

# INVESTMENT FOUNDATION LIMITED

## ANNUAL REPORT

For the Fiscal Year Ending March 31st, 1949

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### DIRECTORS

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

W. H. CAMPBELL

H. C. FLOOD

SEVERE GODIN

MOSTYN LEWIS

JAMES MACMURRAY

A. K. CAMERON, *Vice-President*

DR. C. S. THOMPSON, O.B.E.

N. A. TIMMINS, JR.

J. D. HOPKINS, *Secretary-Treasurer*

April 29th, 1949.

#### TO THE SHAREHOLDERS:

Your Directors present herewith the 20th 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, 1949, duly certified by the Auditors.

Net Income for the year was \$130,524.52, equivalent to \$5.52 on the outstanding cumulative preferred shares and, after allowing for the \$3.00 preferred dividend, was \$0.83 on the common. This compares with \$102,381.57 for the previous year—\$4.16 on the preferred and \$0.39 on the common. Only dividends and interest actually earned have been considered as revenue.

Regular dividends totalling \$3.00 were paid on the 6 percent, \$50.00 par, cumulative preferred stock and an interim dividend of \$0.50 was paid on the common. Payment of these dividends required \$107,259.50. The Balance, \$23,265.02, was transferred to Earned Surplus Account, which now stands at \$143,699.51.

During the past year Directors authorized the purchase of 959 shares of the outstanding preferred stock. These shares, bought at an average price of \$51.65, have been redeemed and cancelled. This left outstanding 23,623 of the original 40,000 shares.

Income on the Company's investments showed a substantial increase with expenses slightly lower. Stock exchange quotations for securities during the year fluctuated to some extent, but the general trend was downward. Recent proposals by the Federal Government, whereby 10% of the dividends on Common shares paid by tax-paying Canadian Corporations is deductible from income taxes, should lead to more active participation by investors in the better class dividend paying common stocks.

On the basis of prices current as at the close of business March 31st, 1949, the market value of your Company's holdings showed a depreciation of \$190,606.54 from book value. After deducting the preferred shares at par, the liquidating value of the common was \$14.32. At the end of the previous year it was \$13.65.

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

Your Company has now been in operation for twenty years. During that period, net earnings from dividends, interest and exchange were, after all expenses and taxes, \$2,055,175.79. Dividends declared and paid on the preferred and common shares were \$1,911,476.28. The difference, \$143,699.51, is shown in the Earned Surplus Account.

Respectfully submitted on behalf of the Directors,

A. S. FRASER,  
*President.*

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# INVESTMENT FOUNDATION LIMITED

## STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE YEAR ENDED 31st MARCH, 1949

REVENUE:	
Interest.....	\$ 219.08
Dividends.....	151,956.00
	<u>                    </u>
	\$152,175.08
 <i>Deduct:</i>	
General Expenses, Salaries, Taxes, etc.....	20,109.36
Directors' Fees.....	730.00
Bank Interest.....	69.40
United States Tax on dividends, deducted at source.....	676.50
	<u>                    </u>
	21,585.26
Net Income for the year before providing for Provincial Profits Tax.....	130,589.82
Provision for Provincial Profits Tax.....	65.30
	<u>                    </u>
Net Income for the year transferred to Surplus.....	130,524.52
Earned Surplus at 31st March, 1948.....	120,434.49
	<u>                    </u>
	250,959.01
 <i>Deduct:</i>	
Dividends on Preferred Stock.....	72,259.50
Dividends on Common Stock.....	35,000.00
	<u>                    </u>
	107,259.50
Earned Surplus at 31st March, 1949.....	<u><u>                    </u></u>
	\$143,699.51

# INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 1949

ASSETS	LIABILITIES
Cash at Bank . . . . . \$15,063.91	Accounts Payable . . . . . \$ 627.14
Accrued Dividends . . . . . 13,296.25	Reserve for Taxes . . . . . 173.30
\$ 28,360.16	Preferred Dividend payable 15th April, 1949 . . . . . 17,792.25
Prepaid Expense . . . . . 212.00	\$ 18,592.69
Investment Securities . . . . . 2,388,528.77	Investment Reserve . . . . . 23,659.73
<b>NOTE:</b> —The market value of securities owned by the Company at the close of the fiscal year was \$2,174,262.00 representing a depreciation from book value of \$190,607.00 after taking into consideration the amount at the credit of Investment Reserve.	
	<b>CAPITAL:</b>
	6% Cumulative Convertible Redeemable Preferred Stock—Par Value \$50.00:
	Authorized and issued—40,000 shares . . . . . 2,000,000.00
	<i>Less:</i>
	Redeemed—16,377 shares . . . . . 818,850.00
	23,623 shares . . . . . 1,181,150.00
	Common Stock—No par value:
	Authorized—200,000 shares
	Issued 70,000 shares . . . . . 1,050,000.00
	2,231,150.00
Furniture and Fixtures at depreciated value . . . . . 1.00	Earned Surplus . . . . . 143,699.51
<u>\$2,417,101.93</u>	<u>\$2,417,101.93</u>

Submitted with our accompanying report dated 19th April, 1949.

Signed on behalf of the Board:

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

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

MONTREAL, QUE.

## AUDITORS' REPORT TO THE SHAREHOLDERS

INVESTMENT FOUNDATION LIMITED,  
MONTREAL.

We have made an examination of the books and accounts of Investment Foundation Limited for the year ended 31st March 1949, and have obtained all of the information and explanations which we have required.

We report that, 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 affairs of the Company at 31st March 1949, and the result of its operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

MONTREAL, 19th April, 1949.

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

**INVESTMENT FOUNDATION  
LIMITED**

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**For the Fiscal Year Ended 31st March, 1949**

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