

# GREAT BRITAIN AND CANADA INVESTMENT CORPORATION.

(INCORPORATED UNDER THE PROVINCE OF QUEBEC COMPANIES' ACT)

MONTREAL, 8th March, 1945.

To the Shareholders:

Your Directors present herewith the Sixteenth Annual Report of your Corporation for the year ended 31st December, 1944.

The net profit of the Corporation for the year amounted to \$62,159.29, after providing \$35,225.41 for taxes. This compares with a profit of \$42,103.18 after providing \$30,570.61 for taxes, for the preceding nine months' period to 31st December, 1943.

Pending determination by the Board of Referees with respect to Standard Profits, provision for Dominion Income and Excess Profits Taxes has again been made at the maximum rates applicable.

The market value of the Corporation's investments as at 31st December, 1944, was \$6,049,007, compared with \$5,338,691, as at 31st December, 1943.

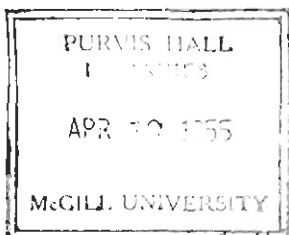
During the year the Corporation purchased at discounts a further \$13,500. of its 4½% Convertible Debentures. These Debentures were redeemed and cancelled, reducing the amount outstanding to \$3,213,000. as at 31st December, 1944, compared with \$6,000,000. originally issued. In addition, the Corporation purchased 1,620 shares of its \$5. Cumulative Convertible Redeemable Preferred Stock at an aggregate cost of \$58,400. 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, 31,870 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 \$134,590.17 after including the profit on redemption of the Debentures and Preferred Shares purchased during the year. 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.*



# 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 December, 1944.*

Revenue from Investments at par exchange.....		\$259,616.50
Revenue from Stock Dividends.....		10,931.68
		<u>\$270,548.18</u>
LESS: Withholding Taxes deducted at source.....		12,581.21
		<u>\$257,966.97</u>
LESS:		
Management Expenses—actual—as defined by By-Law XVI:		
Miscellaneous.....	\$11,932.97	
Directors' Fees.....	5,000.00	
		<u>\$ 16,932.97</u>
Other Expenses.....		1,403.76
Loss on Exchange.....		10,037.69
Income, Excess Profits and Other Taxes.....		30,754.20
Interest on Debentures.....		144,789.06
		<u>203,917.68</u>
		<u>\$ 54,049.29</u>
ADD: Refundable Portion of Excess Profits Taxes.....		8,110.00
		<u>\$ 62,159.29</u>
Net Profit for Year.....		58,400.00
LESS: Transferred to Preferred Stock Redemption Reserve.....		
		<u>\$ 3,759.29</u>
Balance at credit of Earned Surplus, 31st December, 1943.....	\$701,551.32	
ADD: Revenue received applicable to prior periods.....	812.50	
		<u>\$702,363.82</u>
LESS: Prior years' tax adjustments.....	445.77	
		<u>701,918.05</u>
Earned Surplus carried forward 31st December, 1944.....		<u><u>\$705,677.34</u></u>

## *Auditors' Report to the Shareholders.*

February 26, 1945.

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 year ended December 31, 1944, 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, 1944, 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 December, 1944

### ASSETS

Cash in banks.....		\$	22,248.81
Accounts Receivable.....			8,768.64
Investment Securities at or under cost.....	\$6,997,211.96		
Less: Investment Reserve.....	174,715.82		
			<u>6,822,496.14</u>
The aggregate value of these investments based on available Stock Exchange prices or estimated fair values as at 31st December, 1944, was \$6,049,007.00.			
Accrued Revenue on Investments.....			53,572.37
Refundable Portion of Excess Profits Taxes.....			22,195.00
			<u>\$6,929,280.96</u>

### LIABILITIES

Amount due on security purchased.....		\$	375.00
Accrued Expenses.....			218.75
Accrued Debenture Interest, including provision for estimated loss on exchange..			40,122.34
Reserve for Dominion Income and Excess Profits Taxes.....			70,808.97
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.....	2,787,000.00		
			<u>3,213,000.00</u>
Preferred Stock Redemption Reserve.....			99,078.56
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 — 4,000 Shares.....	200,000.00		
Presently Outstanding— <u>36,000 Shares</u> .....	<u>\$1,800,000.00</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, \$2,340,000.00)			
Common Shares of no par value:			
Authorized—550,000 shares—of which 136,260 shares are reserved for the conversion of Debentures and Preferred Stock.			
Issued—350,000 Shares.....	1,000,000.00		
of which 68,130 shares are held in escrow to cover warrants issued with Debentures and Preferred Stock, and 31,870 Shares are held in Treasury.			
Earned Surplus.....	705,677.34		
			<u>3,505,677.34</u>
			<u>\$6,929,280.96</u>

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

# GREAT BRITAIN AND CANADA INVESTMENT CORPORATION

## *Annual Report*

*For Year ended 31st December, 1944.*

### 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.

## CLASSIFICATION OF SECURITIES ON PERCENTAGE BASIS OF MARKET VALUE

Nature of Undertaking	Canada	United States	British & Other	Total
Government Bonds.	1.7	1.4	1.4	4.5
Public Utilities. . . . .	9.4	6.8	3.8	20.0
Auto and Accessories. . . . .	0.1	0.9	0.4	1.4
Brewing and Distilling. . . . .	2.9	—	—	2.9
Building. . . . .	4.4	0.5	—	4.9
Chemicals, Drugs and Glass. . . . .	0.4	1.2	0.9	2.5
Finance. . . . .	1.9	0.8	—	2.7
Foodstuffs, etc. . . . .	3.1	0.2	0.7	4.0
Grain Elevators. . . . .	1.1	—	—	1.1
Iron, Coal and Steel Machinery and Electrical Equipment. . . . .	2.1	0.9	—	3.0
Miscellaneous. . . . .	2.8	2.1	0.2	5.1
Office Equipment and Supplies. . . . .	0.3	0.1	0.9	1.3
Oils. . . . .	0.4	0.2	—	0.6
Packing. . . . .	0.5	5.6	1.0	7.1
Pulp and Paper. . . . .	0.7	—	—	0.7
Railways and Shipping. . . . .	11.9	1.9	—	13.8
Realities. . . . .	0.7	1.2	—	1.9
Retail. . . . .	0.7	—	—	0.7
Rubber. . . . .	0.7	0.7	—	1.4
Textiles. . . . .	—	0.5	—	0.5
Mining: Gold. . . . .	5.1	3.0	—	8.1
Other. . . . .	5.1	—	0.4	5.5
	4.7	—	1.6	6.3
	<u>60.7</u>	<u>28.0</u>	<u>11.3</u>	<u>100.0</u>
<i>Type of Investment</i>				
Bonds and Debentures. . . . .	9.0	1.7	4.9	15.6
Preferred Stocks. . . . .	18.7	7.2	1.5	27.4
Common Stocks. . . . .	33.0	19.1	4.9	57.0
	<u>60.7</u>	<u>28.0</u>	<u>11.3</u>	<u>100.0</u>

