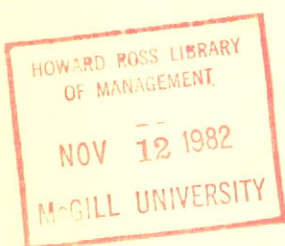


GB C

CAPITAL LTD.

ANNUAL REPORT

30TH SEPTEMBER, 1982



GBC

CAPITAL LTD.

OFFICERS

Clifford L. Larock, F.C.I.S.
President and Chief Executive Officer

Neil B. Ivory
Vice-President

A. Scott Taylor, C.F.A.
Vice-President

Richard Haller
Secretary-Treasurer

Cyril F. Reid
Assistant Secretary-Treasurer

MANAGERS AND LOCATION OF EXECUTIVE OFFICES

Pembroke Management Ltd.
1018 Sun Life Building,
1155 Metcalfe Street,
Montreal, Quebec
H3B 2W8

LISTED

The Montreal Exchange

AUDITORS

Touche Ross & Co.,
Chartered Accountants,
1 Place Ville Marie,
Montreal, Quebec
H3B 2A2

TRANSFER AGENT AND REGISTRAR

Montreal Trust Company,
Montreal, Toronto and Calgary
(also Winnipeg and Vancouver for
Preferred Shares only)

REGISTERED OFFICE

First Canadian Place, 12th Floor,
100 King Street West,
Toronto, Ontario
M5X 1B3

ANNUAL MEETING

Friday, 3rd December, 1982,
2:15 p.m., at 1018 Sun Life
Building, Montreal, Quebec

TO THE SHAREHOLDERS

REVIEW OF FISCAL YEAR 1982

ECONOMIC ENVIRONMENT

GBC Capital's 1982 fiscal year which ended on 30th September was another turbulent period for North American financial markets. Interest rates at first rose but then declined sharply late in the year as the economy fell into deep recession. As might be expected stock prices reflected the mirror image of interest rates, at first falling but then rising dramatically late in the year on record volume.

NET ASSETS

GBC's net assets declined a modest 1% during fiscal 1982 to \$106.3 million while the net asset value per common share also fell 1% to \$37.07. In the same period the Toronto Stock Exchange 300 Composite Stock Index fell 14.9% while the Standard & Poor 500 Composite Stock Index rose 3.6%.

NET INCOME AND DIVIDENDS

The Corporation's net income declined 12% to \$1,832,000 in fiscal 1982. After preferred dividends, net income per common share amounted to \$0.56 compared with the record \$0.66 last year. The decline in net income was caused by higher taxes reflecting higher interest and U.S. dividend income which is fully taxed and lower dividend income from public Canadian companies which GBC receives tax free.

GBC paid a semi-annual dividend of \$0.27 per share on 28th May, 1982. A dividend of \$0.30 per share will be paid on 25th November, 1982 bringing the total in respect of the 1982 fiscal year to \$0.57 per common share.

This is an increase of 10% over the \$0.52 per share dividend paid in respect of the 1981 fiscal year.

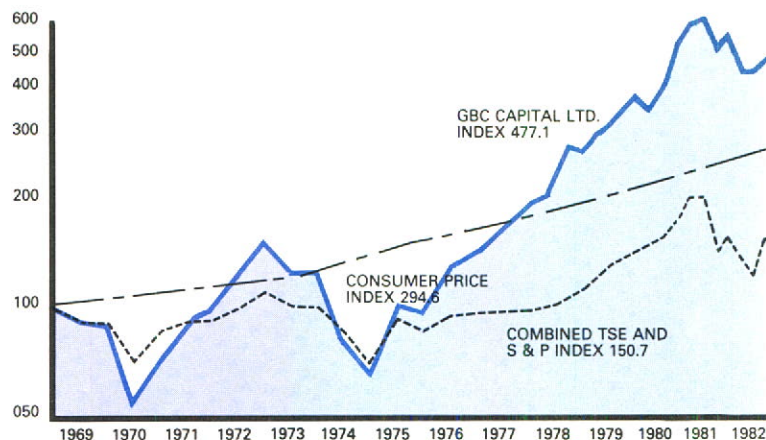
INVESTMENT OBJECTIVE

The long term goals of GBC are to achieve a growth in net asset value and dividends that exceeds the rate of inflation. While it has failed to meet its net asset value growth objective during the past two years the fourteen year record (during which GBC has been managed by Pembroke Management Ltd.) has exceeded the rate of inflation in Canada by a wide margin.

