

GREAT BRITAIN AND CANADA  
INVESTMENT  
CORPORATION

ANNUAL  
REPORT

FOR THE YEAR ENDED  
31ST MARCH

1932

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# GREAT BRITAIN AND CANADA INVESTMENT CORPORATION

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## OFFICERS

### *President*

P. A. THOMSON, Montreal

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### *Vice-President*

J. B. WOODYATT, Montreal

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### *Secretary-Treasurer*

W. A. ARBUCKLE, C.A.

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## DIRECTORS

HON. A. O. CRICHTON.....	LONDON, ENGLAND
JAMES A. FALCONER.....	LONDON, ENGLAND
S. KILPATRICK.....	LONDON, ENGLAND
CAPT. O. LYTTLETON, D.S.O.....	LONDON, ENGLAND
JOHN J. RUDOLF.....	NEW YORK, N.Y.
M. A. THOMSON.....	MONTREAL, QUE.
P. A. THOMSON.....	MONTREAL, QUE.
G. M. TODD, C.B.E.....	MONTREAL, QUE.
J. B. WOODYATT.....	MONTREAL, QUE.
R. M. YOUNGS.....	NEW YORK, N.Y.

### *Auditors*

P. S. ROSS & SONS, Montreal, Que.

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# GREAT BRITAIN AND CANADA INVESTMENT CORPORATION

MONTREAL, 9th May, 1932

*To the Shareholders:*

Your Directors present herewith the Third Annual Report of your Corporation for the year ended 31st March, 1932.

Gross Revenue.....	\$411,264.46
Less:	
Expenses.....	\$18,072.35
Loss on Exchange.....	18,508.28
Interest on Debentures.....	256,809.54
Income Tax.....	3,867.02
	297,257.19
Net Revenue for the year before Income Tax (Taxation Year 1932).....	\$114,007.27
Less:	
Dividend on \$5. Cumulative Preferred Stock for 6 months to 1st October, 1931.....	100,000.00
	14,007.27
Balance of Surplus at credit 1st April, 1931, after adjustments.....	143,226.93
Surplus Carried Forward.....	<u>\$157,234.20</u>

During the year the Corporation purchased and cancelled \$853,000 of its 4½% 30-Year Convertible Debentures, reducing the amount outstanding to \$5,147,000. As the free stock warrants attached to the cancelled Debentures were likewise cancelled, there are now held by the Montreal Trust Company, and available for cancellation or for such other disposition as your Directors may consider fit, 8,530 Common Shares formerly held by the Montreal Trust Company in trust for the holders of the above free stock warrants. The discount on the cancelled Debentures has been transferred to the credit of the Investment Reserve.

Your Directors deemed it advisable to make certain changes in the Investments during the period of these Accounts, the net losses realized thereby being charged against the Investment Reserve.

Special General Meetings of the Preferred and Common Shareholders were called, in the interests of the Corporation and yourselves, to decrease the Preferred capital of the Corporation from \$4,000,000 to \$2,000,000 by reducing the par value of the Preferred Shares from \$100 to \$50.

The reduction was duly ratified and confirmed and effect has been given thereto in the accompanying Accounts. The \$2,000,000 arising from the capital reduction have been credited to Capital Reserve. This Reserve has been carried into the Balance Sheet as a deduction from the cost of investments.

The prevailing financial uncertainty and industrial depression have resulted in a material attrition in income from some of the securities held by your Corporation, necessitating deferment of the dividend on the \$5. Cumulative Convertible Preferred Stock for the six months to 1st April, 1932.

The books and accounts of your Corporation have been audited by Messrs. P. S. Ross & Sons, Chartered Accountants, whose certificate is attached.

Respectfully submitted on behalf of the Board.

P. A. THOMSON,  
*President.*

# Great Britain and Canada

Effect being given herein to By-Laws enacted by the Directors on 14th January, 1932, and March, 1932, and confirmed by Supplementary Letters Patent which provided for the reduction of Stock from \$100 to \$50 per share.

## *Balance Sheet at*

### ASSETS

Cash.....	\$	98,838.97
Investment Securities*.....	\$10,332,272.21	
DEDUCT: Capital Reserve created by the reduction of the par value of Preferred Stock from \$100 to \$50 per share.	2,000,000.00	
		<u>8,332,272.21</u>
Accrued Revenue from Investments.....		75,175.94
Prepaid Charges.....		142.50

\*NOTE—The aggregate value of these Investments based on available Stock Exchange prices or estimated fair values at 31st March, 1932, was \$4,199,815.

\$ 8,506,429.62

Approved on behalf of the Board: P. A. THOMSON }  
R. M. YOUNGS } Directors.



