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# LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

## DIRECTORS

THE HON. JAMES MONCREIFF BALFOUR, O.B.E.  
JOHN N. COLE  
MICHAEL H. CRICHTON, O.B.E.  
ARTHUR D. EMORY

NEY K. GORDON  
CHARLES L. GUNDY  
WILBERT H. HOWARD, C.B.E., Q.C.  
ALEXANDER FITZJAMES GRAHAM-WATSON

## OFFICERS

ARTHUR D. EMORY, *Chairman of the Board*  
NEY K. GORDON, *President*      CHARLES L. GUNDY, *Vice-President*  
ISABEL WATERHOUSE, *Secretary and Treasurer*

Head Office, The Royal Bank Building, 360 St. James Street West, Montreal, P.Q., Canada.

## REPORT OF THE DIRECTORS

To be submitted at the THIRTIETH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Your Directors submit the Balance Sheet and Revenue Accounts of your Corporation for its thirtieth accounting period, the twelve months ended December 31, 1958. These statements have been certified by your auditors.

Valuation of assets of the Corporation at December 31, 1958, was \$10,989,637. During 1958 the Corporation purchased and cancelled \$1,940 principal amount of its 3% Notes.

The Corporation has arranged to refund, at its option, on a short term basis its outstanding \$2,000,000 4% Bonds at their maturity on June 1, 1959.

The Revenue of your Corporation for 1958, after deduction of United Kingdom, United States and other withholding taxes, was \$398,494. Expenses for the year were \$48,837. Deduction of these expenses, together with payment and accrual of \$91,163 Bond and Note Interest, left an amount of \$258,494, from which was deducted \$9,000 provision for taxes on income, leaving Net Revenue for the year of \$249,494. After bringing forward Balance of Revenue at December 31, 1957, of \$1,112,862 and deducting dividends paid of \$231,489, being \$3 per share on the Preferred Shares, \$3 per share on the Class A Shares and 30¢ per share on those Common Shares which carry the right to cash dividends, there remained a balance in Revenue Surplus of \$1,130,867 as of December 31, 1958.

Distribution of the valuation of assets of your Corporation at December 31, 1958, was as follows:

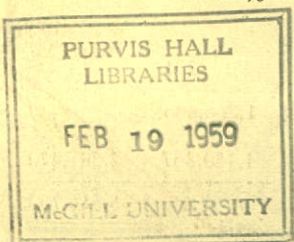
	%
Cash, etc.....	1.62
Canadian and Foreign Government Bonds.....	12.00
Canadian Provincial and Provincial Guaranteed Bonds.....	1.44
Corporation Bonds, Debentures and Notes.....	10.05
Preferred Stocks.....	3.97
Convertible Bonds, Debentures and Notes.....	4.98
Bonds, Debentures and Notes with Warrants.....	0.93
Convertible Preferred Stocks.....	2.15
Common Stocks.....	62.86
	100.00

Geographical distribution of these assets was:

CANADA	UNITED STATES	BRITISH EMPIRE (excluding Canada)	FOREIGN (excluding U.S.A.)
75.11%	19.76%	2.56%	2.57%

Respectfully submitted on behalf of the Directors,

NEY K. GORDON,  
*President.*



# LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

## BALANCE SHEET — DECEMBER 31, 1958

ASSETS		LIABILITIES	
INVESTMENTS AT COST, less investment reserve of \$3,131,782.....	\$ 5,638,455	SUNDRY LIABILITIES:	
<p>On the basis of market quotations, the value of the securities owned by the Corporation at December 31, 1958, was \$10,811,329 of which \$2,157,206 represented securities quoted in U.S. funds and \$345,813 represented securities quoted in Sterling funds (£127,960). U.S. and Sterling funds have been converted to Canadian funds at the rates of exchange quoted on December 31, 1958.</p>		Accounts payable.....	\$ 1,500
CASH ON DEPOSIT.....	138,045	Accrued taxes on income.....	7,363
ACCRUED INTEREST ON INVESTMENTS.....	39,584	Interest accrued on 4% Bonds....	6,667
PREPAID EXPENSES.....	679		\$ 15,530
		4% BONDS:	
		Authorized and issued.....	\$2,000,000
		Outstanding—	
		due June 1, 1959.....	2,000,000
		3% NOTES, UNSECURED (CLOSED ISSUE) DUE JANUARY 1, 1961....	371,060
		CAPITAL STOCK:	
		\$3 Cumulative Redeemable Preferred Shares, \$25 par value, redeemable at \$60 plus unpaid accrued dividends—	
		Authorized and issued—	
		24,646 shares	\$616,150
		LESS: Purchased and cancelled	
		2,519 shares	62,975
		Outstanding—	
		22,127 shares	\$ 553,175
		Class A Shares, Voting, \$5 par value, redeemable at \$45 plus unpaid cumulative dividends. Entitled in the aggregate to dividends equal to and cumulative to the extent of, the lesser, in respect of each year, of a rate of \$3 per share per annum or the net revenue of the Corporation after provision for cumulative dividends on the \$3 Cumulative Redeemable Preferred Shares—	
		Authorized and issued—	
		24,646 shares	\$123,230
		LESS: Purchased and cancelled	
		621 shares	3,105
		Outstanding—	
		24,025 shares	120,125
		Common Shares of \$1 par value—	
		Authorized and issued—	
		359,403 shares	359,403
			1,032,703
		(Includes 49,292 Common Shares held by Montreal Trust Company, which shares, while so held, are non-voting and carry no rights to cash dividends. 46,152 of these shares are held in trust for the holders of Warrants attached to certificates for the \$3 Cumulative Redeemable Preferred Shares and for the Class A Shares and, as a result of the cancellation of Warrants, 3,140 are held exclusively for ultimate cancellation.)	
		SURPLUS:	
		Capital Surplus—	
		Balance, December 31, 1957....	\$ 1,266,312
		ADD:	
		Discount on 3% Notes purchased and cancelled during 1958.....	291
			\$ 1,266,603
		REVENUE SURPLUS—	
		Per statement attached.....	1,130,867
			2,397,470
			\$ 5,816,763
SIGNED ON BEHALF OF THE BOARD:			
NEY K. GORDON, <i>Director</i>			
ARTHUR D. EMORY, <i>Director</i>			
	\$ 5,816,763		