LONG TERM RECORD

GBC's record during the past fourteen years is compared in the chart following to an index composed equally of the Toronto Stock Exchange and Standard and Poor Composite stock indices and to the Consumer Price Index. The growth of capital over this period has averaged 11.8% per annum.

FOURTEEN-YEAR RELATIVE PERFORMANCE



INVESTMENT STRATEGY

GBC's long term strategy is to remain fully invested in U.S. and Canadian companies that appear to exhibit well above average growth prospects. Due to political and economic developments the Corporation has stressed U.S. investments in the past several years with heavy emphasis on technology. During the past year, anticipating lower inflation and interest rates, the portfolio weighting in consumer and financial holdings has been raised. With the recent sharp drop in interest rates the housing and consumer durable areas are looking increasingly interesting.

PEMBROKE MANAGEMENT LTD.

Pembroke Management Ltd. was formed in 1968 to manage GBC Capital Ltd. and certain other investment companies. Messrs. C. L. Larock, N. B. Ivory, I. A. Soutar and A. S. Taylor were the original subscribers to the common shares of Pembroke. While they still remain in control, the ownership of these shares has since been broadened to include other members of the staff.

Since 1968 Pembroke has expanded its operations into pension fund management and other activities including acting as an adviser on equity portfolios. Pembroke concentrates on investment in Canadian and U.S. equities and specializes in small companies with high growth potential.

SUBSIDIARIES

GBC Capital owns 99% of the common stock of Dominion-Scottish Investments Limited and 100% of Sutton Ventures Ltd. Dominion-Scottish is a diversified investment company that owns shares in small and medium sized growth companies in Canada and the U.S. Sutton Ventures specializes in small high technology companies including some private venture capital investments.

DOMINION-SCOTTISH INVESTMENTS LIMITED

Dominion-Scottish experienced its second consecutive year of decline in asset value, falling 12.0% to \$55.8 million. The Corporation has a greater percentage of its portfolio in Canadian stocks than GBC itself and higher weightings in resources and real estate, groups that have done relatively poorly in the market during the past two years.

SUTTON VENTURES LTD.

Sutton enjoyed its eighth consecutive year of growth in fiscal 1982 with net assets rising 22.5% to \$20.5 million. The large holding in Shared Medical Systems provided over half the gain but other small technology stocks performed almost as well.

TOP FIVE HOLDINGS

SHARED MEDICAL SYSTEMS

(21.9% of total assets)

SMS, the leading supplier of financial and patient related data processing services to hospitals in the U.S. is expected to achieve its eleventh consecutive year of record results in 1982, with sales and earnings rising an estimated 25%. The company has introduced several very significant new data processing services which are expected to add importantly to future revenue and earnings growth. The prospects for this large holding remain very attractive.

COLE NATIONAL CORPORATION

(7.8% of total assets)

Cole National is a diversified speciality retailer operating in seven areas, toy supermarkets, optical, gift items, keys, cookies, bread and arts and crafts. The company entered the toy supermarket business in 1981 through the acquisition of Child World. This division accounted for over half of 1981 revenues and is the most significant factor in the growth prospects for Cole during the next several years.

First half revenues for fiscal 1983 (ending 31st January) rose 19% to \$177.8 million. A loss of \$465,000 was reported compared to a loss of \$1,617,000 for the same period last year. For the full year we expect revenues to rise at least 20% to \$490 million and earnings per share 25% to \$2.50.

Cole has had an excellent growth record and is strongly financed. With aggressive expansion planned for Child World and the cookie and bread businesses we expect future growth of 20 to 25% for the next several years. The shares still appear attractively priced.

TOROMONT INDUSTRIES LTD.

(3.2% of total assets)

For the first six months of 1982 Toromont reported sales of \$42.6 million which was virtually unchanged from the previous year. Net earnings per share, however, declined to \$0.32 from \$0.59 in the first half of 1981.

The industrial refrigeration division (50% of sales) continues to produce satisfactory results as it has a high component of service business. The prospects for this division for the second half of 1982 are quite encouraging.

The electromagnetic parts division (17% of sales) is a supplier to the auto industry and to other users of small electric motors. Inevitably it is suffering from the recession but has been remarkably successful in developing markets in the U.S.

The third major division makes forgings for manufacturers of capital goods (27% of sales). Demand for these products is very weak.

