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# INVESTMENT FOUNDATION LIMITED

## ANNUAL REPORT

March 31st, 1953

### DIRECTORS

A. S. FRASER, *President and Managing Director*

W. H. CAMPBELL

H. C. FLOOD

SEVERE 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 20th, 1953.

### TO THE SHAREHOLDERS:

Your Directors present herewith the 24th Annual Report of your Company, together with a statement of Assets and Liabilities, Profit and Loss, and Surplus Account for the year ending March 31st, 1953, duly certified by the Auditors.

Net income for the year was \$185,648.13, equivalent to \$8.97 on the outstanding cumulative preferred shares and after allowing for the \$3.00 preferred dividend was \$1.76 on the common. This compares with \$188,570.49 for the previous year — \$9.04 on the preferred and \$1.77 on the common. Only dividends and interest actually earned have been considered as income.

Regular dividends totalling \$3.00 were paid or declared on the 6 per cent, \$50.00 par cumulative preferred stock and dividends of \$1.50 were paid or declared on the common. Payment of these dividends required \$167,270.25. The balance \$18,377.88 was transferred to earned surplus, which now stands at \$239,009.68.

Individual shareholders residing in Canada were advised when computing their income tax for the year 1952 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 10% of the net amount of such dividends.  
(Note that for the year 1953 the tax credit will be 20%.)

During the past year the Directors authorized purchase of 162 shares of outstanding preferred stock. These shares, bought at an average price of \$50.09, have been redeemed and cancelled. This left outstanding 20,679 of the original 40,000 shares.

While dividends on the Company's investments were slightly higher, non-recurring income received for the previous year (premium on U.S. funds and on securities redeemed) accounted for the small reduction in gross revenue. General and other expenses showed little change but were slightly lower than in the previous year.

Stock exchange quotations for the better class securities moved irregularly during the year but generally the trend was downward.

Canadian shareholders for the calendar year 1953 will benefit by the recent budget announcement which provides a tax credit of 20% from normal income taxes on dividend paying Canadian preferred and common shares. This action should lead to increased investment by Canadians in the better class shares of Canadian corporations. Income taxes, both from a business and personal standpoint, even considering recent moderate reductions in rates, are still excessive and likely to remain so for some time.

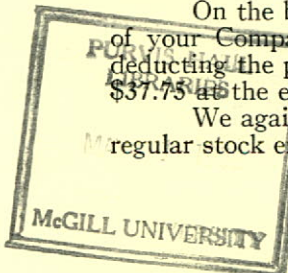
The inflationary trend so noticeable in recent years has moderated to some degree except in wage rates, which accelerated to higher and higher levels during the past year. This in turn resulted in higher costs and lower earnings for certain of our major industries. Notwithstanding the fact that during the past year the threatening international situation gave cause for anxiety, the continued and wonderful development of our natural resources and business generally made for prosperous conditions. It would appear that the future outlook for Canada is perhaps more favourable than that of any other country in the world.

On the basis of prices current at the close of business March 31st, 1953, the market value of your Company's holdings showed an appreciation of \$1,280,886.58 over book value. After deducting the preferred shares at par the liquidating value of the common was \$36.71 as against \$37.75 at the end of the previous year.

We again report that all of the Company's security holdings are listed and traded on the regular stock exchanges.

Respectfully submitted on behalf of the Directors,

A. S. FRASER,  
President.



# INVESTMENT FOUNDATION LIMITED

## STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE YEAR ENDED 31st MARCH, 1953

REVENUE:

Dividends.....	\$209,920.00	
Interest on Loans.....	45.20	
	<u>          </u>	\$209,965.20

*Deduct:*

General Expenses, Salaries, Taxes, etc.....	21,591.21	
Directors' Fees.....	2,125.00	
Bank Interest.....	471.15	
United States Tax on Dividends, deducted at source.....	31.50	
	<u>          </u>	24,218.86

Net Revenue for the year before providing for Income Taxes..... 185,746.34

Provision for Income Taxes..... 98.21

Net Profit for the Year..... 185,648.13

Earned Surplus at March 31, 1952..... 220,631.80

406,279.93

*Deduct:*

Dividends on Preferred Stock.....	62,270.25	
Dividends on Common Stock.....	105,000.00	
	<u>          </u>	167,270.25

Earned Surplus at March 31, 1953..... \$239,009.68



# INVESTMENT FOUNDATION LIMITED

## BALANCE SHEET AS AT 31st MARCH, 1953

ASSETS	LIABILITIES
Cash in Bank..... \$100,602.28	Accounts Payable..... \$ 633.34
Accrued Income..... 6,448.22	Income Taxes Payable..... 104.19
Guaranteed Demand Deposit..... 25,000.00	Preferred Dividend payable April 15, 1953..... 15,509.25
Accounts receivable—	Common Dividend payable April 15, 1953..... 52,500.00
from Broker..... \$26,972.82	\$ 68,746.78
from Others..... 187.66	Investment Reserve..... 50,050.54
<u>27,160.48</u>	<b>CAPITAL:</b>
\$ 159,210.98	6% Cumulative Convertible Redeemable Preferred Stock—Par Value \$50.00 each.
Prepaid Expenses..... 333.56	Authorized and issued—40,000 shares.... 2,000,000.00
Investment Securities..... 2,282,211.46	Less:
NOTE:—The market value of securities owned by the Company at the close of the fiscal year was \$3,513,047.50, representing an appreciation from book value of \$1,280,886.58 after taking into consideration the amount at credit of the investment reserve.	Redeemed—19,321 shares.... 966,050.00
	Outstanding 20,679 shares.... 1,033,950.00
	Common stock—No par value:
	Authorized—200,000 shares
	Issued — 70,000 shares... 1,050,000.00
	2,083,950.00
Furniture and Fixtures at depreciated value.... 1.00	Earned Surplus..... 239,009.68
<u>\$2,441,757.00</u>	<u>\$2,441,757.00</u>

Signed on behalf of the Board of Directors:

A. S. FRASER, *Director.*  
A. K. CAMERON, *Director.*

This is the Balance Sheet referred to in our attached Report to the Shareholders dated April 16, 1953.

P. S. ROSS & SONS,  
*Chartered Accountants.*

MONTREAL, QUE.

### AUDITORS' REPORT TO THE SHAREHOLDERS

INVESTMENT FOUNDATION LIMITED,  
MONTREAL.

We have examined the Balance Sheet of Investment Foundation Limited as at March 31, 1953, 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 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, 1953 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS,  
*Chartered Accountants.*

MONTREAL, April 16th, 1953.

**INVESTMENT FOUNDATION  
LIMITED**

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**ANNUAL REPORT**

**For the Fiscal Year Ended 31st March, 1953**

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