# LONDON CANADIAN INVESTMENT CORPORATION

as of December 31, 1958

## DISTRIBUTION OF INVESTMENTS

	Number of Corporations	Percentage of total Market Value	Totals	Bonds, Debentures and Notes			Preferred Stocks	Convertible Preferred Stocks	Common Stocks
				Ordinary	With Warrants	Convertible			
Cash and Short Term Notes.....	—	1.62	\$ 178,309	\$ 178,309*	\$ —	\$ —	\$ —	\$ —	\$ —
Canadian and Foreign Government Bonds....	—	12.00	1,318,536	1,318,536	—	—	—	—	—
Provincial and Provincial Guaranteed Bonds..	—	1.44	157,813	157,813	—	—	—	—	—
Aircraft.....	2	1.63	179,450	—	—	—	—	25,000	154,450
Brewing & Distilling.....	3	4.60	505,125	—	—	—	—	—	505,125
Building Materials & Construction.....	2	7.29	801,250	73,875	—	—	—	—	727,375
Chemicals & Drugs.....	7	2.68	294,910	—	—	—	—	—	294,910
Electrical Equipment & Electronics.....	3	0.88	96,378	—	30,198	—	—	26,520	39,660
Finance & Investment.....	3	2.98	327,688	145,188	24,500	—	—	—	158,000
Food & Food Chains.....	4	4.01	440,775	109,400	—	84,000	90,750	41,875	114,750
Machinery (Agricultural).....	2	2.66	291,977	—	—	28,177	—	54,250	209,550
Merchandising.....	3	5.58	613,150	—	—	105,750	—	—	507,400
Metals & Mining.....	24	7.14	784,971	5,138	—	13,320	24,300	—	742,213
Oil & Gas Pipelines.....	7	6.62	727,060	306,000	—	76,910	—	—	344,150
Oil & Gas Producing, etc.....	21	10.59	1,164,243	22,000	28,000	117,355	—	22,000	974,888
Paper & Forest Products.....	10	8.48	931,975	102,825	—	—	32,400	—	796,750
Steel, Iron & Coal.....	6	3.10	340,772	—	—	—	10,359	39,200	291,213
Textile.....	2	1.22	134,175	—	—	32,550	62,250	—	39,375
Utilities.....	18	10.61	1,165,804	205,380	—	60,870	192,238	19,000	688,316
Miscellaneous.....	26	4.87	535,276	134,533	20,000	28,738	23,750	8,000	320,255
<b>Totals.....</b>	<b>143</b>	<b>100.00</b>	<b>\$10,989,637</b>	<b>\$2,758,997</b>	<b>\$102,698</b>	<b>\$547,670</b>	<b>\$436,047</b>	<b>\$235,845</b>	<b>\$6,908,380</b>
Percentage of Total Market Value.....			100.00	25.11	0.93	4.98	3.97	2.15	62.86