Despite the very difficult environment Toromont has been relatively successful in controlling costs and inventories and there has been almost no deterioration in the balance sheet in the last 12 months.

NATIONAL DATA CORPORATION

(3.0% of total assets)

Using its extensive voice and data communications network to provide a growing number of services to existing and new customers, National Data has achieved a thirty percent annual growth record over the past five years. In its current fiscal year growth will moderate to about 5% due to a number of non-recurring developments. Because of its leading market position, impressive financial strength and excellent software products the company's growth is expected to resume during its next fiscal year.

WAJAX LIMITED

(2.5% of total assets)

Wajax is primarily a distributor of a diversified line of capital goods across Canada to the resource, transportation, utility manufacturing and construction industries. Because of its broad geographic and product diversification and because close to half of its revenues are derived from service and spare parts, the company has had a steady record of growth over the past ten years which has averaged 19% annually.

In view of the severity of the economic downturn in Canada this year, especially relating to the capital goods and resource industries, Wajax's growth record will be interrupted in 1982 with profits expected to decline 30 to 40%. This is a creditable performance, however, and is likely to be followed by resumed growth in 1983.

OUTLOOK

While there is no sign yet of an economic upturn in either the U.S. or Canada, North American stock markets have been bolstered strongly by the sharp drop in inflation and interest rates during the past several months. It is our belief that a gradual consumer led economic recovery will develop in 1983 and that this environment will prove favourable for equities.

It is GBC's present policy to maintain its heavy exposure to U.S. equities and to concentrate on growth companies in the consumer, financial, health care and high technology fields. Fiscal 1983 is off to a good start and the year is expected to be a good one for GBC Capital.

DIRECTORATE

Mr. C. L. Larock, the President and Chief Executive Officer of the Corporation, having reached the age of retirement prescribed in the By-Laws of the Corporation and after having served as an Officer of the Corporation and its predecessor company for a period of some 41 years will not stand for re-election to the Board of Directors at the forthcoming Annual Meeting.

Mr. Neil B. Ivory, the Vice-President of the Corporation, will be nominated to succeed Mr. Larock as President and Chief Executive Officer.

On behalf of the Board
C. L. Larock, President and
Chief Executive Officer

Montreal, Quebec
1st November, 1982

THE BOARD OF DIRECTORS

CLIFFORD L. LAROCK, F.C.I.S.

(President and Chief Executive Officer)
is Chairman of Pembroke Management Ltd. He joined the Board in 1968. His other directorships include Dominion-Scottish Investments Limited, Sutton Ventures Ltd., Canadian Stockholders Investments Ltd.

NEIL B. IVORY

(Vice-President)
is President of Pembroke Management Ltd. He joined the Board in 1973. His other directorships include Dominion-Scottish Investments Limited, Sutton Ventures Ltd., Canadian Stockholders Investments Ltd., Formula Growth Ltd., Harris Steel Group Inc., Toromont Industries Ltd.

DOUGLAS T. BOURKE

is a Business Executive. He joined the Board in 1978. He is also a director of Dominion-Scottish Investments Limited and of SKF Canada Ltd.

JOHN CLARK

is a director of Ivory & Sime (Management) Limited. He joined the Board in 1979. He is also a director of Creative Output U.K. and of Dominion-Scottish Investments Limited.

DONALD E. DUNN, C.A.

is Vice-President/Finance of Henry Birks & Sons Limited. He joined the Board in 1981. His directorships include Dominion-Scottish Investments Limited, Henry Birks & Sons Limited and subsidiaries.

GEORGE A. FIERHELLER

is President and Chief Executive Officer of Premier Cablesystems Ltd. of Vancouver. He joined the Board in 1974. He is also Vice-Chairman of Rogers Cablesystems Inc. of Toronto and a Director of Dominion-Scottish Investments Limited, Extendicare Ltd. and Datacrown Inc.

R. ALEXANDER HAMMOND-CHAMBERS

is a director of Ivory & Sime (Management) Limited. He joined the Board in 1972. He is also a director of MRW Inc., Cumberland Natural Gas and Dominion-Scottish Investments Limited.

JOHN S. LANE, C.F.A.

is Vice-President and Assistant General Manager for Canada of Sun Life Assurance Company of Canada. He joined the Board in 1970. His other directorships include Dominion-Scottish Investments Limited, Sutton Ventures Ltd., Sun Life of Canada Investment Management Ltd.

