VGM Trustco Limited .....	2,515,856	5,489,465
	24,346,699	36,171,386
	27,268,367	39,261,519
<b>Investments not listed on stock exchanges:</b>		
<b>Preferred shares-</b>		
2,000 Dondale Investments Limited, 4% Class 'A' .....	200,000	200,000
1,470,000 Cimonoce Corporation, 8% Series 'A' .....	1,470,000	1,450,485
14,175 Overdown Holdings Limited, 5% .....	1,417,500	1,417,500
	3,087,500	3,067,985
<b>Common shares-</b>		
112,500 Canadian and Foreign Securities Company Limited .....	1,286,324	11,161,174
500 Dondale Investments Limited .....	125,500	468,165
2,050 Dondale Investments Limited Class 'B' .....	514,550	1,919,477
10,592 Ecando Investments Limited .....	1,118,709	1,499,756
450 Overdown Holdings Limited .....	45,000	3,959,424
	3,090,083	19,007,996
	6,177,583	22,075,981
	\$38,755,450	\$66,628,125

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1980**

1. Carrying value of investments:

The indicated market values of stocks listed on stock exchanges and of bonds are based on closing market quotations. The indicated market values of investments not listed on stock exchanges have been determined by the directors based on the underlying market value of the net assets represented by such securities.

The indicated market values, determined on the basis of closing market quotations, do not necessarily represent the realizable value of the total holding of any security which may be more or less than that indicated by market quotations.

2. Taxation:

The Company is a "public corporation" under the Income Tax Act (Canada), but does not qualify as an "investment corporation" as defined in Section 130 of that Act, and as such is subject to tax at normal corporate rates on one-half of its realized net capital gains accrued since December 31, 1971.

The Company accounts for taxes on differences between accounting income and taxable income on the tax allocation basis and thus provides for the taxes which would be exigible on unrealized net capital gains if such unrealized net capital gains were realized. Deferred income taxes have been provided in prior years' statements of income and expenses in respect of dividends received prior to December 31, 1978 out of 1971 tax surpluses of payor corporations, based on normal corporate rates applied to one-half of the resulting reductions in the adjusted cost base of the investments in those corporations. Before reflecting such reductions in the adjusted cost base, unrealized net capital gains at December 31, 1980 amounted to approximately \$23,279,000 (1979 — \$16,937,000).

The details of unrealized appreciation of investments are as follows:

	December 31	
	1980	1979
Investments at market value .....	\$66,628,125	\$53,182,517
Investments at cost .....	38,755,450	31,060,430
Unrealized appreciation of investments before provision for deferred income taxes .....	27,872,675	22,122,087
Deferred income taxes .....	5,765,000	4,122,000
Unrealized appreciation of investments .....	<u>\$22,107,675</u>	<u>\$18,000,087</u>

3. Capital stock:

The Company was continued under Section 181 of the Canada Business Corporations Act on October 28, 1980. The details of the authorized capital of the Company were as follows:

*Before Continuance*

25,000 5% cumulative preferred shares with a par value of \$100 each, redeemable at \$110.

2,575,000 common shares without nominal or par value.

*After Continuance*

25,000 preferred shares, with a fixed cumulative yearly dividend of \$5.00 per share, redeemable at \$110.

An unlimited number of common shares.

The capital stock account of the Company was as follows:

	December 31	
	1980	1979
Preferred shares:		
Issued—		
10,000 shares .....	\$ 1,000,000	\$ 1,000,000
Common shares:		
Issued—		
515,000 shares .....	25,970,000	25,970,000
	<u>\$26,970,000</u>	<u>\$26,970,000</u>

4. Realized gains on investments:

The following are the details of the realized gains on investments sold during the years indicated:

