

LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

BALANCE SHEET — DECEMBER 31, 1957

ASSETS		LIABILITIES	
INVESTMENTS AT COST, less investment reserve of \$2,910,338.....	\$5,736,209	SUNDRY LIABILITIES:	
		Accounts payable.....	\$ 1,500
		Federal and Provincial taxes.....	6,594
		Interest accrued on 4% Bonds....	6,667
		Due on delivery of securities purchased.....	48,000 \$ 62,761
On the basis of market quotations, the value of the securities owned by the Corporation at December 31, 1957, was \$8,794,821 of which \$1,569,228 represented U.S.A. securities and \$268,598 (£97,142) represented sterling and foreign securities. U.S.A., sterling and foreign securities have been converted to Canadian funds at the rates of exchange quoted on December 31, 1957.		4% BONDS:	
		Authorized and issued.....	\$2,000,000
		Outstanding —	
		due June 1, 1959.....	2,000,000
CASH ON DEPOSIT.....	78,672	3% NOTES, UNSECURED (CLOSED ISSUE) DUE JANUARY 1, 1961....	373,000
ACCRUED INTEREST ON INVESTMENTS.....	31,724	CAPITAL STOCK:	
ACCOUNT RECEIVABLE AND PREPAID EXPENSES.	1,033	\$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, 1956....	\$1,265,980
		ADD:	
		Discount on 3% Notes purchased and cancelled during 1957.....	332
			\$1,266,312
		REVENUE SURPLUS—	
		Per statement attached.....	1,112,862 2,379,174
			\$5,847,638
	<u>\$5,847,638</u>		<u>\$5,847,638</u>

SIGNED ON BEHALF OF THE BOARD:

NEY K. GORDON, *Director*
ARTHUR D. EMORY, *Director*

REVENUE ACCOUNT
For the Year Ended December 31, 1957

Dividends received and interest received and accrued.....	\$414,208	
Stock dividends received and sold.....	8,252	
	\$422,460	
LESS: United Kingdom, United States and other withholding taxes.....	13,009	\$409,451
Management expenses.....	\$28,017	
Directors' fees.....	8,125	
Fees and expenses of trustee, registrar and transfer agents.....	7,302	
Miscellaneous expenses.....	1,776	
Taxes, other than income taxes.....	1,753	
Staff Pension Plan, current premium.....	1,746	48,719
	\$360,732	
 DEDUCT:		
Interest on Bonds.....	\$80,000	
Interest on Notes.....	11,236	91,236
	\$269,496	
Net Revenue for the year before income taxes.....		\$269,496
Provision for taxes on income.....		8,700
		\$260,796
		\$260,796

REVENUE SURPLUS
As at December 31, 1957

Balance, December 31, 1956.....	\$1,083,555
Net Revenue for the year ended December 31, 1957.....	260,796
	\$1,344,351
 DIVIDENDS PAID:	
on \$3 Cumulative Redeemable Preferred Shares.....	\$66,381
on Class A Redeemable Shares.....	72,075
on Common Shares.....	93,033
	231,489
Revenue Surplus, December 31, 1957.....	\$1,112,862

**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, 1957, 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, 1957 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, 1958

PRICE WATERHOUSE & CO.
Chartered Accountants.

COMPARATIVE REVENUE AND SURPLUS ACCOUNTS

Year ended December 31.....	1957	1956	1955	1954	1953
Gross Revenue less withholding taxes.....	\$ 409,451	\$ 389,517	\$ 371,538	\$ 348,522	\$ 328,256
Deduct: Expenses.....	48,719	43,740	40,598	39,807	40,530
Balance of Revenue.....	360,732	345,777	330,940	308,715	287,726
Deduct: Interest on Bonds and Notes.....	91,236	91,271	91,419	83,741	77,225
Net Revenue before income taxes.....	269,496	254,506	239,521	224,974	210,501
Deduct: Provision for income taxes.....	8,700	8,000	10,000	120	111
Net Revenue for the year.....	260,796	246,506	229,521	224,854	210,390
Balance Revenue Surplus brought forward.....	1,083,555	1,068,538	1,055,000	1,025,827	1,006,028
	1,344,351	1,315,044	1,284,521	1,250,681	1,216,418
Deduct: Dividends paid on:					
\$3 Cumulative Redeemable Preferred Shares.....	66,381	66,381	66,381	67,786	72,000
Class A Redeemable Shares.....	72,075	72,075	72,075	72,075	72,075
310,111 Common Shares entitled to dividends.....	93,033	93,033	77,527	55,820	46,516
	231,489	231,489	215,983	195,681	190,591
Revenue Surplus.....	1,112,862	1,083,555	1,068,538	1,055,000	1,025,827

LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

REPORT

For Year Ended
December 31, 1957

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Ninth 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 21st day of April, 1958, at the hour of 2.30 o'clock in the afternoon for the following purposes:—

- (a) To receive and consider and, if deemed advisable, approve and adopt the Annual Report of the Directors, Balance Sheet, Statement of Revenue and Expenditure, Statement of Revenue Surplus and Report of the Auditors, for the financial year of the Corporation ended December 31, 1957;
- (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 7, 1958.

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



COMPARATIVE ASSET VALUES

Year ended December 31.....	1957	1956	1955	1954	1953
Valuation of Assets.....	\$8,906,250	\$9,909,425	\$9,941,873	\$8,752,989	\$6,763,863
Deduct: Current Liabilities.....	62,761	63,417	32,200	15,779	6,968
Net Asset Value for Bonds.....	8,843,489	9,846,008	9,909,673	8,737,210	6,756,895
Deduct: Principal Amount of outstanding Bonds.....	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net Asset Value for Notes.....	6,843,489	7,846,008	7,909,673	6,737,210	4,756,895
Deduct: Principal Amount of outstanding Notes.....	373,000	375,440	377,940	391,560	422,360
Resultant Net Equity for Preferred Shares.....	6,470,489	7,470,568	7,531,733	6,345,650	4,334,535
Deduct: Preferred Shares on Basis of \$60 per Share.....	1,327,620	1,327,620	1,327,620	1,327,620	1,440,000
Resultant Net Equity for Class A Shares.....	5,142,869	6,142,948	6,204,113	5,018,030	2,894,535
Deduct: Class A Shares on Basis of \$45 per Share.....	1,081,125	1,081,125	1,081,125	1,081,125	1,081,125
Resultant Net Equity for Common Shares.....	4,061,744	5,061,823	5,122,988	3,936,905	1,813,410
Per Common Share (excluding those held for cancellation).....	11.40	14.21	14.38	11.05	5.06