

# LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

## 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

## OFFICERS

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

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

## REPORT OF THE DIRECTORS

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

Your Directors submit the Balance Sheet and Revenue Accounts of your Corporation for its twenty-seventh accounting period, the twelve months ended December 31, 1955. These statements have been certified by your auditors.

Valuation of assets of the Corporation at December 31, 1955, was \$9,941,872. During 1955 the Corporation purchased and cancelled \$13,620 principal amount of its 3% Notes.

The Revenue of your Corporation for 1955, after deduction of exchange discount and of United Kingdom, United States and other withholding taxes, was \$371,538. Expenses for the year were \$40,598. Deduction of these expenses, together with payment and accrual of \$91,419 Bond and Note Interest, left an amount of \$239,521, from which was deducted \$10,000 provision for taxes on income, leaving Net Revenue for the year of \$229,521. After bringing forward Balance of Revenue at December 31, 1954, of \$1,055,000 and deducting dividends paid of \$215,983, being \$3 per share on the Preferred Shares, \$3 per share on the Class A Shares and 25¢ per share on those Common Shares which carry the right to cash dividends, there remained a balance in Revenue Surplus of \$1,068,538 as of December 31, 1955.

Distribution of the valuation of assets of your Corporation at December 31, 1955, was as follows:

Canadian and Provincial Gov't. Bonds.....	7.58
Canadian Corporation Bonds and Debentures.....	6.75
Canadian and U.S. Corporation Convertible Bonds and Debentures and Notes.....	5.25
Foreign Bonds.....	1.62
Preferred and Class A Shares.....	10.65
Common Shares.....	67.33
Cash, etc.....	0.82
	100.00

Geographical distribution of these assets was:

CANADA	UNITED STATES	BRITISH EMPIRE (excluding Canada)	FOREIGN (excluding U.S.A.)
76.84%	17.90%	2.83%	2.43%

The number of securities in your Corporation's portfolio totalled 151.

Your Directors report with regret that at the close of the year the Honourable A. O. Crichton, a Director of this Corporation since its inception, requested to be relieved of his responsibilities as Director and as member of the London Advisory Board. He has been succeeded by his son, Mr. Michael H. Crichton, who has been elected a Director and has been appointed a member of the London Advisory Board.

Respectfully submitted on behalf of the Directors,

NEY K. GORDON,  
*President.*

**REVENUE ACCOUNT**  
For the Year Ending December 31, 1955

Dividends received and interest received and accrued (less \$1,751 exchange discount).....	\$377,008	
Stock dividends received and sold.....	14,838	
	<u>\$391,846</u>	
LESS: United Kingdom, United States and other withholding taxes.....	20,308	\$371,538
Management expenses.....	\$21,912	
Directors' fees.....	6,250	
Fees and expenses of trustee, registrar and transfer agents.....	7,288	
Miscellaneous expenses.....	2,062	
Taxes, other than income taxes.....	1,767	
Staff Pension Plan, current premium.....	1,319	40,598
	<u>\$330,940</u>	
DEDUCT:		
Interest on Bonds.....	\$80,000	
Interest on Notes.....	11,419	91,419
	<u>\$239,521</u>	
Net Revenue for the year before taxes on income.....		10,000
Provision for taxes on income.....		<u>\$229,521</u>
Net Revenue for the year.....		<u><u>\$229,521</u></u>

**REVENUE SURPLUS**  
As at December 31, 1955

Balance, December 31, 1954.....	\$1,055,000
Net Revenue for the year ending December 31, 1955.....	229,521
	<u>\$1,284,521</u>
DIVIDENDS PAID:	
on \$3 Cumulative Redeemable Preferred Shares.....	\$66,381
on Class A Redeemable Shares.....	72,075
on Common Shares.....	77,527
	<u>215,983</u>
Revenue Surplus, December 31, 1955.....	<u><u>\$1,068,538</u></u>

**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 ending December 31, 1955, 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 attached balance sheet as at December 31, 1955, 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 22, 1956

# LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

## BALANCE SHEET — DECEMBER 31, 1955

ASSETS		LIABILITIES	
INVESTMENTS AT COST, less investment reserve of \$2,053,329.....	\$5,695,418	SUNDRY LIABILITIES:	
		Accounts payable.....	\$ 1,708
		Federal and Provincial taxes.....	7,600
		Interest accrued on 4% Bonds....	6,667
		Amount due on delivery of securities purchased.....	16,225 \$ 32,200
On the basis of market quotations, the value of the securities owned by the Corporation at December 31, 1955, was \$9,860,198 of which \$1,789,653 represented U.S.A. securities and \$322,167 (£115,008) 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, 1955.		4% BONDS:	
		Authorized and issued.....	\$2,000,000
		Outstanding — due June 1, 1959.....	2,000,000
CASH ON DEPOSIT.....	62,728	3% NOTES, UNSECURED (CLOSED ISSUE) DUE JANUARY 1, 1961....	377,940
ACCRUED INTEREST ON INVESTMENTS.....	18,264	CAPITAL STOCK:	
PREPAID INSURANCE AND TAXES.....	682	\$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, 1954....	\$1,264,328
		ADD:	
		Discount on 3% Notes purchased and cancelled during 1955.....	1,383
			\$1,265,711
		REVENUE SURPLUS—	
		Per accompanying statement.....	1,068,538 2,334,249
			<u>\$5,777,092</u>
SIGNED ON BEHALF OF THE BOARD:			
NEY K. GORDON, <i>Director</i>			
ARTHUR D. EMORY, <i>Director</i>			
	<u>\$5,777,092</u>		<u>\$5,777,092</u>

**LONDON CANADIAN INVESTMENT  
CORPORATION**

(Incorporated under the Province of Quebec Companies Act)

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**R E P O R T**

*For Year Ended  
December 31, 1955*

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ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Seventh 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 22nd day of March, 1956, 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, 1955;
- (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 24, 1956.*

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

