

GREAT BRITAIN AND CANADA  
INVESTMENT CORPORATION.

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*Annual Report*

*For Year ended 31st March, 1939.*

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OFFICERS.

*President.*

P. A. THOMSON

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*Vice-President.*

J. B. WOODYATT

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*Secretary-Treasurer.*

W. A. ARBUCKLE

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DIRECTORS.

COL. A. CHRISTIE,  
C.M.G., D.S.O. . . . . LONDON, ENGLAND  
HON. A. O. CRICHTON . . . LONDON, ENGLAND  
JAMES A. FALCONER . . . LONDON, ENGLAND  
S. KILPATRICK . . . . . LONDON, ENGLAND  
GARDNER D. STOUT . . . 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.

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*Auditors.*

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



# GREAT BRITAIN AND CANADA INVESTMENT CORPORATION.

(INCORPORATED UNDER THE PROVINCE OF QUEBEC COMPANIES' ACT)

MONTREAL, 2ND MAY, 1939.

To the Shareholders:

Your Directors present herewith the Tenth Annual Report of your Corporation for the year ended 31st March, 1939.

Gross Revenue.....	\$ 249,035.92
LESS:	
Expenses.....	\$ 13,513.18
Directors' Fees.....	5,000.00
Preferred Share Amendment Expenses.....	453.45
Income and Other Taxes.....	6,886.93
Interest on Debentures.....	177,372.43
	203,225.99
Net Profit for year.....	\$ 45,809.93
Balance at credit of Earned Surplus Account 31st March, 1938. \$	331,515.19
LESS: Prior Year Income Tax Adjustment.....	353.20
	\$ 331,161.99
	\$ 376,971.92
LESS: Transferred to Preferred Redemption Reserve.....	18,847.56
Earned Surplus carried forward.....	<u>\$ 358,124.36</u>

During the year the Corporation purchased at discounts a further \$157,000 of its 4½% Convertible Debentures. These Debentures, together with \$50,000 of Debentures purchased during the previous year, have been redeemed and cancelled reducing the amount outstanding to \$3,793,000 as at 31st March, 1939. In addition under the terms of Special By-Law "D" which was unanimously confirmed by the Shareholders at a Special General Meeting held on 30th May, 1938, and subsequently confirmed by Supplementary Letters Patent dated 23rd June, 1938, and which amended the conditions attaching to the Preferred Shares, so as to confer upon the Corporation the requisite authority to purchase for redemption the whole or any part of its Preferred Shares out of the funds represented by the Earned Surplus Account, the Corporation purchased 1,485 shares of its \$5. Convertible Redeemable Preferred Stock at an aggregate cost of \$18,847.56 which amount has accordingly been transferred from Earned Surplus Account to the Preferred Redemption Reserve as shown in the accompanying Balance Sheet. As the free stock warrants attached to the Debentures and Preferred Shares redeemed were duly 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, 23,555 Common Shares, in all, formerly held by the Montreal Trust Company in trust for the holders of the above free stock warrants.

It was deemed advisable to effect certain changes and write-offs in the investment holdings during the year under review, thereby incurring a net loss of \$179,557.63 after deducting the capital profit on the Debentures and Preferred Shares redeemed and this has been charged to Investment Realization Deficit.

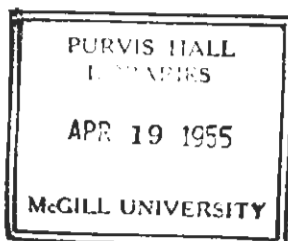
The net profit of the Corporation, as shown above, amounted to \$45,809.93 as compared with \$72,200.73 for the year to 31st March, 1938.

The market value of the Corporation's Investments as at 31st March, 1939, was \$4,066,274.00 compared with \$3,697,200.00 as at 31st March, 1938.

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 INVESTMENT CORPORATION.

