

GREAT BRITAIN AND CANADA
INVESTMENT CORPORATION

Annual Report

For Year ended 31st March, 1943.

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, 15th June, 1943.

To the Shareholders:

Your Directors present herewith the Fourteenth Annual Report of your Corporation for the year ended 31st March, 1943.

The net profit of the Corporation amounted to \$53,748.64 after providing \$41,865.05 for taxes, as compared with the previous year's profit of \$86,301.70 after providing \$20,951.63 for taxes. Pending decision on the Company's liability for Dominion Income and Excess Profits taxes, provision has been made at the maximum rates applicable for the twelve-month period.

The market value of the Corporation's investments as at 31st March, 1943, was \$4,961,314 compared with \$3,955,012 as at 31st March, 1942.

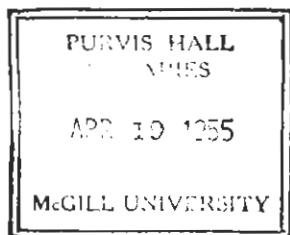
During the year the Corporation purchased at discounts a further \$109,000 of its 4½% Convertible Debentures. These Debentures were redeemed and cancelled, reducing the amount outstanding to \$3,294,000 as at 31st March, 1943, compared with \$6,000,000 originally issued. In addition, the Corporation purchased 37 shares of its \$5 Cumulative Convertible Redeemable Preferred Stock at an aggregate cost of \$296 which amount has been transferred from Profit and Loss to Preferred Stock Redemption Reserve in accordance with the terms of authority permitting the repurchase of Preferred Stock. 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, 28,582 Common Shares in all.

It was deemed advisable to effect certain changes in the investment holdings during the year under review thereby realizing a capital profit of \$88,631.10 after including the profit on redemption of the Debentures and Preferred Shares purchased during the year. After deducting the Investment Realization Deficit of \$54,797.30 the balance of \$33,833.80 was transferred to the credit of Investment Reserve as shown in the accompanying Balance Sheet.

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, 1943.

Revenue from Investments at par exchange		\$265,431.81
Revenue from Stock Dividends		7,412.22
		<u>\$272,844.03</u>
LESS:		
Withholding Taxes deducted at source		13,299.08
		<u>\$259,544.95</u>
LESS:		
Management Expenses—actual—as defined by By-Law XVI:		
Miscellaneous	\$11,894.39	
Directors' Fees	5,000.00	
	<u>\$ 16,894.39</u>	
Other Expenses	1,592.34	
Loss on Exchange	8,853.20	
Income, Excess Profits and Other Taxes	35,565.97	
Interest on Debentures	149,890.41	
	<u>212,796.31</u>	
		<u>\$ 46,748.64</u>
ADD:		
Refundable Portion of Excess Profits Taxes (Estimated)		7,000.00
Net Profit for Year		<u>\$ 53,748.64</u>
LESS:		
Transferred to Preferred Stock Redemption Reserve		296.00
		<u>\$ 53,452.64</u>
Balance at credit of Earned Surplus, 31st March, 1942	\$610,998.54	
ADD:		
Net Revenue received applicable to prior periods	\$ 4,155.00	
Prior Years' Tax Adjustments	5,272.15	
	<u>9,427.15</u>	
		<u>620,425.69</u>
Earned Surplus carried forward 31st March, 1943		<u><u>\$673,878.33</u></u>

Auditors' Report to the Shareholders.

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

4th June, 1943.

We have made an examination of the books of account and records of Great Britain and Canada Investment Corporation for the year ended March 31, 1943 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 March 31, 1943, 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, 1943.

ASSETS.

Cash in banks		\$ 151,228.31
Accounts Receivable		5,028.47
Investment Securities at or under cost	\$6,843,713.12	
Less: Investment Reserve	33,833.80	
The aggregate value of these investments based on available Stock Exchange prices or estimated fair values as at 31st March, 1943, was \$4,961,314.00.	6,809,879.32	6,809,879.32
Accrued Revenue on Investments		55,832.96
Refundable Portion of Excess Profits Taxes (Estimated)		7,000.00
		\$7,028,969.06

LIABILITIES.

Account Payable—Securities bought for future settlement		\$ 598.27
Accrued Expenses		181.25
Accrued Debenture Interest due 1st April, 1943, including provision for estimated loss on exchange		82,267.65
Reserve for Dominion Income and Excess Profits Taxes		35,000.00
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	2,706,000.00	
	3,294,000.00	3,294,000.00
Preferred Stock Redemption Reserve		19,143.56
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 1,522 Shares	76,100.00	
Presently Outstanding— <u>38,478</u> Shares	1,923,900.00	
(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, \$2,212,485.00).		
Common Shares of no par value:		
Authorized—550,000 Shares—of which 142,836 Shares are reserved for the conversion of Debentures and Preferred Stock.		
Issued—350,000 Shares	1,000,000.00	
of which 71,418 shares are held in escrow to cover warrants issued with Debentures and Preferred Stock, and 28,582 Shares are held in Treasury.		
Earned Surplus	673,878.33	
		3,597,778.33
		\$7,028,969.06

Approved on behalf of the Board of Directors:

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