

INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

For the Fiscal Year Ending 31st March, 1942

DIRECTORS

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

A. K. CAMERON, *Vice-President*

K. S. BARNES

H. C. FLOOD

JAS. MACMURRAY

W. L. BAYER

SEVERE GODIN, JR.

N. A. TIMMINS, JR.

Secretary-Treasurer: R. M. BROWN

May 11th, 1942.

TO THE SHAREHOLDERS OF

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
	<u>\$133,881.16</u>
DEDUCT:	
General Expenses, Salaries, Taxes, etc.....	15,589.98
Directors' Fees.....	570.00
U.S. Tax on Dividends deducted at source.....	855.45
	<u>17,015.43</u>
Net Income for year transferred to Surplus.....	<u>\$116,865.73</u>
SURPLUS ACCOUNT AS AT 31st MARCH, 1942	
Balance at Credit 31st March, 1941.....	\$ 27,936.26
ADD:	
Net Income for year transferred from Profit and Loss Account.....	116,865.73
	<u>\$144,801.99</u>
DEDUCT:	
Dividends on Preferred Stock.....	86,340.75
Balance at Credit 31st March, 1942.....	<u>\$ 58,461.24</u>

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