



LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

DIRECTORS

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

JAMES H. GUNDY, C.B.E., LL.D.
CHARLES L. GUNDY
WILBERT H. HOWARD, C.B.E., K.C.
ALEXANDER FITZJAMES GRAHAM-WATSON

OFFICERS

ARTHUR D. EMORY, *Chairman of the Board*
NEY K. GORDON, *President*
JAMES H. GUNDY, C.B.E., LL.D., *Vice-President*

JOHN E. ARDRON, *Secretary and Treasurer*
ISABEL WATERHOUSE, *Asst. Sec. and Asst. Treas.*

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

REPORT OF THE DIRECTORS

To be submitted to the Shareholders at the TWENTY-SECOND ANNUAL GENERAL MEETING OF SHAREHOLDERS, to be held at the Offices of the Corporation, Montreal, P.Q., Canada, on Monday the 30th day of April, 1951, at 11.00 a.m.

Your Directors submit the Balance Sheet and Revenue Accounts of your Corporation for its twenty-second accounting period, the twelve months ended December 31st, 1950. These statements have been certified by your Auditors.

Valuation of assets of your Corporation at December 31st, 1950, was \$7,659,667.58.

The Revenue of your Corporation for 1950, after deduction of United Kingdom, United States and other withholding taxes, was \$338,343.78. Expenses for the year were \$39,040.97. These expenses, together with payment and accrual of \$82,875.00 bond interest, left an amount of \$216,427.81, from which was deducted \$118.37 for Provincial Income Tax, leaving Net Revenue for the year of \$216,309.44. After bringing forward Balance of Revenue at December 31st, 1949, of \$956,372.61 and deducting \$207,461.80 paid in dividends on the Corporation's 5% Cumulative Preferred Shares, equal to \$8.30 per share, there remained a balance in Revenue Surplus of \$965,220.25 as of December 31st, 1950.

Distribution of the valuation of assets of your Corporation at December 31st, 1950, was as follows:—

Canadian Gov't., Provincial and U.S. Gov't. Bonds.....	30.68%
Corporation Bonds.....	13.42%
Foreign Bonds.....	1.66%
Preferred Stocks including Class A Shares.....	7.90%
Common Stocks.....	45.18%
Cash, etc.....	1.16%
	<hr/>
	100.00%

Geographical distribution of these assets was:

CANADA	UNITED STATES	BRITISH EMPIRE (excluding Canada)	FOREIGN (excluding U.S.A.)
72.20%	18.76%	4.46%	4.58%

The number of securities in your Corporation's portfolio totalled 160.

The Corporation's Proposal for a Compromise or Arrangement was accepted by the shareholders of both classes at meetings held on March 19th, 1951. So far as the Preferred Shareholders were concerned, the holders of 17,608 shares voted for acceptance and two Preferred Shareholders, holding 375 shares, voted against acceptance. The vote of the Common Shareholders represented was unanimously for acceptance.

The Compromise or Arrangement must, before becoming effective, be sanctioned by a Judge of the Superior Court of the Province of Quebec and confirmed by Supplementary Letters Patent. The Judge has fixed March 30th, 1951, as the day for the hearing of the Corporation's application for approval. The above-mentioned dissenting shareholders have, pursuant to this order, been given notice of this hearing.

In the circumstances, the officers of the Corporation are advised that they may expect that the Compromise or Arrangement will become effective soon after March 30th next.

Respectfully submitted on behalf of the Directors,

ARTHUR D. EMORY,
Chairman of the Board.

