

Directors

BOARD OF DIRECTORS

HON. W. E. FOSTER, L.L.D.
A. E. MIDDLETON HOPE, C. A.
HON. B. M. HILL
W. W. SNIDER, Esq.
C. B. HOWARD, Esq. M.P.
R. W. T. BURLEIGH, Esq.
A. C. SMITH, Esq.
A. G. TIERNEY, Esq.

OFFICERS

HON. W. E. FOSTER, L.L.D.
President
A. E. MIDDLETON HOPE, C. A.
Vice-President and Treasurer
A. G. TIERNEY, Esq.
Secretary
HON. B. M. HILL
Managing Director

SOLICITORS

HYDE, AHERN, PERRON, PUDDICOMBE & SMITH

AUDITORS

PRICE, WATERHOUSE & COMPANY

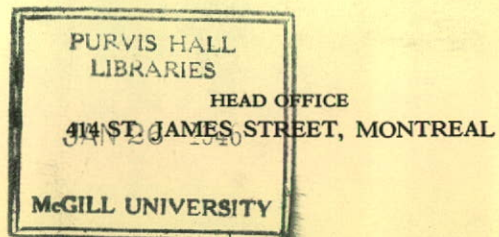
Consolidated
Diversified Standard
Securities
Limited

FINANCIAL REPORT

FOR YEAR ENDING
DECEMBER 31st,

1934

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Consolidated Diversified Standard Securities Limited

Montreal, March 18th, 1935.

To The Shareholders:

Your Directors herewith present for your approval the Company's Financial Report and Balance Sheet for the year ending December 31st, 1934.

The Portfolio of the Company is comprised of the Securities of over 190 Companies, one of which is a Subsidiary, and the Company's funds are invested as follows: Bonds 32.25%, Preferred Stocks 9.01%, Common Stocks 58.72%, and Miscellaneous and Inactive Stocks 00.02%.

During the year Net Realized Capital Profits to the extent of \$37,171.57 have been transferred to a Reserve for that purpose.

Dividends, numbers 4 and 5, of 25c. per share each, were paid on the Company's Preference shares.

It is the hope of the Management that all Shareholders will be represented either in person or by Proxy at the General Annual Meeting and the Special General Meeting of Shareholders, both of which are being held on April 29th, 1935.

Submitted on behalf of the Directors.

W. E. Foster
President.

Consolidated Diversified Standard Securities Limited

Statement of Profit and Loss and Surplus

for year ending December 31st, 1934

Dividends and Interest earned on Investments	\$71,097.24	
ADD: Net Profit on sale of Investments, less provision to reduce book value of investments to the lower of cost or market at December 31, 1934.....	37,171.57	\$108,268.81
DEDUCT: Expenses—		
Salaries, rent, light, Provincial and Municipal Taxes, printing, stationery and other office expenses, etc.....	25,068.21	
		\$ 83,200.60
ADD: Adjustment of Dominion and Provincial Income Taxes—1933 period.....	11.43	
DEDUCT:		\$ 83,212.03
Provision for Dominion and Provincial Income and Profits Taxes for 1934 period.....	\$ 5,050.00	
Preferred Dividends No. 4 and No. 5 at 25 cents per share	25,458.30	
Net Realized Capital Profits, as above, transferred.....	37,171.57	67,679.87
		\$ 15,532.16
ADD: Balance December 31, 1933.....	9,698.02	
Balance, December 31, 1934.....	\$ 25,230.18	

Consolidated Diversified Standard Securities Limited

Summary

of securities owned as of December 31st, 1934

Bonds.....	\$307,310.75
Preferred Stocks.....	86,935.90
Common Stocks.....	558,817.09
Miscellaneous Inactive Stocks.....	175.00
	\$953,238.74

Consolidated Diversified Standard Securities Limited

Balance Sheet, December 31st, 1934

ASSETS		
CASH IN BANKS.....		\$ 9,261.38
DIVIDENDS DECLARED (Receivable in January).....	\$ 4,297.75	
INTEREST ACCRUED ON BONDS.....	8,297.37	
		12,595.12
INVESTMENTS:		
In Stocks and Bonds of listed Corporations, at book value, being the lower of cost or quoted market value at December 31, 1934.....	\$820,938.74	
(Quoted market value of above Investments at December 31, 1934, \$999,743.97)		
Investment in wholly owned subsidiary at cost.....	132,300.00	
		953,238.74
FURNITURE AND FIXTURES, less Reserve for Depreciation of \$403.93.....	1,615.79	
PREPAID ITEMS.....	942.05	
		<u>\$977,653.08</u>