# Investment Corporation

approved and sanctioned by the Shareholders in Special General Meetings held on 30th of the Preferred Capital from \$4,000,000 to \$2,000,000 by reducing the par value of the Preferred

*31st March, 1932*

## LIABILITIES

Accrued Expenses.....	\$	4,931.26
Accrued Debenture Interest, due 1st April, 1932.....		115,807.50
Call Loan.....		54,000.00
Investment Reserve—Surplus resulting from redemption of Corporation's Debentures after deducting the net loss on sale of Investments to date.....		27,456.66
4½% 30-Year Convertible Debentures, due 1st April, 1959.		
Authorized and Issued.....	\$6,000,000.00	
LESS: Redeemed and Cancelled.....	853,000.00	
		<u>5,147,000.00</u>
CAPITAL STOCK		
\$5 Cumulative Convertible Preferred Shares:		
Authorized and Issued—40,000 Shares of \$50 each.....		2,000,000.00
Entitled to repayment at \$105 per share in the event of winding-up or dissolution of the Company. Dividend in arrears since 1st October, 1931, \$100,000.00.		
Common Shares—of No Par Value:		
Authorized—550,000 Shares (200,000 Shares are held in the Treasury, of which 182,940 Shares are for the conversion of Debentures and Preferred Stock.)		
Issued and Outstanding—350,000 Shares.....		1,000,000.00
(of which 91,470 are held in Escrow to cover Warrants issued with Debentures and Preferred Stock.)		
Surplus (subject to Income Taxes—1932 Taxation Year).....		157,234.20
		<u>\$ 8,506,429.62</u>

## AUDITORS' CERTIFICATE

To the Shareholders,  
GREAT BRITAIN AND CANADA INVESTMENT CORPORATION,  
Montreal.

We have audited the books of Great Britain and Canada Investment Corporation for the year ended 31st March, 1932, and we have obtained all the information and explanations which we have required.

We certify that, in our opinion, the attached Balance Sheet and Profit and Loss and Surplus Statement correctly set forth the financial position of the Corporation at 31st March, 1932, and the results from its operations for the year ended that date, according to the best of our information, the explanations given to us, and as shown by the books of the Corporation.

MONTREAL, QUE., 25th April, 1932.

(Signed) P. S. ROSS & SONS,  
Chartered Accountants.

# GREAT BRITAIN AND CANADA INVESTMENT CORPORATION

## Statement of Profit and Loss and Surplus

FOR THE YEAR ENDED 31ST MARCH, 1932

Revenue from Investments.....		\$ 380,296.06
Revenue from Stock Dividends Sold.....		27,858.05
Revenue from Interest Earned.....		3,110.35
		\$ 411,264.46
DEDUCT: Management Expenses—Actual—as defined in By-Law XVI.....		
	\$ 11,559.02	
Other Expenses.....	3,755.26	
Interest on 4½% Convertible Debentures.....	256,809.54	
Other Interest.....	2,758.07	
Net Loss on Foreign Exchange.....	18,508.28	
		293,390.17
Net Revenue for the year ended 31st March, 1932, before providing for current year's Income Taxes.....		
		\$ 117,874.29
DEDUCT: Income Tax—1931 Taxation Year.....		
		3,867.02
		\$ 114,007.27
ADD: Balance at credit of Surplus 1st April, 1931.....		
	\$139,200.81	
Prior Year Income Tax Adjustments.....	4,026.12	
		143,226.93
		\$ 257,234.20
DEDUCT: Dividend on \$5. Cumulative Convertible Preferred Stock for 6 months to 1st October, 1931.....		
		100,000.00
Surplus carried forward (subject to Income Taxes—1932 Taxation Year).....		
		\$ 157,234.20

Audited and Certified, in accordance with our attached Certificate,

MONTREAL, QUE., 25th April, 1932.

P. S. ROSS & SONS,  
Chartered Accountants.



# GREAT BRITAIN AND CANADA INVESTMENT CORPORATION

## Classification of Investments

PERCENTAGES

BASED ON MARKET VALUES

GEOGRAPHICAL POSITIONS	CHARACTER OF INVESTMENTS						Total
	Industrials	Public Utilities	Govt. and Municipal	Banks and Finance	Railroads	Oils and Mines	
Canada	23.4	21.2	0.3	3.6		1.9	50.4
U.S.A.	3.6	20.6		0.3	3.9	0.8	29.2
British Empire, (Excl. Canada)	3.2	0.3		0.6		1.6	5.7
Europe	2.8	0.4		0.9			4.1
Mexico & Cent. Amer.		2.8				0.4	3.2
South America	0.4	1.9	2.4				4.7
Asia and Africa	0.7	0.6		1.0		0.4	2.7
<b>TOTALS</b>	<b>34.1</b>	<b>47.8</b>	<b>2.7</b>	<b>6.4</b>	<b>3.9</b>	<b>5.1</b>	<b>100.0</b>

### DENOMINATIONS OF SECURITIES

Bonds and Debentures	18.5
Preferred Stocks	30.6
Common and Bank Stocks	50.9
	<u>100.0</u>





