

DOMINION AND ANGLO INVESTMENT CORPORATION

LIMITED

BOARD OF DIRECTORS:

HENRY R. JACKMAN, Q.C.	MALCOLM D. RICHARDSON
J. GERALD GODSOE, C.B.E., Q.C., LL.D.	R. M. MACINTOSH, PH.D.
HENRY N. R. JACKMAN	C. E. JOLLY

OFFICERS:

HENRY R. JACKMAN, <i>President</i>	HENRY N. R. JACKMAN, <i>Vice-President & Secretary</i>
CECIL E. JOLLY, <i>Treasurer</i>	

Bankers:

THE BANK OF NOVA SCOTIA

Auditors:

PRICE WATERHOUSE & Co., TORONTO

Transfer Agent and Registrar:

CANADA PERMANENT TRUST COMPANY, TORONTO

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS:

Your Directors submit herewith their Forty-Second Annual Report together with Audited Accounts for the year ended April 30, 1970.

Interest and dividends received amounted to \$605,838 compared with \$542,224 for the preceding fiscal year. After providing for expenses, interest and income taxes, the net income for the year amounted to \$420,112 compared with \$359,429 for the year ended April 30, 1969.

Regular quarterly dividends have been paid on the 5% Cumulative Preferred Stock, and a dividend of 40¢ per share on the no par value Common Stock was paid on April 30, 1970.

Your Directors report that the net liquidating value of the Company's assets based on market quotations as of April 30, 1970 was \$18,859,281 compared with \$26,124,171 as of April 30, 1969. This amount was equivalent to \$1,885.93 behind each share of Preferred Stock as compared with \$2,612.42 as of April 30, 1969. After deducting the Preferred Stock at par the liquidating value of the Common Stock was \$34.68 per share as compared with \$48.78 as of April 30, 1969.

During the year the Company redeemed the balance of its \$3,000,000 First Secured Bonds which matured on April 1, 1970. The Company had made provision for such redemption by purchasing \$1,905,500 of the bonds in the open market prior to maturity. At the present time the Company has no funded indebtedness.

A comparative Summary of the Company's progress since its inception appears on page 4.

Respectfully submitted on behalf of the Board.

H. R. JACKMAN,
President.

August 17, 1970.
44 King Street West,
Toronto, Ontario.

MANAGEMENT
LIBRARY

NOV 2 1970

McGILL UNIVERSITY

DOMINION AND ANGLO INVESTMENT CORPORATION

LIMITED

BALANCE SHEET

ASSETS	April 30		LIABILITIES	April 30	
	1970	1969		1970	1969
INVESTMENTS, at cost:					
Securities having a quoted market value—			CURRENT LIABILITIES:		
Value based on market quotations			Dividend on 5% preferred stock		
April 30, 1970—\$17,380,000			payable June 1, 1970	\$ 12,500	\$ 12,500
April 30, 1969—\$26,720,000 (Note)	\$14,374,879	\$15,276,108	Accounts payable	2,000	1,350
Securities not having a quoted market			Accrued interest on bonds	—	6,412
value	1,314,084	1,260,464	Income taxes payable	26,964	11,215
	15,688,963	16,536,572	4% First Secured Bonds, 1955 issue,		
Cash	115,246	98,459	maturing April 1, 1970	—	1,923,500
Dividend receivable	—	225		41,464	1,954,977
Receivable for securities sold	91,415	—	SHAREHOLDERS' INVESTMENT		
			CAPITAL STOCK:		
	\$15,895,624	\$16,635,256	5% cumulative redeemable preferred		
			stock with par value of \$100 each—		
			Authorized—25,000 shares		
			Issued and outstanding—10,000		
			shares	1,000,000	1,000,000
			6% non-cumulative redeemable preferred		
			shares with a par value of 1¢		
			each—		
			Authorized—639,500,000 shares		
			Common stock without nominal or par		
			value—		
			Authorized—1,000,000 shares		
			Issued and outstanding—515,000		
			shares	220,000	220,000
				1,220,000	1,220,000
			SURPLUS ACCOUNTS:		
			Distributable surplus (unchanged since		
			1935)	219,301	219,301
			Accumulated surplus on sale of invest-		
			ments, per statement attached	13,892,915	12,883,146
			Earned surplus, per statement attached	521,944	357,832
			Total shareholders' investment	15,854,160	14,680,279
				\$15,895,624	\$16,635,256

APPROVED ON BEHALF OF THE BOARD:

H. R. JACKMAN, *Director*
M. D. RICHARDSON, *Director*

NOTE TO THE FINANCIAL STATEMENTS

APRIL 30, 1970

The market value of the common shares and Series A convertible preference shares of E-L Financial Corporation Limited (which are included in securities having a quoted market value) has been determined as follows:

April 30, 1970—841,926 common shares valued at \$7 per share and 167,803 Series A convertible preference shares valued at \$10 per share
April 30, 1969—821,626 common shares and 166,638 Series A convertible preference shares valued at \$12 per share.

