INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

For the Fiscal Year Ending 31st March, 1942

DIRECTORS

A. S. FRASER, President and Managing Director

H. C. FLOOD

SEVERE GODIN, JR. W. L. BAYER

A. K. CAMERON, Vice-President

JAS. MACMURRAY

N. A. TIMMINS, JR.

Secretary-Treasurer: R. M. BROWN

May 11th, 1942.

TO THE SHAREHOLDERS OF

K. S. BARNES

INVESTMENT FOUNDATION LIMITED

Your Directors present herewith the Thirteenth 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, 1942, 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 \$14,564.69; capital losses were \$67,339.12. As a result, Investment Reserve Account was reduced from \$116,713.77 to \$63,939.34.

Net income on the company's investments continues to be relatively well maintained and for the fiscal year, after all expenses and taxes, amounted to \$116,865.73 (\$4.09 on the cumulative preferred shares), as against \$122,330.85 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 \$86,340.75; the balance of earnings \$30,524.98 was added to Surplus Account, which was increased from \$27,936.26 to \$58,461.24.

In our last two reports reference was made to retroactive and increased Federal income taxes for the fiscal years ending March 31st, 1938, and 1939. While we have not yet been able to obtain a definite ruling from the income tax authorities, either with respect to taxes for these or subsequent years, a satisfactory settlement is anticipated. Meantime reserves have been set up against these liabilities.

During the past year your Directors authorized the purchase of 612 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 showed only a small reduction, Stock Exchange quotations for securities continued to fall throughout the year. Buying power, generally, is limited, as funds which would ordinarily be available for the purchase of listed stocks, now are invested in government war loans. At the close of the fiscal year the liquidating value of the cumulative preferred shares was \$50.00, the par value; common \$1.13.

All of the company's investments in stocks are listed and traded on the regular Stock Exchanges.

Your Directors report with regret the sudden passing of their friend and associate Henry R. Cockfield, a Director and Vice-President of the Company. His keen personal interest was ever helpful to your Board and to the Management. Mr. A. K. Cameron, who has served as a Director since the inception of the company was appointed Vice-President.

Respectfully submitted on behalf of the Directors,

A. S. FRASER,

President.

INVESTMENT FOUNDATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1942

REVENUE:		
Interest on Call Loans.	\$ 518.60	
Interest on Bonds	3,863.86	
Dividends from Stocks	128,264.13	
Premium on U.S. Funds.	1,234.57	
		\$133,881.16
DEDUCT;		
General Expenses, Salaries, Taxes, etc	15,589.98	
Directors' Fees	570.00	
U.S. Tax on Dividends deducted at source	855.45	
		17,015.43
Net Income for year transferred to Surplus		\$116,865.73
The filedine for year transferred to ourplast		φ110,000110
SURPLUS ACCOUNT AS AT 31st MARCH, 1942		
Balance at Credit 31st March, 1941		\$ 27,936.26
App:		
Net Income for year transferred from Profit and Loss Account		116,865.73
Net Income for year transferred from Front and Loss Account		110,003.73
		\$144,801.99
Deduct:		
Dividends on Preferred Stock		86,340.75
Balance at Credit 31st March, 1942		\$ 58,461.24

INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 1942

ASSETS	LIABILITIES
Cash at Bank	Preferred Dividend Payable 15th April 1942
Investment Reserve.	Less: Redeemed — 11,439 Shares 571,950.00 28,561 Shares \$1,428,050.00 Common Stock—No Par Value:
Furniture and Fixtures at Depreciated Value 1.00	Authorized—200,000 Shares Issued — 70,000 Shares 1,050,000.00 ———————————————————————————————

APPROVED ON BEHALF OF THE BOARD:

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

\$2,627,708.11

Audited and certified in accordance with our attached certificate.

P. S. ROSS & SONS, Chartered Accountants

\$2,627,708.11

MONTREAL, 21st April, 1942.

AUDITORS' CERTIFICATE

Investment Foundation Limited,
Montreal.

We have audited the books of account of Investment Foundation Limited for the year ended 31st March, 1942, and have obtained all the information and explanations required by us.

We certify that, 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, 1942, 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, 21st April, 1942.

INVESTMENT FOUNDATION LIMITED

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For the Fiscal Year Ended 31st March, 1942

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