

Consolidated
Formerly: DIVERSIFIED STANDARD SECURITIES
Limited

SUITE 408
360 ST. JAMES STREET
MONTREAL, H2Y 1P5
TELEPHONE 288-1282

51st ANNUAL REPORT

The year 1982 was one of upheavals on the Stock Exchanges. The recession altered profoundly the profit forecast for most of the manufacturing and mining Companies with an adverse effect on share prices. As the situation stabilised, the share prices increased recently almost to the past record levels.

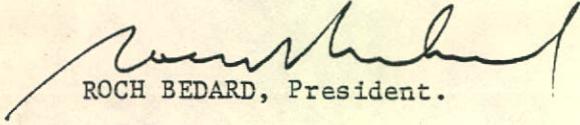
Your Company followed the ebb and flow of the market and was active on the options market. Losses were taken on some stocks on the joint recommendation of the investment and taxation advisors.

At the moment your Directors believe that the economy will pick up very slowly and that the market averages will move mostly sideways in the next few months. Accordingly, your Directors have sold call options on almost all the shares in the Company's portfolio.

The portfolio of the Company is now 15% in bonds, 10% in mortgages and 75% in Canadian common stocks on which options can be transacted.

Your Directors have decided to pay no dividend on the common and on the second preferred stock. The first preferred shares and the class "A" common shares are listed on the Montreal Stock Exchange.

Respectfully submitted,


ROCH BEDARD, President.

DIRECTORS AND OFFICERS

ROCH BEDARD
President

GASTON N. MERCIER, C.A.
Vice-President

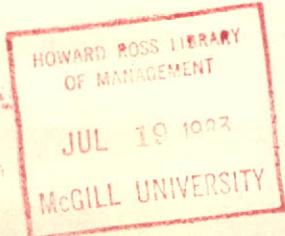
GAMELIN P. VADEBONCOEUR

MARCEL BALLARD

PIERRE BEDARD

MONIQUE ROBILLARD
Secretary-Treasurer

April 1983.



Normandin Barrière+Associés

Affiliated with Deloitte Haskins & Sells

Chartered Accountants

3210, 1 Place Ville Marie
The Royal Bank of Canada Building
Montreal, Quebec H3B 2W3
(514) 861-9311
Cable DEHANDS

To the Shareholders of
C.S.D. Securities Limited - Valeurs C.S.D. Limitée:

We have examined the consolidated balance sheet of C.S.D. Securities Limited - Valeurs C.S.D. Limitée as at December 31, 1982 and the consolidated statements of loss and retained earnings and of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Normandin Barrière+Associés

Auditors

February 24, 1983

C.S.D. SECURITIES LIMITED - VALEURS C.S.D. LIMITÉE

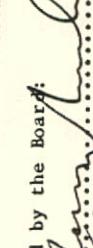
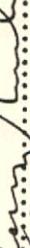
CONSOLIDATED STATEMENT OF LOSS AND RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 1982

	1982	1981
INCOME		
Dividends	\$ 30,807	\$ 28,178
Interest	28,646	22,173
Trading of options	60,872	99,723
Sundry and exchange	<u>1,335</u>	<u>626</u>
	<u>121,660</u>	<u>150,700</u>
EXPENSES		
Depreciation	1,449	2,062
Director's fees	225	735
Interest, exchange and bank charges	4,667	12,478
Legal, audit and accounting fees	5,100	7,875
Office and general	30,298	29,894
Executive remuneration	<u>16,000</u>	<u>16,000</u>
	<u>57,739</u>	<u>69,044</u>
INCOME FROM OPERATIONS	63,921	81,656
(LOSS) GAIN ON SALE OF INVESTMENTS	<u>(159,413)</u>	<u>14,578</u>
(LOSS) INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM	<u>(95,492)</u>	<u>96,234</u>
INCOME TAXES	<u>13,259</u>	<u>31,006</u>
(LOSS) INCOME BEFORE EXTRAORDINARY ITEM	<u>(108,751)</u>	<u>65,228</u>
EXTRAORDINARY ITEM		
Reduction of income taxes resulting from the application of losses of prior years	<u>10,149</u>	<u>23,729</u>
NET (LOSS) INCOME	<u>(98,602)</u>	<u>88,957</u>
RETAINED EARNINGS, BEGINNING OF YEAR	672,808	606,493
DIVIDENDS - first preference shares	<u>(22,392)</u>	<u>(22,642)</u>
RETAINED EARNINGS, END OF YEAR	<u>\$551,814</u>	<u>\$672,808</u>
(Loss) profit per share class "A" and "B" before extraordinary items and after dividends on first preference shares	<u>(49.5c)</u>	<u>16.1c</u>
(Loss) profit per share class "A" and "B" after extraordinary items and dividends on first preference shares	<u>(45.7c)</u>	<u>25.0c</u>

