

C
Stack

Traders Finance Corporation
Limited



ANNUAL REPORT

for the year ended
31st December
1944



*An Independent Canadian Company.
Branches from Coast to Coast.*

PURVIS HALL
LIBRARIES

FEB 2 1955

McGILL UNIVERSITY

TRADERS FINANCE CORPORATION LIMITED

BOARD OF DIRECTORS

THE RT. HON. ARTHUR MEIGHEN, K.C., P.C.
HENRY BORDEN, C.M.G., K.C. PROF. M. A. MACKENZIE, LL.D.
COL. HUGH CLARK LT.-COL. T. R. O. MEIGHEN
H. R. MILNER, K.C. A. E. NAYLOR
J. R. CROFT GEO. D. PERRY
W. B. HAVARD D. E. STEWART
D. H. ROSS

EXECUTIVE OFFICERS

THE RT. HON. ARTHUR MEIGHEN, K.C., P.C. Chairman of the Board
A. E. NAYLOR - - - - President and General Manager
J. R. CROFT - - Vice-President and Assistant General Manager
D. E. STEWART - - - - - - Treasurer
MISS E. M. STRAIN - - - - - - Secretary

AUDITOR

A. D. DOWNIE, C.A. - Toronto

HEAD OFFICE

320 BAY STREET - TORONTO

TRADERS FINANCE CORPORATION LIMITED

PROXY

I,
of _____ a Shareholder of TRADERS FINANCE
CORPORATION LIMITED, hereby appoint Rt. Hon Arthur Meighen of the City of Toronto, or him
failing, Mr. A. E. Naylor, of the same place, as my proxy to vote for me and on my behalf at the
annual meeting of the Company to be held on the 25th day of April, 1945, and at any adjournment of
the said meeting.

SIGNED this

_____ day of April, 1945.

Signature of Shareholder

TRADERS FINANCE CORPORATION LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual meeting of shareholders of the above Company will be held at the office of the Company, 1607 Canada Permanent Building, 320 Bay St., Toronto, Ontario, Canada, on April 25th, 1945, at the hour of eleven o'clock in the forenoon for the purpose of receiving and considering the balance sheet and statement of accounts for the period ending December 31, 1944, and the report of the Auditor thereon; for the election of Directors; for the appointment of Auditors; for the consideration, and, if approved, ratification and confirmation of all by-laws, acts and proceedings of the board of directors of the Company enacted, done and taken since the last annual meeting of the shareholders, and for the transaction of such further and other business as may properly come before the meeting.

DATED at Toronto this 9th day of April, 1945.

BY ORDER OF THE BOARD

E. M. Strain,
Secretary.

If you are not able to be present kindly detach, sign and return the attached proxy in the enclosed envelope provided for that purpose.

TRADERS FINANCE CORPORATION LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual meeting of shareholders of the above-named company will be held at the office of the company, 107 King Street West, Toronto, Ontario, Canada, on April 23rd, 1947, at the hour of eleven o'clock in the forenoon for the purpose of receiving and considering the balance sheet and statement of accounts for the year ending December 31, 1946, and the report of the Auditor General for the year ending December 31, 1946; for the appointment of auditors for the consideration and approval, ratification and confirmation of all business, acts and proceedings of the board of directors of the company carried, done and taken since the last annual meeting of the shareholders; and for the transaction of such other and special business as may properly come before the meeting.

DATED at Toronto, Ontario, this 15th day of April, 1947.

BY ORDER OF THE BOARD

J. M. Brown
Secretary

If you are not already a shareholder, kindly detach and return the attached form to the enclosed envelope provided for this purpose.

TRADERS FINANCE CORPORATION LIMITED

ANNUAL REPORT — 1944

To the Shareholders:

Your Directors submit herewith the annual report of your company for the year ended December 31, 1944, together with the balance sheet and profit and loss and surplus accounts as certified by your Auditor.

Net profit for the year, before provision for income and excess profits taxes, amounted to \$303,682. Taxes amounted to \$96,207 and after charging the dividends on the preferred shares and interest on the income funding rights the earnings available for common shares were \$46,486, equivalent to \$.80 per share, as against \$1.04 in 1943.

Earnings of Canadian General Insurance Company and Toronto General Insurance Company, the subsidiaries of Canadian Insurance Shares Limited, and the earnings of your three other subsidiary companies continue to be satisfactory. The annual report of Canadian Insurance Shares Limited is enclosed.

