

INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

For the Fiscal Year Ending 31st March, 1943

DIRECTORS

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

K. S. BARNES

W. L. BAYER

H. C. FLOOD

SEVERE GODIN, JR.

Secretary-Treasurer: R. M. BROWN

A. K. CAMERON, *Vice-President*

JAMES MACMURRAY

N. A. TIMMINS, JR.

May 17th, 1943.

TO THE SHAREHOLDERS OF

INVESTMENT FOUNDATION LIMITED

Your Directors present herewith the Fourteenth Annual Report of your Company together with a statement of Assets and Liabilities, Profit and Loss, and Surplus Account for the year ended 31st March, 1943, 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 \$9,991.25; Capital losses were \$7,546.32. As a result, Investment Reserve Account was increased from \$63,939.34 to \$66,384.27.

Net income on the Company's investments for the fiscal year, after all expenses and taxes, amounted to \$109,375.45 (\$3.94 on the cumulative preferred shares), as against \$116,865.73 for the previous year. Only dividends, exchange, and actual interest earned have been considered as revenue. Regular quarterly dividends, aggregating \$3.00 were paid on the \$50.00 par cumulative preferred shares. This required \$84,841.50; the balance of earnings \$24,533.95 was added to Surplus Account, which was increased from \$58,461.24 to \$82,995.19.

Reference was made in previous reports to retroactive and increased Federal income taxes for the fiscal years ending 31st March, 1938-39 and subsequent years. We now report that payment has been made in an amount which your Management considers sufficient to cover any probable assessment.

During the past year your Directors authorized the purchase of 847 shares of the outstanding cumulative preferred stock at prices below par. These shares have been redeemed and cancelled.

While income on the Company's investments was slightly lower than it was in the preceding year market values improved substantially, and based on Stock Exchange prices the value of your Company's holdings increased \$341,588.40 during the fiscal year. On 31st March, 1943, the liquidating value of the cumulative preferred shares was \$50.00, the par value; common \$6.36. This compares with \$50.00 and \$1.13 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, 1943

REVENUE:	
Interest on Call Loans.....	\$ 239.98
Interest on Bonds.....	2,697.88
Dividends from Stocks.....	123,540.98
Premium on U.S. Funds.....	1,077.77
	<hr/>
	\$127,556.61
DEDUCT:	
General Expenses, Salaries, Taxes, etc.....	15,066.17
Directors' Fees.....	720.00
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	15,786.17
Net Income for year before providing for Income and Excess Profits Taxes.....	111,770.44
DEDUCT:	
U.S. Tax on Dividends deducted at source.....	565.86
Provision for Income and Excess Profits Taxes.....	1,829.13
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	2,394.99
Balance of Net Income transferred to Surplus Account.....	<u>\$109,375.45</u>

SURPLUS ACCOUNT AS AT 31st MARCH, 1943

Balance at Credit 31st March, 1942.....	\$ 58,461.24
ADD:	
Balance of Net Income for the year transferred from Profit and Loss Account.....	109,375.45
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	167,836.69
DEDUCT:	
Dividends on Preferred Stock.....	84,841.50
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Balance at Credit 31st March, 1943.....	<u>\$ 82,995.19</u>

INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 1943

ASSETS	LIABILITIES
Cash at Bank..... \$ 29,365.93	Preferred Dividend Payable
Accounts Receivable..... 298.28	15th April, 1943..... \$ 20,785.50
Accrued Interest and Dividends..... 15,272.00	Accounts Payable..... 300.00
\$ 44,936.21	Reserve for Taxes, etc..... 5,521.02
Call Loan—Fully Secured..... 10,000.00	\$ 26,606.52
Prepaid Expense..... 215.00	Investment Reserve..... 66,384.27
Investment Securities..... 2,556,533.77	
NOTE.—The market value of securities owned by the Company at the close of the fiscal year was \$1,802,961.55, representing a depreciation from book value of \$687,187.95 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 — 12,286 Shares.... 614,300.00
	27,714 Shares.... \$1,385,700.00
	Common Stock—No Par Value:
	Authorized—200,000 Shares....
	Issued — 70,000 Shares.... 1,050,000.00
	2,435,700.00
Furniture and Fixtures at Depreciated Value..... 1.00	Surplus..... 82,995.19
<u>\$2,611,685.98</u>	<u>\$2,611,685.98</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, 4th May, 1943.

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, 1943, 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, 1943, 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, 4th May, 1943.

**INVESTMENT FOUNDATION
LIMITED**

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For the Fiscal Year Ended 31st March, 1943

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