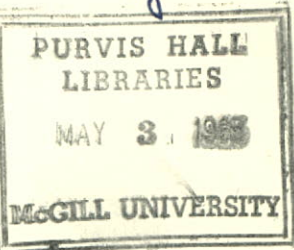


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INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

March 31st, 1963

DIRECTORS

A. S. FRASER, *President and Managing Director*
 W. H. CAMPBELL
 H. C. FLOOD
 SÉVÈRE GODIN

MOSTYN LEWIS
 D. S. PATTERSON, O.B.E.
 J. D. HOPKINS, *Secretary-Treasurer*

A. K. CAMERON, *Vice-President*
 Dr. C. S. THOMPSON, O.B.E.
 N. A. TIMMINS, JR.

April 22nd, 1963.

TO THE SHAREHOLDERS:

Your Directors present herewith the 34th Annual Report of your Company, together with a statement of Assets and Liabilities, Profit and Loss, and Surplus Accounts for the year ending March 31st, 1963, duly certified by the Auditors.

Income from dividends and interest for the year less general expenses, salaries, taxes and directors' fees was \$233,105. This compares with \$226,343. for the previous year.

Capital profits less losses on securities sold during the year were \$6,337. These capital profits were transferred to Capital Surplus which now stands at \$984,165.

Regular quarterly dividends totalling \$3.00 were paid or declared on the 6 per cent, \$50.00 par preferred shares and dividends of \$2.40 were paid or declared on the common. Payment of these dividends required \$225,407. The difference \$7,698. was transferred to Earned Surplus which now stands at \$309,255.

Individual shareholders residing in Canada were advised when computing their income tax for the year 1962 that they are entitled to:

- (1) A depletion allowance equal to 10% of all preferred and common dividends received by them from this Company during the year,
and
- (2) A tax credit of 20% of the net amount of such dividends.

On the basis of prices at the close of business March 31st, 1963, the market value of your Company's holdings showed an appreciation of \$2,687,178. over book value. After deducting the \$50.00 preferred shares at par the liquidating value of the common was \$57.80 as against \$60.67 at the end of the previous year. The liquidating value of the common shares at year end compares with average month end values of \$55.77.

All the Company's stock holdings are listed and traded on regular stock exchanges. With the exception of three items valued at \$53,350. all investments are on a regular income basis.

During the year 136 shares of the preferred stock were redeemed at an average cost of \$52.12 per share.

You will observe from the figures shown below that net earnings from dividends and interest for the past 34 years were \$4,959,093. Dividends paid on the preferred and common shares aggregated \$4,649,838.

The following figures from commencement of operations in March 1929 will be of interest to our Shareholders.

	\$50.00 Par Pfd.	N.P.V. Com.	
March 31, 1929 — Capital subscribed and paid-up shares.....	40,000	70,000	\$3,050,000.
1931-1963 — Preferred shares redeemed.....	20,927		1,046,350.
March 31, 1963 — Capital outstanding.....	19,073	70,000	\$2,003,650.
— Capital Surplus from Redemption of Preferred Shares.....			190,364.
— Capital Surplus on Investments Sold Less Losses.....			984,165.
— Earned Surplus.....			309,255.
March 31, 1929-63 — Gross income earned from dividends, interest, etc.....			\$5,676,840.
— Total expenses including taxes.....			717,747.
— Net income after expenses and taxes.....			\$4,959,093.
— Dividends paid on Pfd. and Com. Shares — 93.7% of net income.....			4,649,838.
— Earned Surplus.....			\$ 309,255.
March 31, 1963 — Book value of securities — less Capital Surpluses.....			\$2,255,399.
— Market value of securities.....			4,942,577.
— Appreciation in market value over cost.....			\$2,687,178.

Respectfully submitted on behalf of the Directors,

A. S. FRASER,
 President and Managing Director.

INVESTMENT FOUNDATION LIMITED

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE YEAR ENDED MARCH 31, 1963

REVENUE:			
Dividends.....	\$256,065.57		
Interest.....	4,101.82		
Premium on U.S. funds.....	151.41		\$260,318.80
<i>Deduct:</i>			
General expenses, salaries, taxes, etc.....	24,526.24		
Directors' fees.....	1,750.00		
Bank interest.....	58.48		
U.S. withholding tax deducted at source.....	360.00		26,694.72
Net revenue for the year before providing for income taxes.....			233,624.08
Provision for income taxes.....			519.04
Net profit for the year.....			233,105.04
Earned surplus — March 31, 1962.....	301,557.23		
<i>Deduct:</i>			
Dividends on preferred stock.....	\$ 57,407.25		
Dividends on common stock.....	168,000.00	225,407.25	76,149.98
Earned surplus — March 31, 1963.....			\$309,255.02

STATEMENT OF CAPITAL SURPLUS — PROFITS LESS LOSSES ON SALES OF INVESTMENTS FOR THE YEAR ENDED MARCH 31, 1963

Balance at credit — April 1, 1962.....			\$977,828.77
Profit on investments sold during the year.....			6,336.63
Balance at credit — March 31, 1963.....			\$984,165.40

INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT MARCH 31, 1963

ASSETS	LIABILITIES
CURRENT:	
Cash in bank.....	\$60,315.67
Guaranteed demand deposit....	20,000.00
Due from broker for sale of securities.....	52,500.00
Accrued income.....	25,882.17
	\$ 158,697.84
Prepaid expense.....	208.40
Investment securities at book value (Market value \$4,942,577.50.)	3,429,929.02
Furniture and fixtures at depreciated value.....	1.00
	\$3,588,836.26
CURRENT:	
Due to broker for purchase of securities.....	\$ 43,752.10
Accounts payable.....	739.91
Income taxes payable.....	599.28
Preferred dividend payable April 16, 1963.....	14,310.00
Common dividend payable April 16, 1963.....	42,000.00
	\$ 101,401.29
CAPITAL:	
6% Cumulative convertible redeemable preferred stock — par value \$50. each	
Authorized and issued..40,000 shares	2,000,000.00
Less: Redeemed 20,927 shares	1,046,350.00
Outstanding..19,073 shares	953,650.00
Common stock—no par value	
Authorized..200,000 shares	
Issued..... 70,000 shares	1,050,000.00
	2,003,650.00
Capital surplus — discount on preferred shares redeemed (net).....	190,364.55
Capital surplus — profits less losses on sales of investments.	984,165.40
Earned surplus — statement attached.....	309,255.02
	3,487,434.97
	\$3,588,836.26

Signed on behalf of the Board of Directors:

A. S. FRASER, *Director.*

A. K. CAMERON, *Director.*

AUDITORS' REPORT TO THE SHAREHOLDERS

INVESTMENT FOUNDATION LIMITED,
MONTREAL, QUE.

We have examined the balance sheet of Investment Foundation Limited as at March 31, 1963 and the related statement of profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. 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, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and related statement of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at March 31, 1963 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

MONTREAL, QUE., April 5, 1963.

TOUCHE, ROSS, BAILEY & SMART
Chartered Accountants.

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**INVESTMENT FOUNDATION
LIMITED**

ANNUAL REPORT

For the Fiscal Year Ended March 31, 1963

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