DAVID T. M. ROSS, F.C.C.A.

is a director of Ivory & Sime (Management) Limited. He joined the Board in 1981. He is also a director of Dominion-Scottish Investments Limited and Secretary of British Assets Trust, Edinburgh American Assets Trust and other investment companies managed by Ivory & Sime.

HUGH R. SNYDER

is President and Chief Executive Officer of Brinco Limited. He joined the Board in 1979. He is also a director of Dominion-Scottish Investments Limited and of the Canadian Paraplegic Association (Ontario Division).

GBC CAPITAL LTD.
and subsidiary companies

**CONSOLIDATED
STATEMENT OF
FINANCIAL POSITION**
as at 30th September, 1982

	<u>1982</u>	<u>1981</u>
INVESTMENTS		
Securities at market value (Note 2)	<u>\$105,831,952</u>	<u>\$107,171,487</u>
CURRENT ASSETS		
Cash and term deposits	3,221,221	2,538,325
Due from brokers	—	3,754,486
Accrued income on investments	272,282	360,171
Income taxes recoverable	<u>1,168,500</u>	<u>—</u>
	<u>4,662,003</u>	<u>6,652,982</u>
CURRENT LIABILITIES		
Due to bank	—	193,088
Preferred dividend payable	78,750	78,750
Due to brokers	550,546	863,954
Accounts payable and accrued expenses	139,489	142,061
Income taxes payable	—	1,690,160
	<u>768,785</u>	<u>2,968,013</u>
NET CURRENT ASSETS	<u>3,893,218</u>	<u>3,684,969</u>
	<u>109,725,170</u>	<u>110,856,456</u>
MINORITY INTEREST	<u>3,380,200</u>	<u>3,446,918</u>
NET ASSETS (Note 5)	<u>\$106,344,970</u>	<u>\$107,409,538</u>
REPRESENTED BY		
Capital stock (Note 3)	\$ 22,166,574	\$ 22,166,574
Contributed surplus	1,325,310	1,325,310
Retained earnings	7,328,107	7,266,219
Surplus on changes in investments (Note 4)	35,176,079	31,631,611
Unrealized appreciation of investments (Note 2)	<u>40,348,900</u>	<u>45,019,824</u>
	<u>\$106,344,970</u>	<u>\$107,409,538</u>

On behalf of the Board

C. L. LAROCK, Director
NEIL B. IVORY, Director

**CONSOLIDATED
STATEMENT OF INCOME AND
RETAINED EARNINGS**
for the Year Ended
30th September, 1982

	<u>1982</u>	<u>1981</u>
INCOME FROM INVESTMENTS	<u>\$3,520,415</u>	<u>\$3,450,121</u>
Management expenses	<u>614,764</u>	697,163
Other expenses	<u>200,713</u>	134,356
	<u>815,477</u>	831,519
	<u>2,704,938</u>	2,618,602
Income and withholding taxes	<u>718,001</u>	381,539
	<u>1,986,937</u>	2,237,063
Minority interest.....	<u>155,057</u>	155,788
NET INCOME	<u>1,831,880</u>	2,081,275
Retained earnings at beginning of year.....	<u>7,266,219</u>	7,332,156
	<u>9,098,099</u>	9,413,431
Dividends		
5¼% preferred shares	<u>315,000</u>	315,000
Common shares.....	<u>1,454,992</u>	1,832,212
	<u>1,769,992</u>	2,147,212
RETAINED EARNINGS AT END OF YEAR	<u>\$7,328,107</u>	<u>\$7,266,219</u>
Net income per common share	<u>\$0.56</u>	<u>\$0.66</u>

AUDITORS' REPORT
The Shareholders,
GBC Capital Ltd.

We have examined the consolidated statement of financial position of GBC Capital Ltd. as at 30th September, 1982 and the consolidated statement of income and retained earnings 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 Corporation as at 30th September, 1982 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.

Montreal, Quebec,
1st November, 1982.

