

GREAT BRITAIN AND CANADA
INVESTMENT CORPORATION.

Annual Report
For Year ended 31st March, 1940.

OFFICERS.

President.

P. A. THOMSON

Vice-President.

J. B. WOODYATT

Secretary-Treasurer.

W. A. ARBUCKLE, C.A.

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.

Auditors.

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



GREAT BRITAIN AND CANADA INVESTMENT CORPORATION.

(INCORPORATED UNDER THE PROVINCE OF QUEBEC COMPANIES' ACT)

MONTREAL, 3RD MAY, 1940.

To the Shareholders:

Your Directors present herewith the Eleventh Annual Report of your Corporation for the year ended 31st March, 1940.

Gross Revenue.....	\$ 265,749.91
LESS:	
Expenses.....	\$ 13,478.86
Directors' Fees.....	5,000.00
Loss on Exchange.....	12,343.48
Income and Other Taxes.....	7,093.09
Interest on Debentures.....	170,685.00
	<u>208,600.43</u>
Net Profit for year.....	\$ 57,149.48
Balance at credit of Earned Surplus Account 31st March, 1939.	\$ 358,124.36
Add: Revenue Received and Exchange Adjustments Applicable to Prior Periods.....	4,851.88
	<u>\$ 362,976.24</u>
Less: Prior Year Income Tax Adjustment.....	3,817.84
	<u>359,158.40</u>
Earned Surplus carried forward.....	<u>\$ 416,307.88</u>

During the year the Corporation purchased at discounts a further \$132,500 of its 4½% Convertible Debentures. These Debentures have been redeemed and cancelled reducing the amount outstanding to \$3,660,500 as at 31st March, 1940, compared with \$6,000,000 originally issued. 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, 24,880 Common Shares, in all, formerly held by the Montreal Trust Company in trust for the holders of the free stock warrants attached to the Debentures and Preferred Shares redeemed to date.

It was deemed advisable to effect certain changes in the investment holdings during the year under review, thereby incurring a loss of \$6,878.34; however, after allowing for the profit on redemption of the Debentures purchased during the year and for an exchange profit on capital account, a net profit of \$35,882.40 was realized and this has been transferred to the credit of Investment Realization Deficit.

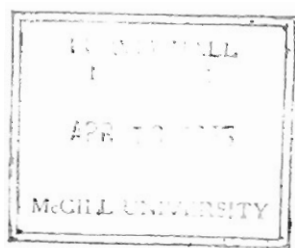
The net profit of the Corporation, as shown above, amounted to \$57,149.48 as compared with \$45,809.93 for the year to 31st March, 1939.

The market value of the Corporation's investments as at 31st March, 1940, was \$4,849,136 compared with \$4,066,274 as at 31st March, 1939.

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, 1940.

Revenue from Investments.....	\$ 260,707.77
Revenue from Interest Earned.....	23.75
Revenue from Stock Dividends.....	5,018.39
	<hr/>
	\$ 265,749.91
LESS:	
Management Expenses—actual—as defined in By-Law XVI:	
Miscellaneous.....	\$11,864.38
Directors' Fees.....	5,000.00
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	\$ 16,864.38
Other Expenses.....	1,614.48
Loss on Exchange.....	12,343.48
Income and Other Taxes.....	7,093.09
Interest on Debentures.....	170,685.00
	<hr/>
	208,600.43
Net Profit for Year.....	<hr/>
	\$ 57,149.48
Balance at credit of Earned Surplus Account at 31st March, 1939.	\$ 358,124.36
ADD:	
Revenue Received and Exchange Adjustments Applicable to Prior Periods.....	4,851.88
	<hr/>
	\$ 362,976.24
LESS:	
Prior year Income Tax Adjustment.....	3,817.84
	<hr/>
	359,158.40
Earned Surplus carried forward 31st March, 1940.....	<hr/>
	<u>\$ 416,307.88</u>

Auditors' Certificate.

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

30th April, 1940.

We have audited the books of account of Great Britain and Canada Investment Corporation for the year ended 31st March, 1940, 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, 1940, 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, 1940.*

ASSETS.

Cash in Banks.....	\$ 101,373.82
Account Receivable.....	2,373.59
(*) Investment Securities, at or under cost.....	6,762,216.58
Accrued Revenue from Investments.....	55,500.54
Prepaid Charges.....	129.17
Investment Realization Deficit, after deducting Profit on Debentures and Preferred Shares Redeemed.....	190,590.37
(*) NOTE—The aggregate value of these investments based on available Stock Exchange prices or estimated fair values at 31st March, 1940, was \$4,849,136.00.	
	<u>\$7,112,184.07</u>

LIABILITIES.

Accrued Expenses.....	\$ 181.25
Accrued Debenture Interest due 1st April, 1940, including provision for estimated loss on exchange.....	90,597.38
(*) 4½% 30-Year Convertible Debentures, due 1st April, 1959:	
Authorized and Issued.....	\$6,000,000.00
Less: Redeemed and Cancelled.....	<u>2,339,500.00</u>
	3,660,500.00
(*) Payable in Canadian, U.S. or Sterling funds at holder's option.	
Preferred Stock Redemption Reserve.....	<u>18,847.56</u>

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.....	<u>74,250.00</u>
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, \$1,636,887.50).	
Common Shares of no par value:	
Authorized—550,000 Shares (of which 150,240 Shares are reserved for the conversion of Debentures and Preferred Stock).	
Issued—350,000 Shares.....	1,000,000.00
(of which 75,120 Shares are held in escrow to cover warrants issued with Debentures and Preferred Stock, and 24,880 Shares are held in Treasury).	
Earned Surplus.....	<u>416,307.88</u>
	3,342,057.88
	<u>\$7,112,184.07</u>

Approved on behalf of the Board of Directors:

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