

INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

For the Fiscal Year Ending March 31st, 1944

DIRECTORS

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

K. S. BARNES

W. L. BAYER

H. C. FLOOD

SEVERE GODIN, JR.

R. M. BROWN, *Secretary-Treasurer*

A. K. CAMERON, *Vice-President*

JAMES MACMURRAY

N. A. TIMMINS, JR.

May 11th, 1944.

TO THE SHAREHOLDERS OF

INVESTMENT FOUNDATION LIMITED

Your Directors present herewith the Fifteenth 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, 1944, duly certified by the Auditors.

Capital profits on securities which have been entirely liquidated plus the Capital profits realized from the retirement of preferred shares were \$10,871.35; Capital losses were \$28,146.27. As a result, Investment Reserve Account was reduced from \$66,384.27 to \$49,109.35.

Net income on investments for the fiscal year, after all expenses, including taxes and the listing charges of the Company's shares on the stock exchange was \$113,797.66—\$4.15 on the cumulative preferred shares, and \$0.44 on the common shares, after allowing for the \$3.00 preferred dividend. This compares with \$109,375.45 for the previous year—\$3.94 on the preferred and \$0.35 on the common shares. Only dividends, exchange and interest actually earned have been considered as revenue.

It may be of interest to note that over the past six years earnings have averaged \$4.09 on the preferred, and after regular preferred dividends, \$0.44 on the common shares.

Regular dividends of \$3.00 were paid on the \$50.00 par cumulative preferred stock and an initial interim dividend of \$0.25 was paid on the common shares. These dividends required \$100,261.75; the balance of profits together with an adjustment of income taxes, \$3,947.16, was added to Surplus Account, which was increased thereby from \$82,995.19 to \$100,478.26.

We wish to advise that the Company has received official assessment from the Income Tax Department in respect to taxes for the fiscal year 1938 to 1942 inclusive, and that the taxes have been paid as assessed.

During the past year your Directors authorized the purchase of 314 shares of the outstanding cumulative preferred stock at prices below par. These shares have been redeemed and cancelled.

On November 23rd, 1943, the preferred and common shares were listed and called for trading on the Curb Section of the Montreal Stock Exchange.

On a basis of current prices the market value of your Company's holdings improved \$71,486.61 during the fiscal year. On March 31st, 1944, the liquidating value of the cumulative preferred shares was \$50.00, the par value; common \$7.64. This compares with \$50.00 and \$6.36 the year previous.

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

Respectfully submitted on behalf of the Directors,

A. S. FRASER,

President.

INVESTMENT FOUNDATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31st MARCH, 1944

REVENUE:		
Interest on Call Loans.....	\$ 266.05	
Interest on Bonds.....	1,031.76	
Dividends from Stocks.....	128,996.35	
Premium on U.S. Funds.....	981.18	
		\$131,275.34
DEDUCT:		
General Expenses, Salaries, Taxes, etc.....	\$ 16,121.45	
Directors' Fees.....	660.00	
		16,781.45
Net Income for year before providing for Income Taxes.....		114,493.89
DEDUCT:		
U.S. Tax on Dividends deducted at source.....	\$ 457.38	
Provision for Income Taxes.....	238.85	
		696.23
Balance of Net Income transferred to Surplus Account.....		\$113,797.66

SURPLUS ACCOUNT AS AT 31st MARCH, 1944

Balance at Credit 31st March, 1943.....		\$ 82,995.19
ADD:		
Transfer from Reserve for Income Tax of excess provided in prior years.	\$ 3,947.16	
Balance of Net Income for the year transferred from Profit and Loss Account.....	113,797.66	
		117,744.82
		\$200,740.01
DEDUCT:		
Dividends on Preferred Stock.....	\$ 82,761.75	
Dividends on Common Stock.....	17,500.00	
		100,261.75
Balance at Credit 31st March, 1944.....		\$100,478.26

INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 1944

ASSETS	LIABILITIES
Cash at Bank..... \$ 21,687.01	Preferred Dividend Payable
Accrued Interest and Dividends..... 14,441.83	15th April, 1944..... \$ 20,550.00
\$ 36,128.84	Reserve for Taxes, etc..... 198.32
Prepaid Expense..... 115.00	\$ 20,748.32
Investment Securities..... 2,554,091.09	Investment Reserve..... 49,109.35
NOTE.—The market value of securities owned by the Company at the close of the fiscal year was \$1,889,280.40, representing a depreciation from book value of \$615,701.34 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 — 12,600 Shares..... 630,000.00
	27,400 Shares..... \$1,370,000.00
	Common Stock—No Par Value:
	Authorized—200,000 Shares.....
	Issued — 70,000 Shares..... 1,050,000.00
	2,420,000.00
Furniture and Fixtures at Depreciated Value..... 1.00	Surplus..... 100,478.26
<u>\$2,590,335.93</u>	<u>\$2,590,335.93</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, 19th April, 1944.

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, 1944, 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, 1944, 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, 19th April, 1944.

**INVESTMENT FOUNDATION
LIMITED**

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For the Fiscal Year Ended 31st March, 1944

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