Touche Ross & Co.
Chartered Accountants

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**
30th September, 1982

1. Accounting policies and presentation

a. General

The Corporation follows generally accepted accounting principles in the preparation of its financial statements and their application is consistent with that of the preceding year.

b. Principles of consolidation

The consolidated financial statements include the accounts of Dominion-Scottish Investments Limited (99.14% of the common shares owned) and Sutton Ventures Ltd. (100% owned).

c. Foreign currencies

Transactions in foreign currencies during the year were recorded at the relative rates of exchange applicable on the dates of such transactions. Amounts in foreign currencies included in assets and liabilities have been shown in Canadian funds, converted at rates of exchange applicable at the end of the year, any adjustment thereon being credited or charged, as the case may be, to "Surplus on changes in investments".

d. Statement of changes in financial position

A statement of changes in financial position has been omitted since it is deemed inappropriate for an investment corporation. A statement of changes in net assets (Note 5) has been substituted therefor.

2. Securities at market value

	<u>1982</u>	<u>1981</u>
Held by:		
GBC Capital Ltd.....	\$ 32,444,968	\$ 27,172,757
Dominion-Scottish Investments Limited	54,009,675	63,151,633
Sutton Ventures Ltd.....	19,377,309	16,847,097
	<u>105,831,952</u>	<u>107,171,487</u>
Securities at average cost.....	64,688,654	61,518,518
	<u>41,143,298</u>	<u>45,652,969</u>
Amount required to adjust average cost from a corporate basis to a consolidated basis.....	(794,398)	(633,145)
Balance included in shareholders' equity as unrealized appreciation of investments	<u>\$ 40,348,900</u>	<u>\$ 45,019,824</u>

Securities at market value include those at the directors' valuation of \$26,667,745 (1981 — \$20,427,880). No provision has been made for any liability for income taxes on capital gains which may arise on the future sale of investments. This is currently estimated to amount to \$11,033,000 based on the unrealized appreciation recorded by each of the consolidated corporations.

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

30th September, 1982

(Continued)

3. Capital stock

	<u>1982</u>	<u>1981</u>
5¼% cumulative redeemable preferred shares without nominal or par value		
Authorized and issued — 120,000 shares	\$ 6,000,000	\$ 6,000,000
Common shares without nominal or par value		
Authorized — not limited		
Issued — 2,694,429 shares	16,166,574	16,166,574
	<u>\$ 22,166,574</u>	<u>\$ 22,166,574</u>

The preferred shares are redeemable at the option of the Corporation at any time in whole or from time to time in part, on not less than 30 days' notice, at \$52.50 per share (in one restricted event at \$50 per share) plus accrued and unpaid dividends, if any, to the date of redemption. The Corporation may, at any time and from time to time, also purchase the whole or any part of such preferred shares in the open market at a price not exceeding the redemption price thereof plus costs of purchase.

4. Surplus on changes in investments

	<u>1982</u>	<u>1981</u>
Balance at beginning of year	\$ 31,631,611	\$ 22,942,733
Gain on changes in investments		
including gain on exchange of \$107,705		
(1981 — loss \$10,607)	4,689,668	12,685,315
Income taxes on changes in investments	1,145,200	3,996,437
	<u>3,544,468</u>	<u>8,688,878</u>
Balance at end of year	<u>\$ 35,176,079</u>	<u>\$ 31,631,611</u>

5. Changes in net assets

	1982	1981
Net assets at beginning of year	<u>\$107,409,538</u>	<u>\$110,933,671</u>
Add (deduct)		
Net income for the year	1,831,880	2,081,275
Gain on changes in investments		
Securities at average cost		
at beginning of year	61,518,518	57,550,384
Purchases	15,258,161	21,271,587
	<u>76,776,679</u>	<u>78,821,971</u>
Securities at average cost at end of year	64,688,654	61,518,518
Cost of securities sold	12,088,025	17,303,453
Proceeds from securities sold	16,669,988	29,999,375
	<u>4,581,963</u>	<u>12,695,922</u>
Gain (loss) on exchange	107,705	(10,607)
	<u>6,521,548</u>	<u>14,766,590</u>
Deduct		
Income taxes on changes in investments	1,145,200	3,996,437
Dividends		
5¼% preferred shares	315,000	315,000
Common shares	1,454,992	1,832,212
Decrease in unrealized appreciation of investments	<u>4,670,924</u>	<u>12,147,074</u>
	<u>7,586,116</u>	<u>18,290,723</u>
Decrease for the year	<u>(1,064,568)</u>	<u>(3,524,133)</u>
Net assets at end of year	<u>\$106,344,970</u>	<u>\$107,409,538</u>
Net asset value per common share	<u>\$37.07</u>	<u>\$37.47</u>

6. Directors and officers remuneration

Aggregate remuneration paid during the year to the Corporation's directors was as follows:

Paying corporation

	1982	1981
GBC Capital Ltd.	\$38,886	\$28,822
Dominion-Scottish Investments Limited	38,886	28,822
Sutton Ventures Ltd.	2,000	1,500
	<u>\$79,772</u>	<u>\$59,144</u>

The Corporation has five officers, two of whom are also directors. The officers of the Corporation as such received no remuneration.