C.S.D. SECURITIES LIMITED - VALEURS C.S.D. LIMITÉE

DECEMBER 31, 1982

ASSETS		LIABILITIES	
1982	1981	1982	1981
CURRENT ASSETS			
Cash	\$ 2,037	\$ -	\$ 54,931
Accounts receivable	22,889	32,633	5,024
Investment in marketable securities -			40,720
at market value (cost \$783,969;			104,284
1981 - \$1,049,164) - Schedule 1			7,277
Investment - other	655,865	852,651	3,110
Receivable from broker	1,500	1,500	13,500
Mortgage loan receivable	29,760	-	13,500
	<u>30,000</u>	<u>-</u>	<u>73,346</u>
	742,051	886,784	136,906
MORTGAGE LOANS AND LOANS RECEIVABLE			
	32,500	62,500	323,235
FIXED ASSETS (Note 2)			
	3,458	4,907	551,814
UNREALIZED LOSS ON MARKETABLE SECURITIES			
	128,104	196,513	875,049
Approved by the Board:			105,842
 John A. C. ... Director			769,207
 John A. C. ... Director			892,346
	<u>\$ 906,113</u>	<u>\$ 1,150,704</u>	<u>\$ 906,113</u>
SHAREHOLDERS' EQUITY			
		SHARE CAPITAL (Note 3)	323,235
		RETAINED EARNINGS	672,808
		Less: Shares held by subsidiary - at cost	103,700

C.S.D. SECURITIES LIMITED - VALEURS C.S.D. LIMITÉE

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1982

	<u>1982</u>	<u>1981</u>
SOURCES OF WORKING CAPITAL		
Operations		
Income before extraordinary item	\$ -	\$ 65,228
Depreciation, not affecting working capital	- - - 30,000 68,409 10,149	<u>2,062</u> <u>67,290</u> <u>-</u> <u>-</u> <u>23,729</u>
Mortgage loan receivable	30,000	-
Decrease in unrealized loss on marketable securities	68,409	-
Extraordinary item - reduction of income taxes	<u>10,149</u>	<u>23,729</u>
	<u>108,558</u>	<u>91,019</u>
USES OF WORKING CAPITAL		
Operations		
Loss before extraordinary item	108,751	-
Depreciation, not affecting working capital	<u>1,449</u>	<u>-</u>
Decrease in unrealized gain on marketable securities	107,302	-
Mortgage loans and loans receivable	-	231,281
Dividends	-	29,100
Purchase of company shares by a subsidiary	<u>22,392</u> <u>2,142</u>	<u>22,642</u> <u>47</u>
	<u>131,836</u>	<u>283,070</u>
DECREASE IN WORKING CAPITAL	23,278	192,051
WORKING CAPITAL, BEGINNING OF YEAR	628,423	820,474
WORKING CAPITAL, END OF YEAR	\$605,145	\$628,423

C.S.D. SECURITIES LIMITED - VALEURS C.S.D. LIMITÉE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles, and reflect the following policies:

Basis of consolidation

The consolidated financial statements include the accounts of the parent company and its wholly-owned subsidiaries:

- Central Loan & Mortgage Co. (Cie Centrale d'Hypothèque et de Prêt) for the year ended December 31, 1982
- Alco Securities Corporation Ltd. - for the year ended December 31, 1982

Marketable securities

The company carries its marketable securities at market value, which is determined by valuing each investment security at the latest sale price thereof reported by the principal securities exchange on which the issue is traded. The differences between market value and cost are deferred to the period of realization.