\*Cash only

# LONDON CANADIAN INVESTMENT CORPORATION

## RECORD OF ASSET VALUATIONS AND REVENUE

Year Ended Dec. 31	Net Asset Value	Principal Amount of Bonds & Notes Outstanding	Net Equity for Preferred Shares	Preferred @\$60 per share & Class A @ \$45 per share	Net Equity for Common Shares	Net Equity for Common per share (a)	Net Revenue for the Year	Dividends on Preferred & Class A	Net Revenue Available to Common Shares	Net Revenue per share Common (b)	Dividends per share Common (b)
1951.....	\$7,516,700	\$2,989,480	\$4,527,220	\$2,587,830	\$1,939,390	\$5.39	\$219,489	\$147,876	\$71,613	.23	.15
1952.....	7,091,455	2,753,200	4,338,255	2,521,125	1,817,130	5.07	206,303	144,075	62,228	.20	.15
1953.....	6,756,894	2,422,360	4,334,534	2,521,125	1,813,409	5.06	210,390	144,075	66,315	.21	.15
1954.....	8,737,210	2,391,560	6,345,650	2,408,745	3,936,905	11.05	224,854	139,861	84,993	.27	.18
1955.....	9,909,672	2,377,940	7,531,732	2,408,745	5,122,987	14.38	229,521	138,456	91,065	.29	.25
1956.....	9,846,008	2,375,440	7,470,568	2,408,745	5,061,823	14.21	246,506	138,456	108,050	.34	.30
1957.....	8,843,489	2,373,000	6,470,489	2,408,745	4,061,744	11.40	260,796	138,456	122,340	.39	.30
1958.....	10,974,107	2,371,060	8,603,047	2,408,745	6,194,302	17.38	249,496	138,456	111,040	.35	.30

(a) Based on total number of shares issued (including 49,292 held in trust for the holders of warrants) less those shares held exclusively for ultimate cancellation.

(b) Based on number of shares in the hands of the public and entitled to receive dividends.

The comparative figures above are taken from the year 1951 when the present capitalization of the Corporation was constituted.

**REVENUE ACCOUNT**  
for the year ended December 31, 1958

Dividends received and interest received and accrued.....	\$408,381	
Stock dividends received and sold.....	3,463	
	<u>\$411,844</u>	
LESS: United Kingdom, United States and other withholding taxes.....	13,350	\$398,494
Management expenses.....	\$27,127	
Directors' fees.....	8,750	
Fees and expenses of trustee, registrar and transfer agents.....	7,573	
Miscellaneous expenses.....	1,756	
Taxes, other than income taxes.....	1,776	
Staff Pension Plan, current premium.....	1,855	48,837
	<u>Balance of Revenue.....</u>	<u>\$349,657</u>
DEDUCT:		
Interest on bonds.....	\$80,000	
Interest on notes.....	11,163	91,163
	<u>Net Revenue for the year before taxes on income.....</u>	<u>\$258,494</u>
Provision for taxes on income.....		9,000
	<u>Net Revenue for the year.....</u>	<u>\$249,494</u>

**REVENUE SURPLUS**  
as at December 31, 1958

Balance, December 31, 1957.....	\$1,112,862	
Net Revenue for the year ended December 31, 1958.....	249,494	
	<u>\$1,362,356</u>	
DIVIDENDS PAID:		
on \$3 Cumulative Redeemable Preferred Shares.....	\$66,381	
on Class A Redeemable Shares.....	72,075	
on Common Shares.....	93,033	231,489
	<u>Revenue Surplus, December 31, 1958.....</u>	<u>\$1,130,867</u>

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
LONDON CANADIAN INVESTMENT CORPORATION**

We have made an examination of the books and accounts of London Canadian Investment Corporation for the year ended December 31, 1958, and have received all the information and explanations which we required. We confirmed the Corporation's investments either by inspection of securities or by certificates from the custodian, Montreal Trust Company; the cash on deposit was confirmed to us by the depositaries.

We report that, in our opinion, the accompanying Balance Sheet and Statements of Revenue Surplus and Revenue Account are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation as at December 31, 1958 and the result of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

MONTREAL, January 27, 1959

PRICE WATERHOUSE & CO.  
Chartered Accountants.

# LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

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## REPORT

*For Year Ended  
December 31, 1958*

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### ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of the Shareholders of London Canadian Investment Corporation will be held at the Offices of the Corporation, Room 506, 360 St. James Street West, Montreal, P.Q., Canada, on Monday the 20th day of April, 1959, at the hour of 11 o'clock in the forenoon for the following purposes:—

- (a) To receive and consider and, if deemed advisable, approve and adopt the Annual Report of the Directors, Balance Sheet, Revenue Account, Revenue Surplus and Report of the Auditors, for the financial year of the Corporation ended December 31, 1958;
- (b) To elect Directors for the ensuing year;
- (c) To appoint and fix the remuneration of the Auditors for the ensuing year;
- (d) To transact such other business as may properly come before the Meeting.

By Order of the Board,

I. WATERHOUSE,  
*Secretary.*

THE ROYAL BANK BUILDING,  
MONTREAL, P.Q.  
February 18th, 1959.

Note: In the event that you will be unable to be present at this Meeting, please sign and return the enclosed instrument of proxy.

