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# INVESTMENT FOUNDATION LIMITED

## ANNUAL REPORT

March 31st, 1952

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### 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 21st, 1952.

#### TO THE SHAREHOLDERS:

Your Directors present herewith the 23rd Annual Report of your Company, together with a statement of Assets and Liabilities, Profit and Loss, and Surplus Account for the year ended March 31st, 1952, duly certified by the Auditors.

Net income for the year was \$188,570.49 equivalent to \$9.04 on the outstanding cumulative preferred shares and after allowing for the \$3.00 preferred dividend was \$1.77 on the common. This compares with \$168,009.28 for the previous year — \$7.59 on the preferred and \$1.43 on the common. Only dividends, premium on securities called for redemption and on U.S. Funds 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 \$1.25 plus an extra of \$0.25 were paid or declared on the common. Payment of these dividends required \$169,378.50. The balance \$19,191.99 was transferred to earned surplus which now stands at \$220,631.80.

Individual shareholders residing in Canada were advised when computing their income tax for the year 1951 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) The Tax Credit of 10% of the net amount of such dividends.

In July, 1951, The Toronto General Trusts Corporation, acting as Trustee, by letter to shareholders and by newspaper advertisement offered to purchase 35,000 or more of your Company's outstanding 70,000 common shares at \$35.00 per share conditional upon at least 35,000 shares being deposited for sale with the Trust Company — in other words voting and management control. Evidently the number of shares deposited was considerably less than the required number and therefore any shares tendered under the terms of the offer have been returned to the individual shareholders. Your Directors had no connection whatever with the proposal nor are they aware of the identity of the party or parties for whom the Trust Company acted as Trustee.

During the past year the Directors authorized purchase of 1,282 shares of outstanding preferred stock. These shares bought at an average price of \$51.55 have been redeemed and cancelled. This left outstanding 20,841 of the original 40,000 shares.

Income on the Company's investments showed a satisfactory increase with expenses only slightly higher than the previous year. Stock exchange quotations for securities fluctuated considerably but there was no general trend during the past year. The much higher income taxes adversely affected earnings and particularly those of the companies engaged in a highly competitive business. While the economy of Canada is still somewhat inflationary there would appear to be a slowing down of the upward movement of wages and prices so strongly evident during the early months of the Korean conflict.

On the basis of prices current as at the close of business March 31st, 1952, the market value of your Company's holdings showed an appreciation of \$1,372,484.59 over book value. After deducting the preferred shares at par the liquidating value of the common was \$37.75 as against \$33.60 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, 1952

<b>REVENUE:</b>	
Dividends.....	\$208,731.61
Premium on U.S. Funds.....	370.19
Premium on Securities Redeemed.....	4,200.00
	\$213,301.80
<b>Deduct:</b>	
General Expenses, Salaries, Taxes, etc.....	21,871.83
Directors' Fees.....	1,980.00
Bank Interest.....	19.15
United States Tax on Dividends, deducted at source.....	214.50
	24,085.48
Net Revenue for the year before providing for Income Taxes.....	189,216.32
Provision for Income Taxes.....	645.83
Net Income for the year transferred to Surplus.....	188,570.49
Earned Surplus at March 31, 1951.....	201,439.81
	390,010.30
<b>Deduct:</b>	
Dividends on Preferred Stock.....	64,378.50
Dividends on Common Stock.....	105,000.00
	169,378.50
Earned Surplus at March 31, 1952.....	\$220,631.80

# INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 1952

ASSETS	LIABILITIES
Cash at Bank..... \$78,616.03	Accounts Payable..... \$ 887.25
Accrued Dividends..... 8,436.25	Reserve for Taxes..... 645.83
\$ 87,052.28	Preferred Dividend payable April 15, 1952..... 15,633.00
Prepaid Expenses..... 351.06	Common Dividend payable April 15, 1952..... 70,000.00
Investment Securities..... 2,358,154.58	\$ 87,166.08
NOTE:—The market value of securities owned by the Company at the close of the fiscal year was \$3,684,928.13, representing an appreciation from book value of \$1,372,484.59 after taking into consideration the amount at credit of the investment reserve.	Investment Reserve..... 45,711.04
	<b>CAPITAL:</b>
	6% Cumulative Convertible Redeemable Preferred Stock—Par Value \$50.00 each.
	Authorized and issued—40,000 shares.... 2,000,000.00
	<i>Less:</i>
	Redeemed—19,159 shares.... 957,950.00
	Outstanding 20,841 shares.... 1,042,050.00
	Common stock—No par value:
	Authorized—200,000 shares
	Issued — 70,000 shares... 1,050,000.00
Furniture and Fixtures at depreciated value..... 1.00	2,092,050.00
\$2,445,558.92	Earned Surplus..... 220,631.80
	<u>\$2,445,558.92</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 18, 1952.

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, 1952, and the related Statements of Profit and Loss and 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 Statements of Profit and Loss and 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, 1952, 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 18th, 1952.

# INVESTMENT FOUNDATION LIMITED

## ANNUAL REPORT

For the Fiscal Year Ended 31st March, 1952