	1980	1979
Proceeds on sale of investments .....	\$ 6,382,564	\$ 1,554,157
Cost of investments at beginning of year .....	31,060,430	31,311,228
Cost of investments purchased during year .....	10,168,299	536,544
	41,228,729	31,847,772
Cost of investments at end of year .....	38,755,450	31,060,430
Cost of investments sold during year .....	2,473,279	787,342
Realized gain on investments sold before taxes on realized net taxable capital gains .....	3,909,285	766,815
Taxes on realized net taxable capital gains of \$1,620,296 (1979 - \$245,321) (Note 2)—		
Current .....	844,000	122,000
Deferred .....	(9,800)	—
	834,200	122,000
Realized gain on investments sold .....	<u>\$ 3,075,085</u>	<u>\$ 644,815</u>

5. Related party transactions:

During the year ended December 31, 1980 certain investments were purchased from related companies at fair market value.

## STATEMENT OF INCOME AND EXPENSES

	Year ended December 31	
	1980	1979
Income from investments:		
Dividends .....	\$ 2,083,270	\$ 1,928,151
Interest .....	331,413	94,142
	2,414,683	2,022,293
Expenses:		
General and administrative .....	94,434	87,956
Interest .....	5,357	5,374
Income taxes - current .....	140,000	22,000
	239,791	115,330
<i>Net income for the year</i> .....	\$ 2,174,892	\$ 1,906,963
<i>Net income per common share</i> .....	\$ 4.13	\$ 3.61

## STATEMENT OF EARNED SURPLUS

(accumulated net income from investments less dividends paid and amount capitalized)

	Year ended December 31	
	1980	1979
Balance at beginning of year .....	\$ 4,440,566	\$ 2,841,103
<i>Add:</i> Net income for the year .....	2,174,892	1,906,963
	6,615,458	4,748,066
<i>Deduct:</i>		
Dividends paid —		
Preferred shares (\$5.00 per share) .....	50,000	50,000
Common shares (\$.50 per share) .....	257,500	257,500
	307,500	307,500
<i>Balance at end of year</i> .....	\$6,307,958	\$4,440,566

## STATEMENT OF REALIZED GAIN ON INVESTMENTS

(principally net gains on realization of investments less amounts capitalized)

	Year ended December 31	
	1980	1979
<i>Balance at beginning of year</i> .....	\$ 1,631,053	\$ 986,238
Realized gain on investments sold during the year (Note 4) .....	3,075,085	644,815
<i>Balance at end of year</i> .....	\$ 4,706,138	\$ 1,631,053

## STATEMENT OF CHANGES IN NET ASSETS

	Year ended December 31	
	1980	1979
Appreciation of investments:		
Realized (Note 4) .....	\$ 3,075,085	\$ 644,815
Unrealized .....	4,107,588	401,037
	7,182,673	1,045,852
Net income for the year .....	2,174,892	1,906,963
Dividends paid .....	(307,500)	(307,500)
<i>Increase in net assets</i> .....	9,050,065	2,645,315
Net assets at beginning of year .....	51,261,007	48,615,692
<i>Net assets at end of year</i> .....	\$60,311,072	\$51,261,007
<i>Net asset value attributable to each common share</i> .....	\$115.17	\$97.59

