

# INVESTMENT FOUNDATION LIMITED

## ANNUAL REPORT

March 31st, 1962

### 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.

The Preferred and Common Shares are listed and traded on the Canadian Stock Exchange, Montreal.  
Transfer and Registry Agents — The Eastern Trust Company, Montreal.

April 17, 1962.

#### TO THE SHAREHOLDERS:

Your Directors present herewith the 33rd 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, 1962, duly certified by the Auditors.

Income from dividends and interest for the year less general expenses, salaries, taxes and directors' fees was \$226,343. This compares with \$211,244. for the previous year.

Capital profits less losses on securities sold during the year were \$656,368. These capital profits were transferred to Capital Surplus which now stands at \$977,828.

NOTE — Investment Reserve figures shown on the previous Annual Report as \$512,901. were revised to show separately in Capital Surplus Accounts the Capital Profits Less Losses \$321,460. derived from net sales of investments in past years and also Capital Surplus \$191,441. obtained in previous years through the purchase and redemption of preferred shares at prices less than par.

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 \$226,257. Earned Surplus now stands at \$301,557.

Individual shareholders residing in Canada were advised when computing their income tax for the year 1961 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, 1962, the market value of your Company's holdings showed an appreciation of \$2,895,863. over book value. After deducting the \$50.00 preferred shares at par the liquidating value of the common was \$60.67 as against \$49.65 at the end of the previous year.

All the Company's stock holdings are listed and traded on regular stock exchanges.

During the year 304 shares of the preferred stock were redeemed at an average cost of \$52.36 per share.

You will observe from the figures shown below that net earnings from dividends and interest for the 33 years were \$4,725,988. Dividends paid on the preferred and common shares aggregated \$4,424,431.

Operations over the fiscal years 1929—1962 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. |
| 1931-1962 — Preferred shares redeemed.....                                 | 20,791           |             | 1,039,550.   |
| March 31, 1962 — Capital outstanding.....                                  | 19,209           | 70,000      | \$2,010,450. |
| — Capital Surplus from Redemption of Preferred Shares.....                 |                  |             | 190,653.     |
| — Capital Surplus on Investments Sold Less Losses.....                     |                  |             | 977,828.     |
| — Surplus.....   |                  |             | 301,557.     |
| March 31, 1929-62 — Gross income earned from dividends, interest, etc..... |                  |             | \$5,416,522. |
| — Total expenses including taxes.....                                      |                  |             | 690,534.     |
| — Net income after expenses and taxes.....                                 |                  |             | \$4,725,988. |
| — Dividends paid on Pfd. and Com. Shares — 93.6% of net income.....        |                  |             | 4,424,431.   |
| — Earned Surplus.....  |                  |             | \$ 301,557.  |
| March 31, 1962 — Book Value of securities — less Capital Surpluses.....    |                  |             | \$2,320,293. |
| — Market value of securities.....  |                  |             | 5,216,156.   |
| — Appreciation in market value over cost.....                              |                  |             | \$2,895,863. |

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, 1962

|   |              |  |              |
|---|--------------|--|--------------|
| REVENUE:  |              |  |              |
| Dividends.....  | \$244,832.70 |  |              |
| Interest.....   | 6,859.99     |  | \$251,692.69 |
|   |              |  |              |
| <i>Deduct:</i>  |              |  |              |
| General expenses, salaries, taxes, etc.....                     | 22,652.24    |  |              |
| Directors' fees.....  | 1,900.00     |  |              |
| Bank interest.....  | 8.57         |  | 24,560.81    |
|   |              |  |              |
| Net revenue for the year before providing for income taxes..... |              |  | 227,131.88   |
| Provision for income taxes.....                                 |              |  | 788.73       |
|   |              |  |              |
| Net profit for the year.....                                    |              |  | 226,343.15   |
| Earned surplus — March 31, 1961.....                            | 301,471.83   |  |              |
| <i>Deduct:</i>  |              |  |              |
| Dividends on preferred stock.....                               | \$ 58,257.75 |  |              |
| Dividends on common stock.....                                  | 168,000.00   |  | 75,214.08    |
|   |              |  |              |
|   |              |  | \$301,557.23 |
|   |              |  | \$301,557.23 |

## STATEMENT OF CAPITAL SURPLUS — PROFITS LESS LOSSES ON SALES OF INVESTMENTS FOR THE YEAR ENDED MARCH 31, 1962

|   |  |  |              |
|---|--|--|--------------|
| Balance at credit — April 1, 1961.....          |  |  | \$321,460.44 |
| Profit on investments sold during the year..... |  |  | 656,368.33   |
|   |  |  |              |
| Balance at credit — March 31, 1962.....         |  |  | \$977,828.77 |
|   |  |  | \$977,828.77 |



# INVESTMENT FOUNDATION LIMITED

## BALANCE SHEET AS AT MARCH 31, 1962

| ASSETS   | LIABILITIES   |
|--|---|
| <b>CURRENT:</b>  | <b>CURRENT:</b>   |
| Cash in bank..... \$82,945.74                                      | Due to brokers for purchase<br>of securities..... \$ 85,101.44                    |
| Due from brokers for sale of<br>securities..... 22,680.07          | Accounts payable..... 724.77  |
| Accrued income..... 28,687.99                                      | Income taxes payable..... 688.73  |
|  | Preferred dividend payable<br>April 16, 1962..... 14,418.75                       |
| Prepaid expense..... 333.40  | Common dividend payable<br>April 16, 1962..... 42,000.00                          |
| Investment securities at book value<br>(Market value \$5,216,156.) | \$ 142,933.69   |
|  | <b>CAPITAL:</b>   |
|  | 6% Cumulative convertible<br>redeemable preferred stock<br>— par value \$50. each |
|  | Authorized<br>and issued.. 40,000 shares  |
|  | 2,000,000.00  |
|  | Less:   |
|  | Redeemed.. 20,791 shares  |
|  | 1,039,550.00  |
|  | Outstanding.. 19,209 shares   |
|  | 960,450.00  |
|  | Common stock—no par value   |
|  | Authorized.. 200,000 shares   |
|  | Issued..... 70,000 shares   |
|  | 1,050,000.00  |
|  | 2,010,450.00  |
|  | Capital surplus — discount on<br>preferred shares redeemed<br>(net).....          |
|  | 190,653.75  |
|  | Capital surplus — profits less<br>losses on sales of investments.                 |
|  | 977,828.77  |
|  | Earned surplus — statement<br>attached.....                                       |
|  | 301,557.23  |
|  | 3,480,489.75  |
| Furniture and fixtures<br>at depreciated value.....                |   |
| 1.00   |   |
| <u>\$3,623,423.44</u>  | <u>\$3,623,423.44</u>   |

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, 1962 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, 1962 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.

TOUCHE, ROSS, BAILEY & SMART  
*Chartered Accountants.*

MONTREAL, QUE., April 10, 1962.

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**INVESTMENT FOUNDATION  
LIMITED**

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**ANNUAL REPORT**

**For the Fiscal Year Ended March 31, 1962**

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