

Balance Sheet, 31st December, 1919**ASSETS**

Mining Properties, Real Estate, Buildings, Plant, Machinery and Equipment, Less Depreciation	\$23,824,220.93	
Investment in Capital Stock of Other Companies	1,968,400.00	
Company's Own Bonds Purchased for Sinking Fund	211,165.14	
Deferred Balances Receivable on Houses Sold.	79,208.99	
Current Assets:		
Inventories	\$ 3,547,944.11	
Accounts and Bills Receivable, (less Reserve) ...	1,382,593.92	
Dominion of Canada Victory Bonds	2,045,711.53	
Call Loans	557,535.62	
Cash in Banks and on Deposit	1,529,296.79	
		9,063,081.97
Deferred Charges to Operations:		
Commission and Discount on Securities issued, less amounts written off ..\$	250,000.00	
Development Expenditures, etc.	240,622.23	
Insurance and Steamers Hire prepaid	78,207.82	
		568,830.05
		<u>\$35,714,907.08</u>

LIABILITIES

Capital Stock:		
Eight Per Cent. Cumulative Preference — Authorized and Issued—10,000 Shares of \$100 each	\$ 1,000,000.00	
Ordinary — Authorized and Issued—150,000 Shares of \$100 each	15,000,000.00	
		\$16,000,000.00
Six Per Cent. Cumulative Preference Stock of the Eastern Car Company, Limited....	750,000.00	
(Note: Dividends paid on this Stock up to December 31, 1918.)		
Bonded and Debenture Debt:		
Five Per Cent. First Mortgage Sinking Fund Gold Bonds due July 1, 1959—Authorized\$	\$6,000,000.00	
Less: Redeemed by Sinking Fund	361,562.69	
		\$ 5,638,437.31
Six Per Cent. First Mortgage Sinking Fund Gold Bonds of The Eastern Car Company, Limited, due July 1, 1952	1,000,000.00	
Less: Redeemed by Sinking Fund	58,300.00	
		941,700.00
Six Per Cent. First Mortgage Bonds of the Nova Scotia Land Company, Limited, due July 1, 1924	50,000.00	
Less: Redeemed by Sinking Fund	27,700.00	
		22,300.00
Six Per Cent. Mortgage Debenture Debt	4,500,000.00	
		<u>\$11,102,437.31</u>

Current Liabilities:

Accounts and Wages Payable..\$	375,217.41	
Interest Accrued on Bonds and Debenture Stock	308,807.22	
Dividend on Preference Stock payable January 2, 1920..	20,000.00	
Dividend on Ordinary Stock payable January 2, 1920.	187,500.00	
		1,391,524.63

Deferred Credits to Income:

Balance of Amounts received on Policies covering future earnings of Steamers which were sunk	\$ 920,957.50	
Steamers Hire received in Advance	94,039.08	
		1,014,996.58

Reserves:

For Relining Furnaces, Coke Ovens, Renewals, etc., and for Business Profits and Income Taxes to December 31, 1919	\$ 278,848.11	
For Car Contract, Shipping and other Contingencies ..	450,638.99	
General Reserve	2,000,000.00	
		2,729,487.10

Surplus as per attached Statement	2,726,461.46	
		<u>\$35,714,907.08</u>

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1919

Combined Profits from Operations after deduction of Maintenance and Renewal Expenditures, but before deducting Depreciation and Interest Charges, etc.	\$2,193,304.88	
Deduct:		
Provision for Depreciation	\$383,105.00	
Proportion of Commission and Discount on Securities written off, Provision for Government Taxes, etc....	171,488.09	
		554,593.09
Deduct—Interest:		\$1,638,711.79
On the 5 Per Cent. Mortgage Bonds of the Nova Scotia Steel & Coal Company, Limited	\$281,921.87	
On the 6 Per Cent. Debenture Stock of the Nova Scotia Steel & Coal Company, Limited	270,000.00	
On the 6 Per Cent. Mortgage Bonds of The Eastern Car Company, Limited	56,913.00	
		608,834.87
Net Profits for the Year	\$1,029,876.92	
Add: Surplus brought forward January 1, 1919.	2,616,584.54	
Deduct:		\$3,646,461.46
Dividend on 8 Per Cent. Cumulative Preference Stock of the Nova Scotia Steel & Coal Company, Limited	\$ 80,000.00	
Dividends at 5 Per Cent. per annum on the Ordinary Stock of the Nova Scotia Steel & Coal Company, Limited ...	750,000.00	
Dividends at 6 Per Cent. per annum on the Cumulative Preference Stock of The Eastern Car Company, Limited, for the years 1917 and 1918	90,000.00	
		920,000.00
Surplus carried forward.....		<u>\$2,726,461.46</u>

AUDITORS' REPORT

We have examined the Books and Accounts of the Nova Scotia Steel and Coal Company, Limited, and Subsidiary Companies for the year ending December 31, 1919, and have obtained all the information and explanations which we required; and we certify that, in our opinion, the above Balance Sheet at December 31, 1919, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Company.

PRICE, WATERHOUSE & CO., Auditors