Auditors' Report to the Shareholders of DOMINION AND ANGLO INVESTMENT CORPORATION LIMITED:

We have examined the balance sheet of Dominion and Anglo Investment Corporation Limited as at April 30, 1970 and the statements of income and expenses, earned surplus, accumulated surplus on sale of investments and changes in net assets for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at April 30, 1970 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, June 1, 1970.

PRICE WATERHOUSE & CO., *Chartered Accountants.*

**STATEMENTS OF INCOME AND EXPENSES,
EARNED SURPLUS AND
ACCUMULATED SURPLUS ON SALE OF INVESTMENTS**

INCOME FROM INVESTMENTS:	INCOME AND EXPENSES	
	Year ended April 30	
	1970	1969
Dividends.....	\$ 493,743	\$ 499,340
Interest.....	112,095	42,884
	605,838	542,224
EXPENSES:		
Remuneration of directors.....	28,000	27,900
Salaries.....	7,840	8,163
Interest on long-term debt.....	58,282	81,540
Other interest.....	626	3,057
Canadian and foreign income taxes.....	58,810	38,288
Miscellaneous expenses.....	32,168	23,847
	185,726	182,795
<i>Net income for the year</i>	\$ 420,112	\$ 359,429

EARNED SURPLUS

(Accumulated net income from investments less dividends paid or provided for)

Balance at beginning of year.....	\$ 357,832	\$ 254,403
<i>Add—</i>		
Net income for the year.....	420,112	359,429
	777,944	613,832
<i>Deduct—</i>		
Dividends on preferred stock.....	50,000	50,000
Dividends on common stock.....	206,000	206,000
	256,000	256,000
<i>Balance at end of year</i>	\$ 521,944	\$ 357,832

ACCUMULATED SURPLUS ON SALE OF INVESTMENTS

(Principally gains, less losses, on realization of investments less amount capitalized on issue of stock dividend)

Balance at beginning of year.....	\$12,883,146	\$11,734,731
<i>Add—</i>		
Discount on purchase of 4% First Secured Bonds, due April 1, 1970.....	12,858	25,053
Net surplus on securities sold during the year.....	996,911	1,123,362
<i>Balance at end of year</i>	\$13,892,915	\$12,883,146

STATEMENT OF CHANGES IN NET ASSETS

Net surplus on securities sold during the year.....	\$ 996,911	\$ 1,123,362
Net income for the year.....	420,112	359,429
Dividends on preferred stock.....	(50,000)	(50,000)
Dividends on common stock.....	(206,000)	(206,000)
Discount on purchase of 4% First Secured Bonds, due April 1, 1970.....	12,858	25,053
<i>Increase in net assets</i>	1,173,881	1,251,844
Net assets at beginning of year.....	14,680,279	13,428,435
<i>Net assets at end of year</i>	\$15,854,160	\$14,680,279

DOMINION AND ANGLO INVESTMENT CORPORATION

LIMITED

FINANCIAL SUMMARY

	1970	1969	1964	1959	1954	1949	1944	1939	1934	1929
Gross Income	\$ 605,838	\$ 542,224	\$ 447,488	\$ 454,635	\$ 243,473	\$ 197,240	\$ 130,440	\$ 105,193	\$ 60,120	\$ 131,482
Net Income	420,112	359,429	250,324	256,261	203,317	174,912	112,641	88,672	49,881	114,288
 CAPITALIZATION										
Funded Debt due April 1, 1970		\$ 1,923,500	\$ 2,863,000	\$ 2,963,500						
Preferred Shares (a) 5% Cum. Par Val. \$100	\$ 1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$1,056,300	\$1,249,500	\$1,295,000	\$1,400,000	\$1,500,000
Common Shares N.P.V. amount contributed	1,120,000	1,120,000	1,120,000	1,120,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	<u>\$ 2,120,000</u>	<u>\$ 4,043,500</u>	<u>\$ 4,983,000</u>	<u>\$ 5,083,500</u>	<u>\$2,000,000</u>	<u>\$2,056,300</u>	<u>\$2,249,500</u>	<u>\$2,295,000</u>	<u>\$2,400,000</u>	<u>\$2,500,000</u>
 NET VALUE OF COMPANY'S ASSETS at Market										
Value less Bonds Outstanding	\$18,859,281	\$26,124,171	\$14,699,056	\$10,678,940	\$5,934,359	\$3,063,053	\$2,250,325	\$1,773,445	\$1,487,525	\$2,585,000
 LIQUIDATING VALUE										
Preferred	\$1,885.93	\$2,612.42	\$1,469.91	\$1,067.89	\$593.43	\$289.98	\$180.10	\$136.94	\$106.25	\$172.33
Common (b) (c)	\$ 34.68	\$ 48.78	\$ 26.60	\$ 18.79	\$ 9.87	\$ 4.01	\$ 2.00	\$ 0.96	\$ 0.175	\$ 2.17
Dow-Jones Industrials	736.07	950.18	922.31	623.75	319.33	174.16	136.43	122.45	100.49	319.29

(a) After purchase in the market of preferred shares from time to time.

(b) Adjusted for 50-for-1 split on September 27, 1960.

(c) During fiscal 1965 a tax-free distribution of \$7.00 per share was paid to the Common Shareholders.