During the year ended December 31, 1944 there were purchased and cancelled 281 series "A" 6% cumulative redeemable preference shares of capital stock, 98 series "A" income funding rights and 76 series "B" income funding rights. Capital surplus account now stands at \$17,135.45.

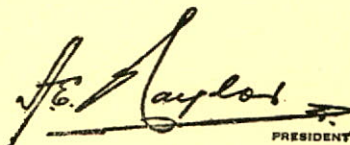
During the year your Directors inaugurated a staff pension plan for the personnel of your company including the subsidiaries of Canadian Insurance Shares Limited, the cost of past service premiums to your company being charged to Earned Surplus Account.

Substantial recoveries of bad debts written off in previous years were made during the year ended December 31, 1944 at an estimated cost of \$16,780, as shown in the statement of profit and loss. An excess of reserve for bad and doubtful accounts in the amount of \$200,000 has been transferred to Earned Surplus Account.

Your entire organization is being held in a satisfactory position, ready to take its place in the consumer financing field when automotive production is resumed.

Your Directors take pleasure in recording that the officers and employees have throughout the year performed their duties faithfully and well.

Respectfully submitted,



J. E. Taylor
PRESIDENT

April 9, 1945.
320 Bay St., Toronto, Ont.

TRADERS FINANCE C

BALANCE SHEET

ASSETS

Cash on hand and in bank		\$ 528,335.87
Dominion of Canada Victory Bonds, at cost	\$ 511,918.75	
Other marketable securities, at cost	502,241.73	
(Market value—\$1,094,495.00)		1,014,160.48
Notes receivable, secured, after full provision for doubtful accounts	\$2,167,061.98	
Dominion Government automobile pool account	416,678.65	
		2,583,740.63
Sundry loans and advances, after full provision for doubtful accounts		98,537.48
Investment in shares of subsidiary companies, at cost	\$1,098,255.00	
(Balance sheet value \$1,838,300.00)		
Advances to subsidiary companies	390,000.00	
		1,488,255.00
Automobiles, equipment and goodwill		1.00

Approved on behalf of the Board:

ARTHUR MEIGHEN }
A. E. NAYLOR } Directors.

\$5,713,030.46

NOTE:

There are outstanding 13,659 Series "A" and 6,266 Series "B" income funding rights with a total face value of \$1,000,000.00. The net profits of each fiscal year or to the extent that such profits are available before payment of dividends, the Series "B" funding rights rank after the Series "A" preference shares but in priority to the Class "A" and Class "B" shares.

CORPORATION LIMITED

DECEMBER 31 1944

LIABILITIES

Accounts payable	\$ 18,695.01	
Interest payable on serial debentures	7,000.00	
Interest payable on income funding rights	19,054.18	
Dividends payable on preferred stock	36,031.59	
Reserve for income tax and excess profits tax	54,560.00	
Dealers' reserves, holdbacks, etc.	355,092.54	
		\$ 490,433.32
Reserve for unearned income		146,571.81
Three and one-half per cent serial debentures:		
Authorized and issued	\$ 700,000.00	
Less: redeemed	300,000.00	
		400,000.00
(Secured by common shares of no par value of Canadian Insurance Shares Limited and maturing in annual instalments on January 1, 1945 to 1948 inclusive).		
Capital:		
Authorized—		
31,597 Series "A" 6% cumulative redeemable preference shares of \$100 par value callable at \$110.		
170,000 Class "A" common shares of no par value.		
30,000 Class "B" common shares of no par value.		
Issued and outstanding—		
24,570 Series "A" 6% cumulative redeemable preference shares	\$2,457,000.00	
1,123 shares purchased and cancelled including 281 shares purchased and cancelled during the year ended December 31, 1944	112,300.00	
23,447	\$2,344,700.00	
27,543 Class "A" common shares of no par value	27,543.00	
30,000 Class "B" common shares of no par value	30,000.00	
		\$2,402,243.00
Capital surplus, as per statement attached	17,135.45	
Earned surplus, as per statement attached	2,256,646.88	
		4,676,025.33
		<u>\$5,713,030.46</u>

of \$510,093.50. Non-cumulative interest at the rate of \$1.00 per annum per right is payable out of the dividends on the Series "A" cumulative redeemable preference shares. In the event of liquidation, the income is payable to the holders of Series "B" common stock.