Investment transactions and income

Investment transactions are accounted for on the settlement date. Income is recorded as follows:

- Interest - accrued to year-end
- Dividends - per date of record

Realized gains and losses from investment transactions are calculated on the basis of average cost.

Fixed assets

Fixed assets are stated at cost and amortized over their useful life using the declining balance method:

Furniture and fixtures	- 20%
Automobile	- 30%

Foreign exchange

Items in foreign currencies have been translated into Canadian dollars on the following basis:

Current assets and current liabilities - at the rate of exchange prevailing at year-end

Purchases and sales of marketable securities - at the rate of exchange prevailing on the respective dates of such transactions

Income and expenses - at the average rate of exchange prevailing during the year.

C.S.D. SECURITIES LIMITED - VALEURS C.S.D. LIMITÉENOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSDECEMBER 31, 1982

2. FIXED ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 7,793	\$ 7,610	\$ 183
Automobile	<u>9,792</u>	<u>6,517</u>	<u>3,275</u>
	<u>\$17,585</u>	<u>\$14,127</u>	<u>\$ 3,458</u>

3. SHARE CAPITAL

Authorized

19,083 and 10/25, \$2.50 non-cumulative first preference,
voting, no par value, redeemable at \$50 per share
275,000, 8%, non-cumulative redeemable second preference,
voting, redeemable at par value of \$1
275,000, 8%, non-cumulative redeemable third preference,
voting, redeemable at par value of \$1
1,000,000 class "A" common shares of no par value
112,500 class "B" common shares of no par value

Issued and fully paid

12,000 first preference shares)	
152,340 and 39/40, class "A" common shares)	
112,500 class "B" common shares)	\$ 58,395
264,840 second preference shares		<u>264,840</u>
		<u>\$323,235</u>

4. INCOME TAXES

At December 31, 1982, a subsidiary company has losses carried forward for tax purposes aggregating approximately \$1,700 which are available for the reduction of future years' taxable income. These losses expire as follows:

1983	-	500
1985	-	700
1986	-	200
1987	-	<u>300</u>
		<u>\$1,700</u>

The company and a subsidiary company have capital losses amounting to approximately \$79,000 and \$62,700 respectively which are available for the reduction of capital gains. Capital losses can be carried indefinitely.

No recognition has been given in these financial statements to the potential tax savings which may result from the losses carried forward.

SCHEDULE 1C.S.D. SECURITIES LIMITED - VALEURS C.S.D. LIMITÉECONSOLIDATED SCHEDULE OF INVESTMENTSDECEMBER 31, 1982

		Cost	Market value
BONDS			
Consolidated Bathurst Inc., 11%, March 1995		\$ 18,360	\$ 17,370
Costain Ltd., 11-3/8%, November 1998		35,000	22,662
Doman Industries Ltd., 10-1/4%, December 1997		4,900	3,125
Nu-West Development, 11-1/2%, May 1999		15,000	8,625
Montreal Island Council, 10-1/4%, April 1998		12,000	9,600
Hydro-Québec ex. 90, 14%, April 15, 1985		10,000	10,600
Boucherville, 19.5%, October 19, 1984		<u>26,000</u>	<u>28,125</u>
		<u>121,260</u>	<u>100,107</u>
SHARES			
2,000 Alcan Aluminium Limited		67,972	69,000
1,000 Campbell Red Lake Mines		22,006	34,500
1,000 Canadian Pacific Enterprises Ltd.		30,442	18,000
2,600 C.P. Ltd.		100,690	93,275
4,400 Gulf Canada Ltd.		108,620	64,350
1,000 Inco Limited		27,915	14,625
1,000 Intercity Gas Corp.		17,856	12,500
4,085 Noranda Mines Ltd.		71,024	79,658
8,600 Hiram Walker Res. Ltd.		<u>216,184</u>	<u>169,850</u>
		<u>662,709</u>	<u>555,758</u>
		<u>\$ 783,969</u>	<u>\$ 655,865</u>