

INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

For the Fiscal Year Ending March 31st, 1945

DIRECTORS

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

W. L. BAYER

H. C. FLOOD

SEVERE GODIN, JR.

JAMES MACMURRAY

R. M. BROWN, *Secretary-Treasurer*

A. K. CAMERON, *Vice-President*

N. A. TIMMINS, JR.

May 2nd, 1945.

TO THE SHAREHOLDERS OF

INVESTMENT FOUNDATION LIMITED

Your Directors present herewith the Sixteenth 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, 1945, duly certified by the Auditors.

Capital profits on securities which have been entirely liquidated, \$58,065.28, plus the Capital profits realized from the retirement of preferred shares, \$606.40, were \$58,671.68; Capital losses were \$36,343.86. As a result Investment Reserve Account was increased from \$49,109.35 to \$71,437.17.

Net income on investments for the fiscal year, after all expenses including taxes was \$99,887.17, equivalent to \$3.81 on the outstanding cumulative preferred shares and \$0.28 on the common, after allowing for the \$3.00 preferred dividend. This compares with \$113,797.66 for the previous year—\$4.15 on the preferred and \$0.44 on the common shares. Only dividends, exchange and interest actually earned have been considered as revenue.

Regular dividends of \$3.00 were paid on the \$50.00 par cumulative preferred stock and an interim dividend of \$0.25 was paid on the common shares. Payment of these dividends required \$97,942.00; the balance of profits \$1,945.17 was added to Surplus Account, which was increased thereby from \$100,478.26 to \$102,423.43.

During the past year your Directors authorized the purchase of 1,184 shares of the outstanding cumulative preferred stock. These shares purchased at an average cost of \$49.49 have been redeemed and cancelled.

On the basis of prices current as at the close of business March 31st, 1945, the market value of your Company's holdings improved \$266,798.57 during the fiscal year. The liquidating value of the cumulative preferred shares was \$50.00, the par value; common \$11.48. This compares with \$50.00 and \$7.64 the year previous.

We again report that all of the Company's investments in stocks are listed and traded on the regular stock exchanges.

We record with sincere regret the untimely death of Kenneth S. Barnes, a Director of your Company since its inception. His deep interest in its affairs and his sound advice had been most helpful to your Board and Management.

Respectfully submitted on behalf of the Directors,

A. S. FRASER,

President.

INVESTMENT FOUNDATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31st MARCH, 1945

<i>REVENUE:</i>		
Interest on Call Loans.....	\$ 190.69	
Interest on Bonds.....	11,253.45	
Dividends from Stocks.....	106,280.90	
Premium on U.S. Funds.....	959.57	
	\$118,684.61	
 <i>Deduct:</i>		
General Expenses, Salaries, Taxes etc.....	\$ 15,318.50	
Directors' Fees.....	560.00	
Bank Interest.....	606.29	
	16,484.79	
Net Income for year before providing for Income Taxes.....		\$102,199.82
 <i>Deduct:</i>		
U.S. Tax on Dividends deducted at source.....	\$ 501.83	
Provision for Income Taxes.....	1,810.82	
	2,312.65	
Balance of Net Income transferred to Surplus Account.....		\$ 99,887.17
SURPLUS ACCOUNT AS AT 31st MARCH, 1945		
Balance at Credit 31st March, 1944.....		\$100,478.26
 <i>Add:</i>		
Balance of Net Income for the year transferred from Profit and Loss Account.....		99,887.17
		\$200,365.43
 <i>Deduct:</i>		
Dividends on Preferred Stock.....	\$80,442.00	
Dividends on Common Stock.....	17,500.00	
	97,942.00	
Balance at Credit 31st March, 1945.....		\$102,423.43

INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 1945

ASSETS	LIABILITIES
Cash at Bank.....\$ 19,687.75	Preferred Dividend Payable
Accrued Interest and Dividends..... 11,454.37	16th April, 1945..... \$ 19,759.50
\$ 31,142.12	Accounts Payable..... 300.00
Prepaid Expense..... 235.00	Reserve for Taxes, etc..... 1,698.29
Investment Securities..... 2,525,040.27	\$ 21,757.79
NOTE:— The market value of securities owned by the Company at the close of the fiscal year was \$2,104,700.33, representing a depreciation from book value of \$348,902.77 after taking into con- sideration the amount at the credit of Invest- ment Reserve.	Investment Reserve..... 71,437.17
Furniture and Fixtures at Depreciated Value..... 1.00	CAPITAL:
<u>\$2,556,418.39</u>	6% Cumulative Convertible Redeemable Preferred Stock: Par Value \$50.00
	Authorized and Issued — 40,000 Shares... 2,000,000.00
	Less:
	Redeemed — 13,784 Shares... 689,200.00
	26,216 Shares... \$1,310,800.00
	Common Stock—No Par Value:
	Authorized—200,000 Shares... 1,050,000.00
	Issued — 70,000 Shares... 2,360,800.00
	Surplus..... 102,423.43
	<u>\$2,556,418.39</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, 6th April, 1945.

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, 1945, and have obtained all the information and explanations required by us.

In our opinion, the attached Balance Sheet and relative Profit and Loss and 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, 1945, according to the information and explanation given to us and as shown by the books of the Company.

P. S. ROSS & SONS,
Chartered Accountants.

MONTREAL, 6th April, 1945.

**INVESTMENT FOUNDATION
LIMITED**

ANNUAL REPORT

For the Fiscal Year Ended 31st March, 1945

