

# 9th ANNUAL STATEMENT OF THE NOVA SCOTIA STEEL AND COAL COMPANY, LIMITED

HEAD OFFICE - NEW GLASGOW, NOVA SCOTIA

## GENERAL STATEMENT

### GENERAL STATEMENT, DECEMBER 31st, 1909

ASSETS.	LIABILITIES.
Property and Mines: Cost of Properties owned and operated by the Company ..... \$12,582,191.22	Capital Stock: Preferred ..... \$1,030,000.00 Common ..... 6,000,000.00
Current Assets: Inventories (raw and manufactured materials and stores) ..... \$1,134,258.84	Bonds: Total Issues ..... \$6,000,000.00 Less in Treasury not is- sued ..... 2,500,000.00
Ledger Accounts and Bills Receivable ..... 662,280.15	Debenture Stock ..... 1,000,000.00
Cash in Bank ..... 207,020.15	Current Liabilities: Pay Rolls and Accounts not yet due ..... \$ 193,550.86
\$14,585,759.36	Bond coupons due Jan. 1st, 1910 ..... 87,500.00
	Debenture Stock Interest, payable Jan. 1st, 1910.. 30,000.00
	Quarterly Dividend on Preferred Shares, pay- able Jan. 15th, 1910.... 20,690.00
	Quarterly Dividend on Ordinary Shares, pay- able Jan. 15th, 1910.... 60,000.00
	Bills payable and Cash advances ..... 607,458.75
	999,109.61
	General Reserve: Special Reserve Accounts: Reserve for General De- preciation and for un- usual Expenses and Renewals ..... 924,562.40
	Fire Insurance Fund .... 45,279.97
	Surplus Profit and Loss.... 336,807.38
	\$14,585,759.36

### ABSTRACT OF PROFIT AND LOSS ACCOUNT

DR.	CR.
1909. Dec. 31st, Interest paid on bonds and to bank, etc.....\$ 247,836.89	1908. Dec. 31. By balance ..... \$1,219,221.07
Interest paid on debenture stock ..... 30,000.00	1909. Dec. 31. By profits for year end- ed Dec. 31, 1909..... 907,949.00
Paid on sinking fund ... 35,700.00	\$2,127,170.07
Dividend on preferred shares ..... 82,400.00	1909. Dec. 31. By Balance ..... \$336,807.38
Dividends on ordinary shares ..... 60,000.00	
Bonus Stock Dividend on ordinary shares ..... 1,000,000.00	
Directors' remuneration.. 12,500.00	
Transferred to reserve funds for depreciation, renewals, etc. .... 77,669.00	
Improvements and bet- terments to plant writ- ten off ..... 52,173.58	
Commissions and Pre- miums on converting Bond Issues written off. 184,453.54	
Transferred to fire in- surance fund ..... 7,629.68	
Balance carried forward. 336,807.38	
\$2,127,170.07	

We have examined the Vouchers and audited the Books of the Nova Scotia Steel and Coal Company, Limited, for the year ended December 31, 1909, and certify that the annexed balance sheet contains a true and correct statement of their affairs at that date.

J. HEYWOOD MacGREGOR }  
F. H. OXLEY, F. C. A., } Auditors.

### DIRECTORS' REPORT

Your Directors herewith submit their Ninth Annual Report, with statement of assets and liabilities, and abstract of profit and loss account for the year ended December 31st, 1909.

The profits for the year amounted to \$907,949.00, as compared with \$734,701.53 for 1908. In view of the depressed condition of business during the greater part of the year, this result should be regarded with satisfaction by the shareholders.

The amount at the credit of profit and loss account on January 1, 1909, was \$1,219,221.07, against which the stock dividend of \$1,000,000, declared in December, 1909, was charged.

The various amounts transferred to the Reserve Fund and Fire Insurance Fund, and written off for improvements and betterments, are shown by the accounts. A sum of \$184,453.54 for Premium and Commission on redemption of old and issue of new bonds, has been paid out of the profits of the year.

The balance carried forward to the credit of profit and loss account is \$336,807.38.

The sum of \$362,653.17 has been expended during the year on capital account, in the development of the submarine iron ore areas at Wabana, and for improvements, plant, etc., elsewhere.

The volume of business transacted by the Company during the year shows a substantial increase, and is in excess of any previous year, and it is expected that there will be a still further increase in 1910.

The development of our submarine iron ore areas at Wabana was continued, the main slope being extended through these areas a further distance of 1,470 feet. The slope is now about 1,650 feet into our own areas from their southern boundary. The development work carried on has fully confirmed the estimates previously made as to the vast quantity of ore contained in, and the great value of these arms. The plant for the operation of these submarine mines is now being installed.

Considerable extensions and improvements have been made to the mills at New Glasgow, and further extensions and improvements will be made in 1910 with a view to increasing the output of finished steel.

The reorganization of the finances of the Company, authorized by the shareholders, has been carried out. A new issue of \$6,000,000.00 5 per cent. First Mortgage Bonds, and an issue of \$1,000,000.00 6 per cent. Debenture Stock were made; \$3,500,000.00 of the Bonds and the \$1,000,000.00 6 per cent. Debenture Stock were sold in Canada, and the two former issues of 6 per cent. Bonds were paid off and cancelled. The balance of \$2,500,000.00 of the Bonds remains in the Treasury. No portion of the premium on the retirement of the old bonds, nor of the commission on the new issue has been charged to Property Account.

The regular dividend of 2 per cent. quarterly has been paid on the preferred shares, and on January 15th a quarterly dividend of 1 per cent. was paid on the ordinary shares, and the Directors have declared further dividends of 1 per cent. on the ordinary shares, and 2 per cent. on the preferred shares, payable on April 15th to shareholders of record on March 31st, 1910.

All of which is respectfully submitted.

ROBERT E. HARRIS, President.

February 18th, 1910.