(INCORPORATED UNDER THE PROVINCE OF QUEBEC COMPANIES' ACT)

## *Statement of Profit and Loss and Earned Surplus*

*For the Year ended 31st March, 1939.*

Revenue from Investments.....		\$ 247,406.49
Revenue from Stock Dividend.....		758.86
Profit on Exchange.....		870.57
		<u>\$ 249,035.92</u>
LESS:		
Management Expenses—actual—as defined in By-Law XVI:		
Miscellaneous.....	\$11,471.86	
Directors' Fees.....	5,000.00	
	<u>                    </u>	\$ 16,471.86
Other Expenses.....		2,041.32
Preferred Share Amendment Expenses.....		453.45
Income and Other Taxes.....		6,886.93
Interest on Debentures.....		177,372.43
		<u>203,225.99</u>
Net Profit for Year.....		\$ 45,809.93
Balance at credit of Earned Surplus Account at 31st March, 1938....	\$ 331,515.19	
LESS:		
Prior year Income Tax Adjustment.....	353.20	
	<u>                    </u>	331,161.99
		<u>\$376,971.92</u>
LESS:		
Transferred to Preferred Redemption Reserve.....		18,847.56
Earned Surplus carried forward 31st March, 1939.....		<u><u>\$358,124.36</u></u>

### *Auditors' Certificate.*

GREAT BRITAIN AND CANADA INVESTMENT CORPORATION,  
355 ST. JAMES STREET WEST,  
MONTREAL, QUE.

1st May, 1939.

We have audited the books of account of Great Britain and Canada Investment Corporation for the year ended 31st March, 1939, and have received all the information and explanations required. The verification of the investments has been made by certificates received direct from the several depositaries.

In our opinion, the attached Balance Sheet and relative Profit and Loss and Earned Surplus Statement set forth correctly the financial position of the Corporation at 31st March, 1939, and the result of its operations for the year ended that date, according to the information and explanations given to us, and as shown by the books of the Corporation.

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

# GREAT BRITAIN AND CANADA INVESTMENT CORPORATION.

(INCORPORATED UNDER THE PROVINCE OF QUEBEC COMPANIES' ACT)

## Balance Sheet

as at 31st March, 1939.

### ASSETS.

Cash in Banks.....	\$ 85,617.03
Account Receivable.....	1,251.95
(*) Investment Securities, at or under cost.....	6,823,501.78
Accrued Revenue from Investments.....	44,347.83
Prepaid Charges.....	382.50
Investment Realization Deficit, after deducting Profit on Debentures and Preferred Shares Redeemed.....	226,472.77
(*) NOTE—The aggregate value of these investments based on available Stock Exchange prices or estimated fair values at 31st March, 1939, was \$4,066,274.00.	
	<u>\$7,181,573.86</u>

### LIABILITIES.

Accrued Expenses.....	\$ 37.50
Accrued Debenture Interest due 1st April, 1939, including provision for estimated loss on exchange.....	85,814.44
4½% 30-Year Convertible Debentures, due 1st April, 1959:	
Authorized and Issued.....	\$6,000,000.00
Less: Redeemed and Cancelled.....	2,207,000.00
	<u>3,793,000.00</u>
Preferred Redemption Reserve.....	18,847.56
CAPITAL STOCK:	
\$5.00 Cumulative Convertible Redeemable Preferred Shares:	
Authorized and Issued—40,000 Shares of \$50.00 each.....	\$2,000,000.00
Less: Purchased and Redeemed — 1,485 Shares.....	74,250.00
Presently Outstanding <u>38,515</u> Shares.....	<u>\$1,925,750.00</u>
(Entitled to repayment at \$105.00 per share in the event of winding-up or dissolution of the Corporation. Dividend in arrears since 1st October, 1931, \$1,444,312.50).	
Common Shares of no par value:	
Authorized—550,000 Shares (of which 152,890 Shares are reserved for the conversion of Debentures and Preferred Stock).	
Issued—350,000 Shares.....	1,000,000.00
(of which 76,445 Shares are held in escrow to cover warrants issued with Debentures and Preferred Stock, and 23,555 Shares are held in Treasury).	
Earned Surplus.....	358,124.36
	<u>\$3,283,874.36</u>
	<u>\$7,181,573.86</u>

Approved on behalf of the Board:

P. A. THOMSON }  
R. M. YOUNGS } Directors.