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# LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

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## DIRECTORS

THE HON. JAMES MONCREIFF BALFOUR, O.B.E.  
MICHAEL H. CRICHTON  
ARTHUR D. EMORY  
NEY K. GORDON

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

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## 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.

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## REPORT OF THE DIRECTORS

*To be submitted at the TWENTY-EIGHTH ANNUAL GENERAL MEETING OF SHAREHOLDERS*

Your Directors submit the Balance Sheet and Revenue Accounts of your Corporation for its twenty-eighth accounting period, the twelve months ended December 31, 1956. These statements have been certified by your auditors.

Valuation of assets of the Corporation at December 31, 1956, was \$9,909,425. During 1956 the Corporation purchased and cancelled \$2,500 principal amount of its 3% Notes.

The Revenue of your Corporation for 1956, after deduction of exchange discount and of United Kingdom, United States and other withholding taxes, was \$389,517. Expenses for the year were \$43,740. Deduction of these expenses, together with payment and accrual of \$91,271 Bond and Note Interest, left an amount of \$254,506, from which was deducted \$8,000 provision for taxes on income, leaving Net Revenue for the year of \$246,506. After bringing forward Balance of Revenue at December 31, 1955, of \$1,068,538 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 \$1,083,555 as of December 31, 1956.

Distribution of the valuation of assets of your Corporation at December 31, 1956, was as follows:

Canadian and Provincial Government Bonds.....	5.47
Canadian Corporation Bonds and Debentures.....	4.82
Canadian Corporation Bonds and Debentures carrying Stock Privileges.....	3.32
Canadian and U.S. Corporation Convertible Debentures.....	4.13
Foreign Bonds.....	1.56
Preferred and Class A Shares.....	8.57
Convertible Preferred and Class A Shares.....	2.03
Common Shares.....	68.49
Cash, etc.....	1.61
	<hr/>
	100.00

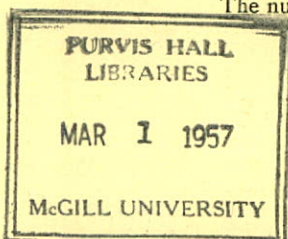
Geographical distribution of these assets was:

CANADA	UNITED STATES	BRITISH EMPIRE (excluding Canada)	FOREIGN (excluding U.S.A.)
77.15%	17.68%	2.30%	2.87%

The number of securities in your Corporation's portfolio totalled 182.

Respectfully submitted on behalf of the Directors,

NEY K. GORDON,  
*President.*



# LONDON CANADIAN INVESTMENT CORPORATION

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## BALANCE SHEET — DECEMBER 31, 1956

ASSETS		LIABILITIES	
INVESTMENTS AT COST, less investment reserve of \$2,719,296.....	\$5,612,584	SUNDRY LIABILITIES:	
		Accounts payable.....	\$ 1,500
		Federal and Provincial taxes.....	5,787
		Interest accrued on 4% Bonds....	6,667
		Due on delivery of securities purchased.....	49,463 \$ 63,417
On the basis of market quotations, the value of the securities owned by the Corporation at December 31, 1956, was \$9,700,914 of which \$1,724,800 represented U.S.A. securities and \$281,031 (£105,107) 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, 1956.		4% BONDS:	
		Authorized and issued.....	\$2,000,000
		Outstanding —	
		due June 1, 1959.....	2,000,000
CASH ON DEPOSIT.....	190,357	3% NOTES, UNSECURED (CLOSED ISSUE) DUE JANUARY 1, 1961....	375,440
ACCRUED INTEREST ON INVESTMENTS.....	17,637	CAPITAL STOCK:	
PREPAID TAXES.....	517	\$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, 1955....	\$1,265,711
		ADD:	
		Discount on 3% Notes purchased and cancelled during 1956.....	269
			\$1,265,980
		REVENUE SURPLUS—	
		Per accompanying statement.....	1,083,555 2,349,535
			\$5,821,095
SIGNED ON BEHALF OF THE BOARD:			
NEY K. GORDON, Director			
ARTHUR D. EMORY, Director			
	\$5,821,095		\$5,821,095

