

INVESTMENT FOUNDATION LIMITED

ANNUAL REPORT

For the Fiscal Year Ending 31st March, 1941

DIRECTORS

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

K. S. BARNES

W. L. BAYER

A. K. CAMERON

HON. T. A. CRERAR

H. C. FLOOD

SEVERE GODIN, JR.

OLIVER HALL

JAMES MACMURRAY

Secretary-Treasurer: R. M. BROWN

H. R. COCKFIELD, *Vice-President*

ALLAN M. MITCHELL

D. H. TAYLOR

E. G. TENNYSON-D'EYNCOURT

N. A. TIMMINS, JR.

May 15th, 1941.

TO THE SHAREHOLDERS OF

INVESTMENT FOUNDATION LIMITED.

Your Directors present herewith the Twelfth 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, 1941, 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 \$1,087.00; capital losses were \$33,667.19. As a result, Investment Reserve Account was reduced from \$149,293.96 to \$116,713.77.

Net income on the company's investments continues to be well maintained and for the fiscal year, after setting up reserves for Federal and Provincial taxes, amounted to \$122,330.85 (\$4.19 on the cumulative preferred shares), as against \$119,986.23 for the previous year. Only dividends, exchange, and actual interest earned have been considered as revenue.

Your Directors authorized dividends of \$3.50 on the cumulative preferred shares. Of this amount \$0.50 represented payments against dividends in arrears which have now been completely liquidated.

In our last report reference was made to retroactive and increased Federal income taxes for the fiscal years ending March 31st, 1938, and 1939. While the matter has not yet been finalized, a satisfactory adjustment is anticipated.

During the past year your Directors authorized the purchase of 127 shares of the outstanding cumulative preferred stock at, and slightly below, par. These shares have been redeemed and cancelled.

Stock Exchange quotations for the company's investments dropped sharply when Holland, Belgium and France were invaded last Spring, and since that time there has been only slight recovery. At the close of the fiscal year the liquidating value of the cumulative preferred shares was \$50.00, the par value; common \$4.62.

All of the company's investments in stocks are listed and traded on 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, 1941

REVENUE:	
Interest on Call Loans.....	\$ 174.46
Interest on Bonds.....	6,274.67
Dividends from Stocks.....	132,160.55
Premium on U.S. Funds.....	1,879.55
	<u>\$140,489.23</u>
DEDUCT:	
General Expenses, Salaries, Taxes, etc.....	15,905.78
Net Income for Period before providing for Income Taxes.....	<u>\$124,583.45</u>
DEDUCT:	
U.S. Tax on Dividends deducted at source.....	\$ 482.22
Reserve for Income and Excess Profits Taxes for year ended 31st March, 1941.....	1,770.38
	<u>2,252.60</u>
Balance of Net Income for year transferred to Surplus.....	<u><u>\$122,330.85</u></u>

SURPLUS ACCOUNT AT AT 31st MARCH, 1941

Balance at Credit 31st March, 1940.....	\$ 7,992.16
ADD:	
Balance of Net Income for year transferred from Profit and Loss Account.....	122,330.85
	<u>\$130,323.01</u>
DEDUCT:	
Dividends on Preferred Stock.....	102,386.75
Balance at Credit 31st March, 1941.....	<u><u>\$ 27,936.26</u></u>

INVESTMENT FOUNDATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 1941

ASSETS	LIABILITIES
Cash at Bank..... \$ 17,084.98	Preferred Dividend Payable 15th April, 1941..... \$ 21,879.75
Accrued Interest and Dividends..... 15,590.55	Accounts Payable..... 350.00
\$ 32,675.53	Reserve for Taxes..... 6,387.89
Call Loan—Fully Secured..... 10,000.00	\$ 28,617.64
Prepaid Expense..... 210.00	Investment Reserve..... 116,713.77
Investment Securities..... 2,638,988.54	
NOTE.—The market value of securities owned by the Company at the close of the fiscal year was \$1,765,868.90, representing a depreciation from book value of \$756,405.87 after taking into con- sideration the amount at the credit of Invest- ment Reserve.	CAPITAL:
	6% Cumulative Convertible Redeemable Preferred Stock: Par Value \$50.00
	Authorized and Issued— 40,000 Shares.... \$2,000,000.00
	Less:
	Redeemed — 10,827 Shares.... 541,350.00
	29,173 Shares.... 1,458,650.00
	Common Stock—No Par Value:
	Authorized—200,000 Shares....
	Issued — 70,000 Shares.... 1,050,000.00
	2,508,650.00
Furniture and Fixtures at Depreciated Value..... 43.60	Surplus..... 27,936.26
<u>\$2,681,917.67</u>	<u>\$2,681,917.67</u>

APPROVED ON BEHALF OF THE BOARD:
A. S. FRASER, *Director*.
H. R. COCKFIELD, *Director*.

Audited and Certified in accordance with our attached Certificate.

P. S. ROSS & SONS,
Chartered Accountants.

MONTREAL, 28th April, 1941.

AUDITORS' CERTIFICATE

INVESTMENT FOUNDATION LIMITED,
MONTREAL.

We have audited the books of account of Investment Foundation Limited for the year ended 31st March, 1941, 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, 1941, 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, 28th April, 1941.

**INVESTMENT FOUNDATION
LIMITED**

ANNUAL REPORT

For the Fiscal Year Ended 31st March, 1941