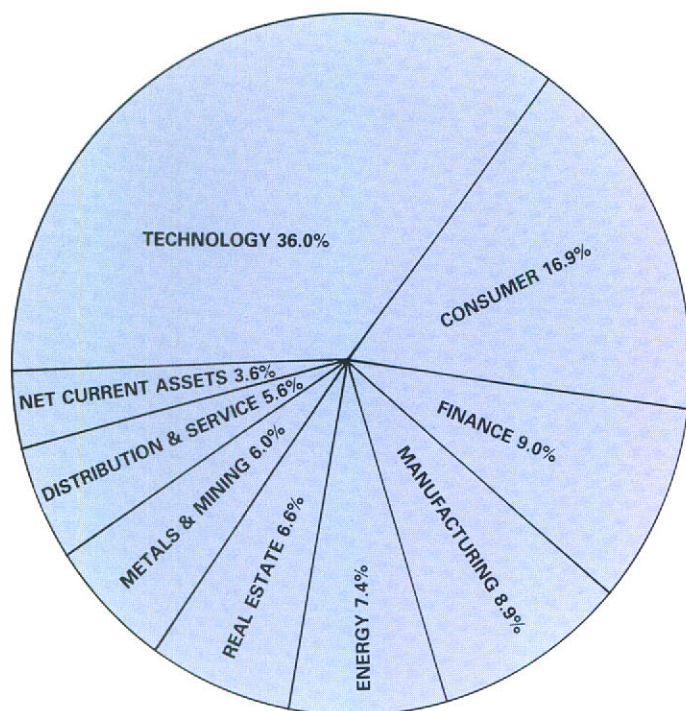
No.	Amount	Company	Market Value	Main Activity	Country of Incorporation
1	600,000	Shared Medical Systems	\$24,107,850†	Hospital data processing	U.S.A.
2	212,500	Cole National Corp.	8,506,671	Specialty retailer	U.S.A.
3	611,000	Toromont Industries	3,513,250	Engineered products	Canada
4	150,000	National Data Corp.	3,315,757	Computer services	U.S.A.
5	60,000	Wajax Limited, cv., Pfd. A			
	160,000	Wajax Limited, A	2,700,000	Heavy equipment distribution	Canada
6	440,000	Harris Steel, A			
	220,000	Harris Steel, B	2,690,600	Steel fabrication and distribution	Canada
7	58,700	Lornex Mining	2,670,850	Copper producer	Canada
8	22,500	Teledyne Inc.	2,496,553	Electronic and engineered products	U.S.A.
9	100,000	Big V Supermarkets	2,457,764	Supermarket chain	U.S.A.
10	179,687	Cousins Properties	2,194,813	Real estate development	U.S.A.
Top Ten Investments			54,654,108	49.8% of Total Assets	
11	80,000	Rouse Co.	2,139,294	Real estate development	U.S.A.
12	400,000	Cullaton Lake Gold Mines, Pfd. A			
	400,000	Cullaton Lake Gold Mines	2,120,000	Gold mining	Canada
13	\$1,500,000	Southern Bancorporation 10%, cv., Debs. due 1996	1,854,450	Regional banking	U.S.A.
14	67,500	Jerrico, Inc.	1,773,318	Fast foods	U.S.A.
15	60,000	PHH Group	1,734,282	Management services	U.S.A.
16	40,000	Harper Group	1,434,108	Freight forwarding	U.S.A.
17	100,000	Scott's Hospitality			
	100,000	Scott's Hospitality, C	1,388,000	Hotels and fast foods	Canada
18	38,500	Jackson National Life Ins.	1,386,517	Life insurance	U.S.A.
19	50,000	Phelps Dodge	1,375,384	Copper producer	U.S.A.
20	50,000	Scotty's Inc.	1,251,754	Building supply retailer	U.S.A.
Top Twenty Investments			71,111,215	64.8% of Total Assets	
21	100,000	Apollo Computer, cv., Pfd.	1,236,300†	Mini-computers	U.S.A.
22	100,000	Moran Energy	1,159,649	Oil and gas	U.S.A.
23	30,000	Comdata Network Inc.	1,103,398	Cash transfer	U.S.A.
24	50,000	U.S. Home Corp.	997,076	Real estate development	U.S.A.
25	20,000	Medtronic, Inc.	995,222	Cardiac pacemakers	U.S.A.
26	50,000	Interprovincial Pipe Line	994,000	Oil pipeline	Canada
27	36,300	Wilson, H.J.	981,924	Catalog showroom retailer	U.S.A.
28	24,000	Texas Commerce Bancshares	964,314	Bank holding	U.S.A.
29	40,000	Palm Beach Inc.	964,314	Apparel manufacturer	U.S.A.
30	100,000	National Medical Care	958,133	Kidney dialysis centers	U.S.A.
Top Thirty Investments			81,465,545	74.3% of Total Assets	
31	77,200	Noble Affiliates	954,424	Oil and gas	U.S.A.
32	40,000	Sun Banks, Florida	933,653	Regional banking	U.S.A.
33	50,000	Lennar Corp.	927,225	Real estate development	U.S.A.
34	60,000	Dorchester Gas Corp.			
	6,000	Dorchester Hugoton, Units	911,500	Oil and gas	U.S.A.
35	60,000	Petrolane Inc.	871,592	Petroleum services	U.S.A.
36	40,000	Royal Bank of Canada	850,000	Banking	Canada
37	75,000	Emco Limited	816,000	Plumbing, heating products	Canada
38	20,000	Analogic Corp.	815,958	Data conversion, measurement	U.S.A.
39	37,500	Valley National Corp. Arizona	794,168	Regional banking	U.S.A.
40	16,000	Quotron Systems	764,132	Financial computer services	U.S.A.
Top Forty Investments			90,104,197	82.1% of Total Assets	