**REVENUE ACCOUNT**  
**For the Year Ended December 31, 1956**

Dividends received and interest received and accrued (less \$1,858 exchange discount).....	\$394,940	
Stock dividends received and sold.....	8,285	
	\$403,225	
LESS: United Kingdom, United States and other withholding taxes.....	13,708	\$389,517
Management expenses.....	\$24,355	
Directors' fees.....	7,083	
Fees and expenses of trustee, registrar and transfer agents.....	7,573	
Miscellaneous expenses.....	1,912	
Taxes, other than income taxes.....	1,759	
Staff Pension Plan, current premium.....	1,058	43,740
	\$345,777	
DEDUCT:		
Interest on Bonds.....	\$80,000	
Interest on Notes.....	11,271	91,271
	\$254,506	
Provision for taxes on income.....		8,000
		\$246,506
		\$246,506

**REVENUE SURPLUS**  
**As at December 31, 1956**

Balance, December 31, 1955.....	\$1,068,538	
Net Revenue for the year ended December 31, 1956.....	246,506	
	\$1,315,044	
DIVIDENDS PAID:		
on \$3 Cumulative Redeemable Preferred Shares.....	\$66,381	
on Class A Redeemable Shares.....	72,075	
on Common Shares.....	93,033	231,489
	\$1,083,555	
Revenue Surplus, December 31, 1956.....		\$1,083,555

**AUDITORS' REPORT TO THE SHAREHOLDERS**

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, 1956, 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 depositories.

We report that, in our opinion, the attached balance sheet as at December 31, 1956, is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

PRICE WATERHOUSE & CO.  
*Chartered Accountants.*

MONTREAL, February 14, 1957

COMPARATIVE REVENUE AND SURPLUS ACCOUNTS

Year ended December 31.....	1956	1955	1954	1953	1952
Gross Revenue less withholding taxes.....	\$ 389,517	\$ 371,538	\$ 348,522	\$ 328,256	\$ 330,776
Deduct: Expenses.....	43,740	40,598	39,807	40,530	38,987
Balance of Revenue.....	345,777	330,940	308,715	287,726	291,789
Deduct: Interest on Bonds and Notes.....	91,271	91,419	83,741	77,225	85,377
Net Revenue before income taxes.....	254,506	239,521	224,974	210,501	206,412
Deduct: Provision for income taxes.....	8,000	10,000	120	111	109
Net Revenue for the year.....	246,506	229,521	224,854	210,390	206,303
Balance Revenue Surplus brought forward.....	1,068,538	1,055,000	1,025,827	1,006,028	990,316
	1,315,044	1,284,521	1,250,681	1,216,418	1,196,619
Deduct: Dividends paid on:					
\$3 Cumulative Redeemable Preferred Shares.....	66,381	66,381	67,786	72,000	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	77,527	55,820	46,516	46,516
	231,489	215,983	195,681	190,591	190,591
Revenue Surplus.....	1,083,555	1,068,538	1,055,000	1,025,827	1,006,028

LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

REPORT

For Year Ended

December 31, 1956

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Eighth 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 Thursday the 4th day of April, 1957, 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, 1956;
- (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 28, 1957.

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.....	1956	1955	1954	1953	1952
Valuation of Assets.....	\$9,909,425	\$9,941,873	\$8,752,989	\$6,763,863	\$7,108,514
Deduct: Current Liabilities.....	63,417	32,200	15,779	6,968	17,059
Net Asset Value for Bonds.....	9,846,008	9,909,673	8,737,210	6,756,895	7,091,455
Deduct: Principal Amount of outstanding Bonds.....	2,000,000	2,000,000	2,000,000	2,000,000	2,300,000
Net Asset Value for Notes.....	7,846,008	7,909,673	6,737,210	4,756,895	4,791,455
Deduct: Principal Amount of outstanding Notes.....	375,440	377,940	391,560	422,360	453,200
Resultant Net Equity for Preferred Shares.....	7,470,568	7,531,733	6,345,650	4,334,535	4,338,255
Deduct: Preferred Shares on Basis of \$60 per Share.....	1,327,620	1,327,620	1,327,620	1,440,000	1,440,000
Resultant Net Equity for Class A Shares.....	6,142,948	6,204,113	5,018,030	2,894,535	2,898,255
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.....	5,061,823	5,122,988	3,936,905	1,813,410	1,817,130
Per Common Share (excluding those held for cancellation).....	14.21	14.38	11.05	5.06	5.07