TRADERS FINANCE CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31 1944

Income from commercial financing	\$480,217.99	
Income from interest and dividends	120,422.49	
Other miscellaneous income	9,039.85	
Profit realized on securities sold	14,738.96	
	\$ 624,419.29	
<i>Deduct—</i>		
Interest paid	\$ 18,729.44	
General and administrative ex- pense	\$267,470.86	
Less: Cost of collection of old accounts	16,870.00	
	250,600.86	
Directors' and executive officers' salaries (net)	48,090.00	
Directors' fees	1,575.00	
Legal fees	1,741.56	
	\$ 320,736.86	
Profit for year before provision for income and excess profits taxes		303,682.43
Provision for Dominion income tax and excess profits tax		96,207.48
Net profit for year		\$ 207,474.95

EARNED SURPLUS ACCOUNT

DECEMBER 31 1944

Balance, January 1, 1944		\$2,139,843.11
Transferred from reserve for bad and doubtful accounts		200,000.00
Net profit for year, as above	\$207,474.95	
<i>Less—</i>		
Interest on income funding rights to December 31, 1944	\$ 19,817.00	
Dividends on Series "A" 6% cumulative redeemable prefer- ence shares	141,171.00	160,988.00
		46,486.95
		\$2,386,330.06
Pension plan past service premiums and premiums for 1943		129,683.18
Balance, December 31, 1944		\$2,256,646.88

CAPITAL SURPLUS ACCOUNT

DECEMBER 31 1944

Balance, January 1, 1944		\$ 17,852.25
Add: Surplus arising from the purchase and cancellation of 281 Series "A" 6% cumulative redeemable preference shares of \$100 par value		1,978.45
		\$ 19,830.70
Less: Cost of 98 series "A" and 76 series "B" income funding rights purchased and cancelled		2,695.25
Balance, December 31, 1944		\$ 17,135.45

A. DOUGLAS DOWNIE
CHARTERED ACCOUNTANT

1608 CANADA PERMANENT BUILDING
TORONTO - CANADA

Auditor's Report to the Shareholders of
TRADERS FINANCE CORPORATION LIMITED:

I have made an examination of the attached balance sheet of Traders Finance Corporation Limited as at December 31, 1944, and have obtained all the information and explanations I have required.

In carrying out that examination, I visited the head office and branch offices of the company and examined the accounts relative to the notes receivable and the other assets and liabilities. Substantial tests of the correctness of the accounts were made during the year by direct correspondence with the makers of the notes receivable and similar tests were also made of the the existence of the notes receivable. I am satisfied that the provision for doubtful accounts is adequate. Cash and investments were verified by actual inspection or by certificates from the depositaries.

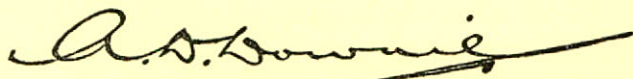
So far as I am able to determine, full provision has been made for all liabilities as at December 31, 1944 and the reserve for unearned income is, in my judgment, fair and reasonable.

During the year ended December 31, 1944, there were purchased and cancelled 281 series "A" 6% cumulative redeemable preference shares of capital stock, 98 series "A" income funding rights and 76 series "B" income funding rights.

Under section 114 of the Companies Act 1934, I report that the aggregate profits of subsidiary companies have been taken credit for in the accounts of Traders Finance Corporation Limited only to the extent of dividends received.

I report that, in my opinion, based upon such examination, the attached 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, 1944, according to the best of my information and the explanations given to me and as shown by the books of the company.

March 29, 1945



Chartered Accountant

TRADERS FINANCE CORPORATION LIMITED

BRANCH OFFICES

SAINT JOHN, N.B.	-	-	Bank of Nova Scotia Building
QUEBEC, QUE.	-	-	Guilmette Building
MONTREAL, QUE.	-	-	University Tower Building
TORONTO, ONT.	-	-	320 Bay Street
LONDON, ONT.	-	-	393-395 Wellington Street
WINDSOR, ONT.	-	-	44 Wyandotte Street East
PORT ARTHUR, ONT.	-	-	4 Woolworth Building
WINNIPEG, MAN.	-	-	Lombard Building
REGINA, SASK.	-	-	Broder Building
MOOSE JAW, SASK.	-	-	315 Hammond Building
SASKATOON, SASK.	-	-	London and Western Trusts Building
PRINCE ALBERT, SASK.	-	-	4 Bank of Montreal Building
CALGARY, ALTA.	-	-	Insurance Exchange Building
EDMONTON, ALTA.	-	-	McLeod Building
VANCOUVER, B.C.	-	-	Vancouver Block