No.	Amount	Company	Market Value	Main Activity	Country of Incorporation
41	12,000	Grafton Group			
	48,000	Grafton Group, A	\$ 750,000	Apparel retailer	Canada
42	6,000	Ivaco Ltd., A			
	60,000	Ivaco Ltd., B	678,000	Wire products	Canada
43	70,000	Petroleum Equipment Tools	660,308	Equipment rental	U.S.A.
44	50,000	Nowasco Well Service	656,500	Oilfield services	Canada
45	30,000	Canadian Imperial Bank	648,900	Banking	Canada
46	25,000	Docutel/Olivetti Corp.	645,348	Automatic bank tellers	U.S.A.
47	10,000	Molex Inc.	641,392	Electronic connectors	U.S.A.
48	40,000	First American, Tennessee	636,942	Regional banking	U.S.A.
49	15,000	Toys-R-Us	579,516	Toy retailer	U.S.A.
50	30,000	Summit Energy, cv., Pfd.			
	10,000	Summit Energy	576,486	Oil and gas	U.S.A.
Top Fifty Investments			96,577,589	88.0% of Total Assets	
51	50,000	Monenco Ltd., A	562,500	Engineering services	Canada
52	327,495	Nu-West Group, A			
	52,380	Nu-West Group, C	560,648	Real estate, oil and gas	Canada
53	35,000	Numac Oil & Gas	560,000	Oil and gas	Canada
54	20,000	Healthdyne Inc.	550,153	Medical equipment	U.S.A.
55	10,000	Novo Industri, A.D.R.	547,063	Biological products	Denmark
56	15,000	Alpha Industries	537,790	Military electronics	U.S.A.
57	40,000	Computer & Comm. Tech.	488,586	Computer data storage	U.S.A.
58	200,000	Czar Resources	486,000	Oil and gas	Canada
59	15,000	Valleylab Inc.	484,568	Medical equipment	U.S.A.
60	30,000	Ocelot Industries, B	446,400	Oil and gas	Canada
Top Sixty Investments			101,801,297	92.8% of Total Assets	
61	107,692	Executec Corp., cv., Pfd. A	432,704†	Computer software	U.S.A.
62	18,000	Penn Engineering & Mfg.	417,251	Industrial fasteners	U.S.A.
63	15,000	Pine Point Mines	397,500	Lead and zinc mining	Canada
64	184,873	Carma Ltd., A	390,082	Real estate development	Canada
65	30,000	Creative Output Inc.	370,890†	Computer software	U.S.A.
66	10,000	Telecredit, Inc.	332,317	Cash transfer	U.S.A.
67	\$500,000	Chilco Partnership No. 4	325,000†	Oil and gas	Canada
68	10,000	Computone Systems	296,712	Computer software	U.S.A.
69	20,000	Computer Devices Inc.	296,712	Microcomputers	U.S.A.
70	\$250,000	Killucan 80 Exploration	195,000†	Oil and gas	Canada
Top Seventy Investments			105,255,465	95.9% of Total Assets	
71	10,000	ISC Systems Corp.	183,961	Data terminal systems	U.S.A.
72	30,000	Eikonix Corp.	157,628	Computer graphics	U.S.A.
73	7,000	LTX Corp.	140,629	Automated test equipment	U.S.A.
74	5,000	On-Line Software Int'l.	94,268	Computer software	U.S.A.
75	93,334	Infomark, cv., Pfd. A	1†	Small business computers	U.S.A.
Total Value of Investments			105,831,952	96.4% of Total Assets of \$109,725,170	

