

GREAT BRITAIN AND CANADA
INVESTMENT CORPORATION.

Annual Report

For Year ended 31st March, 1942.

OFFICERS.

President.

P. A. THOMSON

Vice-President.

J. B. WOODYATT

Secretary-Treasurer.

W. A. ARBUCKLE, C.A.

Asst. Secretary-Treasurer.

C. L. LAROCK

DIRECTORS.

COL. A. CHRISTIE,
C.M.G., D.S.O.....LONDON, ENGLAND
HON. A. O. CRICHTON...LONDON, ENGLAND
J. A. FALCONER, C.A....LONDON, ENGLAND
S. KILPATRICK.....LONDON, ENGLAND
W. A. ARBUCKLE, C.A...MONTREAL, QUE.
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, 18th May, 1942.

To the Shareholders:

Your Directors present herewith the Thirteenth Annual Report of your Corporation for the year ended 31st March, 1942.

| | | |
|---|---------------|---------------|
| Gross Revenue..... | | \$ 292,069.92 |
| LESS: Withholding Taxes deducted at source..... | | 18,093.32 |
| | | \$ 273,976.60 |
| LESS: | | |
| Expenses..... | \$ 13,407.81 | |
| Directors' Fees..... | 5,000.00 | |
| Loss on Exchange..... | 9,718.78 | |
| Income and Other Taxes..... | 2,858.31 | |
| Interest on Debentures..... | 156,690.00 | |
| | | 187,674.90 |
| Net Profit for year..... | | \$ 86,301.70 |
| Balance at credit of Earned Surplus Account 31st March, 1941. | \$ 509,838.59 | |
| Add: Revenue Received Applicable to Prior Periods | \$16,251.60 | |
| LESS: Withholding taxes deducted at source..... | 1,262.25 | |
| | | 14,989.35 |
| | | \$ 524,827.94 |
| LESS: Prior Years' Tax Adjustments..... | | 131.10 |
| | | 524,696.84 |
| Earned Surplus carried forward..... | | \$ 610,998.54 |

During the year the Corporation purchased at discounts a further \$79,000 of its 4½% Convertible Debentures. These Debentures were redeemed and cancelled, reducing the amount outstanding to \$3,403,000 as at 31st March, 1942, 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, 27,455 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 realizing a capital profit of \$36,913.37 after including the profit on redemption of the Debentures purchased during the year. This amount of \$36,913.37 was applied in reduction of the Investment Realization Deficit which now stands at \$54,797.30.

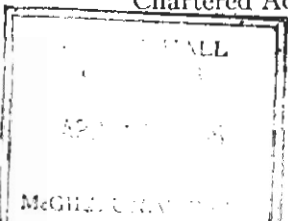
The net profit of the Corporation, as shown above, amounted to \$86,301.70, as compared with \$86,637.79 for the year to 31st March, 1941.

The market value of the Corporation's investments as at 31st March, 1942, was \$3,955,012 compared with \$4,153,289 as at 31st March, 1941.

The Books and Accounts of your Corporation have been audited by Messrs. P. S. Ross & Sons, Chartered Accountants, whose report 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, 1942.

| | |
|---|---------------|
| Revenue from Investments at par exchange..... | \$ 284,754.91 |
| Revenue from Stock Dividends..... | 7,315.01 |
| | \$ 292,069.92 |
| LESS: Withholding Taxes deducted at source..... | 18,093.32 |
| | \$ 273,976.60 |
| LESS: | |
| Management Expenses—actual—as defined by By-Law XVI: | |
| Miscellaneous..... | \$11,956.47 |
| Directors' Fees..... | 5,000.00 |
| | \$ 16,956.47 |
| Other Expenses..... | 1,451.34 |
| Loss on Exchange..... | 9,718.78 |
| Income and Other Taxes..... | 2,858.31 |
| Interest on Debentures..... | 156,690.00 |
| | 187,674.90 |
| Net Profit for Year..... | \$ 86,301.70 |
| Balance at credit of Earned Surplus Account 31st March, 1941..... | \$ 509,838.59 |
| ADD: | |
| Revenue Received Applicable to Prior Periods.... | \$16,251.60 |
| LESS: Withholding Taxes deducted at source..... | 1,262.25 |
| | 14,989.35 |
| | \$ 524,827.94 |
| LESS: Prior Years' Tax Adjustments..... | 131.10 |
| | 524,696.84 |
| Earned Surplus carried forward 31st March, 1942..... | \$ 610,998.54 |

Auditors' Report to the Shareholders.

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

1st May, 1942.

We have made an examination of the books of account and records of Great Britain and Canada Investment Corporation for the year ended 31st March, 1942, and have obtained all the information and explanations which we have required.

The verification of the investments has been made by certificates received direct from the several depositaries.

We report that in our opinion the accompanying Balance Sheet and related statements of Surplus and Profit and Loss are properly drawn up so as to exhibit a true and correct view of the financial affairs of the Corporation as at 31st March, 1942, and the result of its operations for the year ended that date according to the information and the explanations given to us and as shown by the books of account and records 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, 1942.*

ASSETS.

| | |
|--|-----------------------|
| Cash in Banks..... | \$ 104,500.55 |
| Account Receivable..... | 20.20 |
| Investment Securities, at or under cost..... | 6,827,048.08 |
| The aggregate value of these investments based on available Stock Exchange prices or estimated fair values as at 31st March, 1942, was \$3,955,012.00. | |
| Accrued Revenue on Investments..... | 57,280.32 |
| Prepaid Charges..... | 120.83 |
| Investment Realization Deficit, after deducting Profit on Debentures and Preferred Shares Redeemed..... | 54,797.30 |
| | <u>\$7,043,767.28</u> |

LIABILITIES.

| | |
|--|-----------------------|
| Accrued Expenses..... | \$ 181.25 |
| Accrued Debenture Interest due 1st April, 1942, including provision for estimated loss on exchange..... | 84,989.93 |
| 4½% 30-Year Convertible Debentures, due 1st April, 1959: Payable in Canadian, U.S. or Sterling funds at holder's option. | |
| Authorized and Issued..... | \$6,000,000.00 |
| Less: Redeemed and Cancelled..... | <u>2,597,000.00</u> |
| | 3,403,000.00 |
| Preferred Stock 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..... | <u>74,250.00</u> |
| Presently Outstanding <u>38,515 Shares</u> | \$1,925,750.00 |
| (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, \$2,022,037.50). | |
| Common Shares of no par value: | |
| Authorized—550,000 Shares—of which 145,090 Shares are reserved for the conversion of Debentures and Preferred Stock. | |
| Issued—350,000 Shares..... | 1,000,000.00 |
| of which 72,545 Shares are held in escrow to cover warrants issued with Debentures and Preferred Stock, and 27,455 Shares are held in Treasury. | |
| Earned Surplus..... | <u>610,998.54</u> |
| | <u>\$3,536,748.54</u> |
| | <u>\$7,043,767.28</u> |

Approved on behalf of the Board of Directors:

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