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# EXPORT FINANCE CORPORATION

OF CANADA, LTD.

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ANNUAL REPORT  
YEAR ENDED 30th APRIL  
1968





# EXPORT FINANCE CORPORATION OF CANADA, LTD.

4 KING STREET WEST  
TORONTO, CANADA

## **DIRECTORS**

R. W. SHANNON, *President*

R. M. MACINTOSH, *Vice-President*

T. L. AVISON

J. W. AYLWARD

T. A. BOYLES

J. H. COLEMAN

J. J. DENISON

E. R. ERNST

D. C. LANGFORD

R. LECLERC

A. PASQUIN

G. PERREAULT

R. PRIMEAU

M. C. C. ROSS

S. T. STRATHY

## **GENERAL MANAGER**

H. DUKE SCOTT

## **DEPUTY GENERAL MANAGER**

R. S. SNEYD

## **SECRETARY-TREASURER**

S. J. GASTON





## EXPORT FINANCE CORPORATION OF CANADA, LTD.

### PRESIDENT'S REPORT

The audited statements for the year ended April 30, 1968, the seventh year of the Corporation's operations, are submitted herewith.

The conditions of the previous year, which precluded the Corporation from borrowing in the New York short term money market, continued during the year under review and no new business of any consequence was taken on. The total of the Corporation's assets has, therefore, declined by approximately the amount of loans maturing during the period. Nevertheless, we have operated profitably and are pleased with the year's results.

Conditions have made this year a frustrating one in many ways and I should like to express my thanks to the Directors for their wholehearted co-operation during my term of office. During the past year, as President, I have also had the pleasure to work with an efficient, loyal and conscientious staff and on behalf of the Directors and shareholders I should like to extend to them our genuine and heartfelt thanks.

After guiding the affairs of the Corporation so capably for the past seven years, the General Manager, H. Duke Scott, is retiring on June 30, 1968 and the thanks and best wishes of all who have been associated with him during that period are extended gratefully to him.

R. W. SHANNON,  
*President.*

June 12, 1968.

## EXPORT FINANCE CORPORATION

## BALANCE SHEET

with comparative

## ASSETS

	1968	1967
Cash .....	\$ —	\$ 1,096,657
Loans receivable (including accrued interest 1968, \$212,032, 1967, \$521,020) (note 2) .....	25,085,776	90,171,944

Approved on behalf of the Board:

R. W. SHANNON, Director.

R. M. MACINTOSH, Director.

<u>\$25,085,776</u>	<u>\$91,268,601</u>
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- NOTES: 1. Assets in United States dollars exceed liabilities in United States dollars at April 30, 1968. The Corporation used to convert United States dollar assets to Canadian dollars to the extent that such assets had been converted at the rate of Canadian \$1.07844 equal to U.S. \$1.00, the rate prevailing at April 30, 1967 was Canadian \$1.00. Loans made by the Corporation are due, in varying instalments, from 1968 to 1972 except for a loan of \$2,000,000 (U.S.) which matures in March 1969. At maturity such re-financing.
2. All loans receivable have been guaranteed by Exports Credit Insurance Corporation.
3. No income taxes are payable in respect of the year ended April 30, 1968 as a result of the Corporation's exemption. Taxes otherwise payable in respect of the year ended April 30, 1968 would have been approximately \$100,000.

# ATION OF CANADA, LTD.

— APRIL 30, 1968

figures for 1967

## LIABILITIES

	1968	1967
Bank overdraft .....	\$ 270,514	\$ —
Accounts payable and accrued expenses ....	1,500	1,500
Loans payable (including accrued interest 1968, \$179,685; 1967, \$436,547) .....	13,373,885	80,443,666
	<u>\$13,645,899</u>	<u>\$80,445,166</u>
Shareholders' equity:		
Capital stock:		
<i>Authorized:</i>		
10,000,000 shares of the par value of \$5 each .....	<u>\$50,000,000</u>	
<i>Issued:</i>		
2,000,000 shares .....	10,000,000	10,000,000
Earned surplus .....	1,439,877	823,435
	<u>11,439,877</u>	<u>10,823,435</u>
	<u>\$25,085,776</u>	<u>\$91,268,601</u>

1968. The average rate of future exchange sales contracts outstanding at April 30, 1968 has been contracts exist. All other United States dollar assets and all United States dollar liabilities have trailing at April 30, 1968. At April 30, 1967, assets and liabilities in United States dollars were 8250 equal to U.S. \$1.00.

. The loans payable by the Corporation mature in the period from May, 1968 to July, 1968, dates loans payable will be re-financed, as necessary, at interest rates obtainable at the dates of

and/or the Canadian Chartered Banks through which the loans were negotiated.

of the availability, for application against taxable income, of losses sustained in the prior year. n approximately \$313,000.

# EXPORT FINANCE CORPORATION OF CANADA, LTD.

## Statement of Income and Expenses and Earned Surplus

Year Ended April 30, 1968

with comparative figures for 1967

	1968	1967
Interest earned .....	\$2,655,787	\$6,198,990
Interest expense .....	1,984,331	7,041,207
Gross income (loss) .....	671,456	(842,217)
Administrative expenses:		
Salaries — officers .....	35,800	35,800
— other .....	4,620	4,620
Other professional fees .....	2,150	1,800
Rent .....	3,833	3,455
Other .....	8,611	10,234
	55,014	55,909
Net income (loss) for the year (note 3) .....	616,442	(898,126)
Earned surplus at beginning of year .....	823,435	1,721,561
Earned surplus at end of year .....	\$1,439,877	823,435

See accompanying notes to balance sheet.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Export Finance Corporation of Canada, Ltd. as of April 30, 1968 and the statement of income and expenses and earned surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the corporation as at April 30, 1968 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & Co.,

*Chartered Accountants.*

Toronto, Ontario,  
May 15, 1968.



## EXPORT FINANCE CORPORATION OF CANADA, LTD.

### GENERAL MANAGER'S REPORT

Our operations in the last year have resulted in a net profit of \$616,442 as against the previous year's loss of \$898,126—restoring our earned surplus to \$1,439,877. The expenses of running the corporation have been held at about \$55,000, and this figure could be considered minimal.

Considerably higher money rates have prevailed during the full period but the impact of this has been mitigated by the maturing of a large part of our low-yield assets.

In spite of the frustrations of borrowing in a rising money market and the hindrances of guidelines from the respective governments brought about by "balance of payments" difficulty, we can I think take some satisfaction in the fact that there has been no interruption of our basic policy of refinancing the Banks for export bills in our area, one to five years.

In concluding my service to the Corporation of over seven years I wish to express my gratitude to our several Presidents over that period, my Deputy and staff, and, I would also add, to the various money market dealers with whom we have had such pleasant relations.

H. DUKE SCOTT,  
*General Manager.*

June 12, 1968.









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