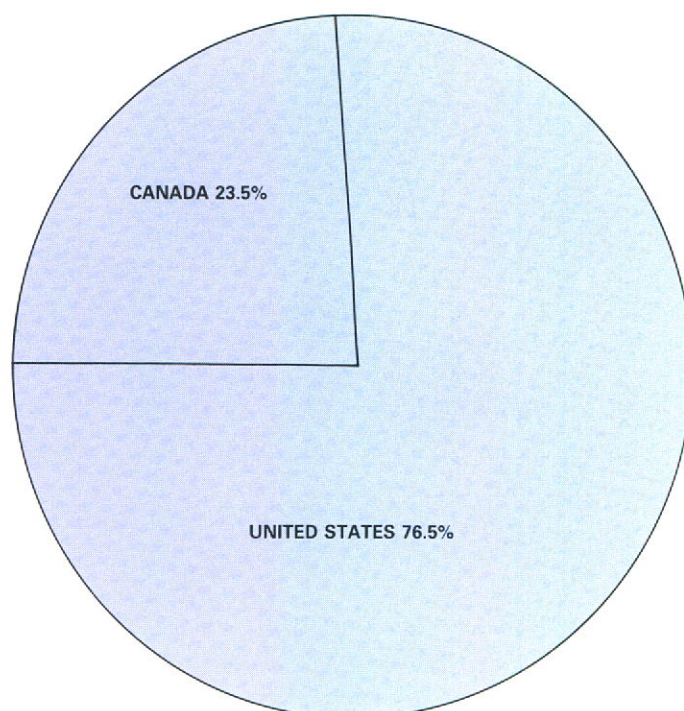
† at Directors' Valuation.

GBC CAPITAL LTD.
and subsidiary companies
30th September, 1982

INDUSTRIAL DISTRIBUTION OF ASSETS



GEOGRAPHICAL DISTRIBUTION OF ASSETS



TEN-YEAR FINANCIAL SUMMARY

	1982	1981	1980	1979	1978	1977(2)	1976	1975	1974	1973
Gross income (\$'000)	3,520	3,450	2,728	2,283	3,398	1,453	2,521	1,890	1,639	1,190
Net income (\$'000).....	1,832	2,081	1,559	1,303	2,583	976	1,926	1,373	1,213	765
Per common share —										
Net income.....	\$0.56	0.66	0.46	0.37	0.84	0.27	0.61	0.40	0.34	0.17
Dividends paid.....	\$0.54	0.68	0.36	0.30	0.068	—	0.065	0.06	0.06	0.04
Total assets (\$'000)	109,725	110,856	114,515	82,824	67,338	45,638	39,356	32,870	26,138	34,501
Net assets (\$'000).....	106,345	107,410	110,934	79,452	64,064	42,487	36,237	29,650	22,913	31,104
Available for common shares (\$'000)	99,887	100,951	104,475	72,994	57,606	36,028	29,779	23,192	16,455	24,645
Net asset value per common share:										
Market value basis.....	\$37.07	37.47	38.77	27.09	21.58	12.78	10.89	7.42	5.08	9.59
Equity accounting basis.....	N/A	N/A	N/A	N/A	21.38	13.37	11.19	8.71	6.18	9.26

NOTES:

- (1) For fiscal years 1972 to 1978 inclusive, income from associated companies was accounted for on the equity method.
- (2) Nine month period ended 30th September, 1977.
- (3) No provision has been made for income taxes on capital gains which may arise on the future sale of investments.