NOTE: Investments of the wholly owned subsidiary consist principally of stock holdings in Consolidated Diversified Standard Securities Ltd., as follows—

9,351 14/25 shares of First Preference Non-cumulative
16,143 16/40 shares of Class "A" Common

APPROVED ON BEHALF OF THE BOARD:
W. E. FOSTER, Director.
B. M. HILL, Director.

LIABILITIES		
PROVISION FOR DOMINION AND PROVINCIAL INCOME AND PROFITS TAXES.....	\$ 5,050.50	
DUE TO BROKERS, against securities purchased.....	3,086.73	\$ 8,137.23
CAPITAL AND SURPLUS, represented by:		
Capital Stock:		
Authorized—		
55,000 Non-cumulative First Preference shares of no par value. (Preferential as to \$2.50 per share dividend and redeemable at \$50.00 at call).		
160,000 Class "A" Common Shares of No Par Value		
112,500 Class "B" Common Shares of No Par Value		
Issued—		
50,916 15/25 Non Cumulative First Preference Shares.....		\$717,515.00
152,340 39/40 Class "A" Common Shares.....		
112,500 Class "B" Common Shares.....		
Net Realized Capital Profits:		
Balance, December 31, 1933.....	\$189,599.10	
ADD: Transferred from Profit and Loss Account December 31, 1934.....	37,171.57	
		226,770.67
Balance at credit of Profit and Loss Account, as per statement attached.....	25,230.18	<u>969,515.85</u>
		<u>\$977,653.08</u>

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Consolidated Diversified Standard Securities Limited for the year ending December 31, 1934, and have obtained all the information and explanations which we have required. In the periodical examinations made by us, securities have been found in order and we report that, 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 as at December 31, 1934, according to the best of the information and explanations given to us and as shown by the books of the Company.

In accordance with Section 114 of the Companies Act 1934, we report that provision has not been made in the accounts of Consolidated Diversified Standard Securities Limited, for the loss of its wholly owned subsidiary company for the year ending December 31, 1934, which amounted to \$2,148.83.

Montreal, March 1, 1935

PRICE, WATERHOUSE & CO.,
Auditors.

Consolidated Diversified Standard Securities Limited

Notice of Annual Meeting of Shareholders and subsequent Special General Meeting of Shareholders

NOTICE is hereby given that the Annual Meeting of Shareholders of CONSOLIDATED DIVERSIFIED STANDARD SECURITIES LIMITED, will be held at Room 129, Windsor Hotel, in the City of Montreal, on the 29th day of April, 1935, at the hour of eleven o'clock in the forenoon (Daylight Saving Time), for the purpose of:—

- (a) Receiving and considering the report of the Directors of the Company, the Balance Sheet, Statement of Income and Expenditure, and the Auditors' Report for the past fiscal year;
- (b) Considering and if thought fit approving and ratifying all contracts, acts and proceedings of the Board of Directors and of the officers of the Company since the last Annual Meeting of Shareholders as set forth or described in the books of the Company or in the annual report of the Company for the past fiscal year;
- (c) Appointing auditors;
- (d) Electing Directors for the ensuing year;
- (e) Transacting such other business as may properly be brought before the meeting.

AND FURTHER TAKE NOTICE that immediately after the foregoing Annual Meeting of Shareholders a Special General Meeting of the Shareholders will be held for the purpose of considering and if deemed advisable sanctioning,—

1. By-law No. 35 authorizing an application for Supplementary Letters Patent extending, amending and varying the general powers of the Company by giving it the right to purchase its Preference shares; and/or
2. By-law No. 36 authorizing an application for Supplementary Letters Patent amending the conditions attaching to the Company's Preference stock to include the Company's right to purchase its Preference shares.

If you are not able to be present kindly sign and return the enclosed Proxy by early mail.

DATED at Montreal this 18th day of March, 1935.

BY ORDER OF THE BOARD,

A. G. TIERNEY,

Secretary.