

GREAT BRITAIN AND CANADA
INVESTMENT CORPORATION.

Financial Report
For the Nine Months Period ended
31st December, 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 March, 1944.

To the Shareholders:

Your Directors present herewith the Fifteenth Report of your Corporation for the nine months period ended 31st December, 1943.

The change from 31st March to 31st December in the closing date of the financial year results from a Resolution of the Board so amending the By-Laws. It is considered preferable for tax purposes that henceforth the financial year of the Corporation coincide with the calendar year. Your ratification of this amendment will be requested at the forthcoming Annual Meeting.

The net profit of the Corporation amounted to \$42,103.18, after providing \$30,570.61 for taxes, for the nine months period. This compares with a profit of \$53,748.64, after providing \$41,865.05 for taxes, for the preceding twelve months period to 31st March, 1943.

Pending final determination of the Company's liability to Dominion Income and Excess Profits taxes, provision has again been made at the maximum rates applicable for the period. Representations are being made against certain provisions of the Excess Profits Tax Act which are considered discriminatory.

The market value of the Corporation's investments as at 31st December, 1943, was \$5,338,691.00, compared with \$4,961,314.00 as at 31st March, 1943.

During the period the Corporation purchased at discounts a further \$67,500 of its 4½% Convertible Debentures. These Debentures were redeemed and cancelled, reducing the amount outstanding to \$3,226,500 as at 31st December, 1943, compared with \$6,000,000 originally issued. In addition, the Corporation purchased 858 shares of its \$5 Cumulative Convertible Redeemable Preferred Stock at an aggregate cost of \$21,535.00 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, 30,115 Common Shares in all.

It was deemed advisable to effect certain changes in the investment holdings during the period under review. After including the profit on redemption of the Debentures and Preferred Shares purchased during the period, a net capital profit of \$6,291.85 was realized. This amount has been 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.

APR 1944

GREAT BRITAIN AND CANADA INVESTMENT CORPORATION.

(INCORPORATED UNDER THE PROVINCE OF QUEBEC COMPANIES' ACT)

Statement of Profit and Loss and Earned Surplus

For the Nine Months Period ended 31st December, 1943.

Revenue from Investments at par exchange.....		\$199,313.95
Revenue from Stock Dividends.....		4,912.53
		<hr/>
LESS: Withholding Taxes deducted at source.....		\$204,226.48
		10,215.18
		<hr/>
		\$194,011.30
LESS:		
Management Expenses—actual—as defined by By-Law XVI:		
Miscellaneous.....	\$9,255.49	
Directors' Fees.....	3,750.00	
	<hr/>	\$ 13,005.49
Other Expenses.....		1,255.26
Loss on Exchange.....		7,056.22
Income, Excess Profits and Other Taxes.....		27,440.43
Interest on Debentures.....		110,235.72
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		158,993.12
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		\$ 35,018.18
ADD: Refundable Portion of Excess Profits Taxes.....		7,085.00
		<hr/>
Net Profit for Period.....		\$ 42,103.18
LESS: Transferred to Preferred Stock Redemption Reserve.....		21,535.00
		<hr/>
		\$ 20,568.18
Balance at credit of Earned Surplus, 31st March, 1943.....	\$673,878.33	
ADD:		
Net Revenue received applicable to prior periods	\$ 1,960.00	
Prior years' tax adjustments.....	5,144.81	
	<hr/>	7,104.81
		<hr/>
		680,983.14
		<hr/>
Earned Surplus carried forward 31st December, 1943.....		<u>\$701,551.32</u>

Auditors' Report to the Shareholders.

March 3, 1944.

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

We have made an examination of the books of account and records of Great Britain and Canada Investment Corporation for the nine months ended December 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 statement of Earned Surplus and of 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 December 31, 1943, and the result of its operations for the nine months period 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 December, 1943.

ASSETS.

Cash in banks		\$ 11,439.21
Funds on Guaranteed Deposit, plus accrued interest		15,019.11
Withholding Taxes Recoverable		6,095.77
Investment Securities at or under cost	\$6,881,077.89	
Less: Investment Reserve	40,125.65	6,840,952.24
<p style="margin: 0;">The aggregate value of these investments based on available Stock Exchange prices or estimated fair values as at 31st December, 1943, was \$5,338,691.00.</p>		
Accrued Revenue on Investments		54,155.08
Refundable Portion of Excess Profits Taxes		14,085.00
		\$6,941,746.41

LIABILITIES.

Accrued Expenses		\$ 218.75
Accrued Debenture Interest, including provision for estimated loss on exchange		40,290.92
Reserve for Dominion Income and Excess Profits Taxes		51,506.86
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	2,773,500.00	3,226,500.00
Preferred Stock Redemption Reserve		40,678.56
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 — 2,380 Shares	119,000.00	
Presently Outstanding— <u>37,620</u> Shares	\$1,881,000.00	
(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, \$2,257,200.00)		
Common Shares of no par value: Authorized—550,000 shares—of which 139,770 shares are reserved for the conversion of Debentures and Preferred Stock.		
Issued—350,000 Shares	1,000,000.00	
of which 69,885 shares are held in escrow to cover warrants issued with Debentures and Preferred Stock, and 30,115 Shares are held in Treasury.		
Earned Surplus	701,551.32	3,582,551.32
		\$6,941,746.41

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