**DOMINION AND ANGLO INVESTMENT CORPORATION**  
LIMITED

**SUMMARY OF FINANCIAL PROGRESS**

Year Ending April 30	Total Assets at Market Values	Principal Amount of Funded Debt Outstanding	Par Value Preferred Shares Outstanding	Net Equity Behind Common Stock	Net Income	Net Equity per Common Share†
1929	\$ 2,585,000	\$ —	1,500,000	\$ 1,085,000	\$ 114,288	\$ 2.17
1930	2,365,740	—	1,500,000	865,740	124,346	1.73
1931	1,686,057	—	1,500,000	186,057	123,868	.37
1932	972,435	—	1,500,000	(527,565)	86,321	(1.05)
1933	1,029,668	—	1,500,000	(470,332)	62,977	(.94)
1934	1,487,525	—	1,400,000	87,525	49,881	.18
1935	1,398,218	—	1,350,000	48,218	41,101	.10
1936	1,888,862	—	1,350,000	538,862	51,011	1.08
1937	2,682,253	—	1,350,000	1,332,253	69,220	2.66
1938	1,793,438	—	1,350,000	443,438	98,736	.89
1939	1,773,445	—	1,295,000	478,445	88,692	.96
1940	2,201,893	—	1,295,000	906,893	84,389	1.81
1941	1,741,647	—	1,295,000	446,647	101,474	.89
1942	1,596,751	—	1,272,000	324,751	112,517	.65
1943	2,120,817	—	1,272,000	848,817	106,320	1.69
1944	2,250,325	—	1,249,500	1,000,825	112,641	2.00
1945	2,770,017	—	1,249,500	1,520,517	122,876	3.04
1946	3,594,074	—	1,130,300	2,463,774	118,595	4.92
1947	3,018,345	—	1,081,700	1,936,645	129,949	3.87
1948	3,152,265	—	1,068,800	2,083,465	140,208	4.16
1949	3,063,059	—	1,056,300	2,006,759	174,912	4.01
1950	3,780,826	—	1,045,400	2,735,426	171,409	5.46
1951	5,141,918	—	1,045,400	4,096,518	206,674	8.19
1952	5,224,268	—	1,000,000	4,224,268	217,249	8.45
1953	5,199,736	—	1,000,000	4,199,736	199,533	8.39
1954	5,934,359	—	1,000,000	4,934,359	203,317	9.87
1955	11,121,731	3,000,000	1,000,000	7,121,731	200,832	14.24
1956	13,390,900	3,000,000	1,000,000	9,390,900	245,611	18.78
1957	13,982,291	2,980,000	1,000,000	10,002,291	252,718	19.42
1958	11,559,872	2,970,000	1,000,000	7,589,872	224,911	14.73
1959	13,642,440	2,963,500	1,000,000	9,678,940	256,261	18.79
1960	12,047,752	2,937,500	1,000,000	8,110,252	264,487	15.75
1961	14,513,111	2,927,500	1,000,000	10,585,611	306,552	20.55
1962	15,161,937	2,904,500	1,000,000	11,257,437	283,096	21.86
1963	15,704,882	2,871,000	1,000,000	11,833,882	257,079	22.98
1964	17,562,056	2,863,000	1,000,000	13,699,056	250,324	26.60
1965*	20,602,094	2,783,000	1,000,000	16,819,094	292,235	32.66*
1966	18,624,956	2,571,000	1,000,000	15,053,956	275,275	29.23
1967	17,678,422	2,435,500	1,000,000	14,242,922	294,063	27.65
1968	18,519,800	2,368,500	1,000,000	15,151,300	324,315	29.42
1969	28,047,671	1,923,500	1,000,000	25,124,171	359,429	48.78
1970	20,027,638	—	1,000,000	19,027,638	420,112	36.95
1971	22,137,797	—	1,000,000	21,137,797	429,748	41.04
Year Ending December 31						
1971	26,039,300	—	1,000,000	25,039,300	335,109 +	48.62
1972	38,095,937	—	1,000,000	37,095,937	529,203	72.02
1973	31,747,266	—	1,000,000	30,747,266	600,493	59.70
1974	20,303,414	—	1,000,000	19,303,414	784,143	37.48
1975	26,079,386	—	1,000,000	25,079,386	848,977	48.70
1976	30,281,180	—	1,000,000	29,281,180	929,476	56.86
1977	38,360,934	—	1,000,000	37,360,934	995,065	72.55
1978	48,615,692	—	1,000,000	47,615,692	1,330,292	92.46
1979	51,261,007	—	1,000,000	50,261,007	1,906,963	97.59
1980	60,311,072	—	1,000,000	59,311,072	2,174,892	115.17

\*During 1965, a special distribution of \$3,605,000 or \$7.00 per common share was made to shareholders out of profits realized on the sale of securities.

†Adjusted for 50 for 1 stock split in 1960.

+ For eight month period ending December 31, 1971.