

INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

For the Fiscal Year Ending March 31st, 1947

DIRECTORS

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

W. L. BAYER

W. H. CAMPBELL

H. C. FLOOD

SEVERE GODIN

JAMES MACMURRAY

R. M. BROWN, *Secretary-Treasurer*

A. K. CAMERON, *Vice-President*

DR. C. G. SUTHERLAND

N. A. TIMMINS, JR.

May 1st, 1947.

TO THE SHAREHOLDERS:

Your Directors present herewith the Eighteenth 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, 1947, duly certified by the Auditors.

Net income for the year was \$108,499.64, equivalent to \$4.28 on the outstanding cumulative preferred shares and, after allowing for the \$3.00 preferred dividend, was \$0.45 on the common. This compares with \$102,322.75 for the previous year—\$4.00 on the preferred and \$0.35 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 \$100,820.00. The balance, \$7,679.64, was transferred to Earned Surplus Account which now stands at \$117,405.82.

During the past year your Directors authorized the purchase of 291 shares of the outstanding preferred stock. These shares, bought at an average price of \$52.33, have been redeemed and cancelled.

While income on the Company's investments improved Stock Exchange quotations for securities fell off sharply particularly during the summer months of 1946. This was due in some measure to the uncertain international situation which as yet shows little sign of improvement and to the adjustment of business and labor conditions in Canada following six years of war.

On the basis of prices current as at the close of business March 31st, 1947 the market value of your Company's holdings showed a depreciation of \$481,239.34 during the fiscal year. After deducting the preferred shares at par the liquidating value of the common was \$15.25. This compares with \$22.01 on March 31st, 1946 and \$11.48 on March 31st, 1945.

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, 1947

PROFIT AND LOSS ACCOUNT

REVENUE:	
Interest on Call Loans.....	\$ 213.61
Interest on Bonds.....	199.67
Dividends from Stocks.....	125,603.63
Premium on U.S. Funds.....	167.78
	<hr/>
	\$126,184.69
<i>Deduct:</i>	
General Expenses, Salaries, Taxes, etc.....	\$ 16,259.12
Directors' Fees.....	580.00
Bank Interest.....	621.45
U.S. Tax on dividends deducted at source.....	224.48
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	17,685.05
Net Income, after all expenses, including taxes, transferred to Surplus Account	<hr/> <u>\$108,499.64</u>

EARNED SURPLUS ACCOUNT

Balance at Credit 31st March, 1946.....	\$109,726.18
<i>Add:</i>	
Net Income for the year transferred from Profit and Loss Account..	108,499.64
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	\$218,225.82
<i>Deduct:</i>	
Dividends on Preferred Stock.....	\$ 76,320.00
Dividends on Common Stock.....	24,500.00
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	100,820.00
Balance at Credit 31st March, 1947.....	<hr/> <u>\$117,405.82</u>

INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 1947

ASSETS	LIABILITIES
Cash at Bank..... \$ 23,571.20	Accounts Payable..... \$ 626.62
Accrued Interest and Dividends..... 13,689.17	Bank Loan..... 40,000.00
\$ 37,260.37	Preferred Dividend payable, 15th April, 1947..... 19,005.75
Prepaid Expense..... 600.00	\$ 59,632.37
Investment Securities..... 2,565,717.80	Investment Reserve..... 111,090.98
NOTE:—The market value of Securities owned by the Company at the close of the fiscal year was \$2,354,700.00 representing a depreciation from book value of \$99,926.82 after taking into consideration the amount at the credit of Investment Reserve.	CAPITAL:
	6% Cumulative Convertible Redeemable Preferred Stock—Par Value \$50.00:
	Authorized and Issued—40,000 Shares... \$2,000,000.00
	Less:
	Redeemed—14,691 Shares... 734,550.00
	25,309 Shares... 1,265,450.00
	Common Stock—No Par Value:
	Authorized—200,000 Shares
	Issued — 70,000 Shares.. \$1,050,000.00
	2,315,450.00
Furniture and Fixtures at depreciated value..... 1.00	Earned Surplus..... 117,405.82
<u>\$2,603,579.17</u>	<u>\$2,603,579.17</u>

Approved on behalf of the Board:

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

Audited and verified in accordance with our attached Report.

P. S. ROSS & SONS,
Chartered Accountants.

MONTREAL, 15th April, 1947.

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, 1947, and have obtained all the information and explanations required by us.

In our opinion, the attached Balance Sheet and relative Statements 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, 1947, 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, 15th April, 1947.

Corporation
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INVESTMENT FOUNDATION
LIMITED

ANNUAL REPORT

For the Fiscal Year Ended 31st March, 1947

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