



INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

For the Fiscal Year Ending March 31st, 1948

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*

May 1st, 1948

TO THE SHAREHOLDERS:

Your Directors present herewith the 19th 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, 1948, duly certified by the Auditors.

Net income for the year was \$102,381.57, equivalent to \$4.16 on the outstanding cumulative preferred shares and, after allowing for the \$3.00 preferred dividend, was \$0.39 on the common. This compares with \$108,499.64 for the previous year—\$4.28 on the preferred and \$0.45 on the common. Only dividends, exchange 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 \$0.35 was paid on the common. Payment of these dividends required \$99,339.50. The Balance, \$3,042.07, was transferred to Earned Surplus Account which now stands at \$120,434.49.

During the past year your Directors authorized the purchase of 727 shares of the outstanding preferred stock. These shares, bought at an average price of \$52.39, have been redeemed and cancelled.

Income on the Company's investments showed a small reduction for the fiscal year and expenses were somewhat higher. Stock Exchange prices for securities continued to ease off as buying power generally is limited, due in part to high income taxes and largely to the uncertain international situation which leaves much to be desired.

On the basis of prices current as at the close of business March 31st, 1948, the market value of your Company's holdings showed a depreciation of \$214,482.86 from book value. After deducting the preferred shares at par the liquidating value of the common was \$13.65. This compares with \$15.25 on March 31st, 1947.

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

We record with sincere regret, the sudden and untimely passing of two of your Directors, William L. Bayer, and Dr. Colin G. Sutherland, both of whom were most helpful to your Board and the Management.

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, 1948

PROFIT AND LOSS ACCOUNT

REVENUE:	
Interest Earned.....	\$ 283.29
Dividends from Stocks.....	124,650.75
	<u>\$124,934.04</u>
DEDUCT:	
General Expenses, Salaries, Taxes, etc.....	\$ 20,837.47
Directors' Fees.....	690.00
Bank Interest.....	667.00
U.S. Tax on dividends deducted at source.....	306.00
	<u>22,500.47</u>
Net Income for the year before providing for Income Tax.....	\$102,433.57
<i>Deduct:</i>	
Provision for Income Tax.....	52.00
Net Income, after all expenses, including taxes, transferred to Surplus Account	<u>\$102,381.57</u>

EARNED SURPLUS ACCOUNT

Balance at Credit 31st March, 1947.....	\$117,405.82
<i>Deduct:</i>	
Provincial Income Tax re year ended 31st March, 1947.....	13.40
	<u>\$117,392.42</u>
<i>Add:</i>	
Net Income for the year transferred from Profit and Loss Account	102,381.57
	<u>\$219,773.99</u>
<i>Deduct:</i>	
Dividends on Preferred Stock.....	\$ 74,839.50
Dividends on Common Stock.....	24,500.00
	<u>99,339.50</u>
Balance at Credit 31st March, 1948.....	<u>\$120,434.49</u>

INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 1948

ASSETS	LIABILITIES
Cash at Bank..... \$ 13,192.42	Accounts Payable..... \$ 5,856.71
Accrued Interest and Dividends..... 16,885.42	Reserve for Income Tax..... 52.00
\$ 30,077.84	Reserve for U.S. Tax..... 42.00
Prepaid Expense..... 335.00	Preferred Dividend payable 15th April, 1948..... 18,511.50
Investment Securities..... 2,398,071.05	\$ 24,462.21
	Investment Reserve..... 4,488.19
	CAPITAL:
	6% Cumulative Convertible Redeemable Preferred Stock—Par Value \$50.00:
	Authorized and issued—40,000 Shares..... \$2,000,000.00
	Less:
	Redeemed—15,418 Shares..... 770,900.00
	24,582 Shares..... 1,229,100.00
	Common Stock—No Par Value:
	Authorized —200,000 Shares
	Issued — 70,000 Shares.. \$1,050,000.00
	2,279,100.00
	Earned Surplus..... 120,434.49
	<u>\$2,428,484.89</u>
Furniture and Fixtures at depreciated value..... 1.00	
<u>\$2,428,484.89</u>	

NOTE:—The market value of securities owned by the Company at the close of the fiscal year was \$2,179,100.00 representing a depreciation from book value of \$214,482.86 after taking into consideration the amount at the credit of Investment Reserve.

Audited and verified in accordance with our attached Report.

Approved on behalf of the Board:

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

P. S. ROSS & SONS,
Chartered Accountants.

MONTREAL, 9th April, 1948.

AUDITORS' REPORT TO THE SHAREHOLDERS

INVESTMENT FOUNDATION LIMITED,
MONTREAL.

We have audited the books of account of Investment Foundation Limited for the year ended 31st March 1948, and have obtained all the information and explanations required by us.

In our opinion, the attached Balance Sheet and relative Statement of Profit and Loss and Earned Surplus Accounts are properly drawn up so as to exhibit a true and correct view of the financial position of the Company as at 31st March 1948, according to the information and explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS,
Chartered Accountants.

MONTREAL, 9th April, 1948.

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Printed and printed in Singapore with distinguished paper.
Singapore, 1948.
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INVESTMENT FOUNDATION LIMITED
BALANCE SHEET AS AT 31st MARCH 1948