REVENUE ACCOUNT
For the Year Ending December 31st, 1950

Dividends received and interest received and accrued (including \$1,440.75 in respect of arrears of preferred shares and \$7,951.48 U.S. exchange premium).....	\$356,520.90	
Stock dividends received and sold.....	6,045.86	
	\$362,566.76	
LESS: United Kingdom, United States and other withholding taxes.....	24,222.98	\$338,343.78
Management expenses.....	\$ 17,859.42	
Directors' fees.....	10,000.00	
Fees and expenses of trustee, registrar and transfer agents.....	5,467.08	
Miscellaneous expenses.....	2,530.34	
Taxes, other than income taxes.....	1,671.70	
Staff Pension Plan, current premium.....	1,512.43	39,040.97
		\$299,302.81
Interest on 3% Bonds.....		82,875.00
		\$216,427.81
Provincial income tax.....		118.37
Net Revenue for the year ending December 31st, 1950.....		\$216,309.44

REVENUE SURPLUS
As at December 31st, 1950

Balance, December 31st, 1949.....	\$ 956,372.61	
Net revenue for the year ending December 31st, 1950.....	216,309.44	
		\$1,172,682.05
Dividends paid on the 5% Cumulative Redeemable Preferred Shares amounting to \$8.30 per share.....	207,461.80	
Revenue Surplus, December 31st, 1950.....	\$ 965,220.25	

LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

BALANCE SHEET AS AT DECEMBER 31st, 1950

ASSETS	LIABILITIES
BONDS AND STOCKS AT COST, less investment reserve of \$941,354.62.....	SUNDRY LIABILITIES:
\$7,121,046.88	Account payable..... \$ 1,200.00
On the basis of market quotations, the value of the securities owned by the Corporation at December 31st, 1950, was \$7,570,975 of which \$1,440,998 represented U.S.A. securities and \$541,266 (£182,860) represented sterling securities. U.S.A. and sterling securities have been converted to Canadian funds at the rates of exchange quoted on December 30th, 1950.	Provincial income tax..... 118.37
CASH ON DEPOSIT.....	Interest accrued on 3% Bonds 6,750.00
60,893.51	Amount due on delivery of securities purchased..... 25,000.00
ACCOUNT RECEIVABLE.....	\$ 33,068.37
1,231.43	3% BONDS:
ACCRUED INTEREST ON BONDS.....	Authorized and issued... \$3,000,000.00
25,992.82	Outstanding—
PREPAID INSURANCE, TAXES, ETC.....	Serial bonds, due June 1st, 1951-53..... \$ 700,000.00
574.82	Due June 1st, 1954..... 2,000,000.00
EXPENSES PAID TO DECEMBER 31st, 1950, IN CONNECTION WITH PROPOSED REORGANIZATION	2,700,000.00
3,149.16	(Serial bonds mature to the extent of \$200,000 on June 1st, 1951, \$200,000 on June 1st, 1952 and \$300,000 on June 1st, 1953)
NOTE: No provision has been made for additional expenses incurred to December 31st, 1950, or which may be incurred, in connection with the proposed reorganization of the Corporation.	RESERVE FOR CONTINGENCIES..... 50,000.00
	5% CUMULATIVE REDEEMABLE PREFERRED SHARES OF \$100 PAR VALUE:
	Authorized—100,000 shares... \$10,000,000.00
	Issued — 40,000 shares... \$4,000,000.00
	Less: 15,354 shares purchased and cancelled..... 1,535,400.00
	24,646 shares outstanding..... 2,464,600.00
	Redeemable at any quarterly dividend date at \$105 per share. Dividends cumulated and unpaid amount to \$1,684,964.86, equivalent to \$68.37 per share.
	COMMON SHARES:
	Without nominal or par value—
	Authorized—400,000 shares
	Issued —350,000 shares 1,000,000.00
	(Includes 39,889 shares now held by Montreal Trust Company as a result of the cancellation of free stock warrants covering such shares; these shares are available for disposition by the Corporation)
	REVENUE SURPLUS:
	Per statement attached..... 965,220.25
<u>\$7,212,888.62</u>	<u>\$7,212,888.62</u>

SIGNED ON BEHALF OF THE BOARD:

ARTHUR D. EMORY, *Director*.

N. K. GORDON, *Director*.

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 31st, 1950, and have received all the information and explanations which we required. We verified the Corporation's investments either by inspection of securities or by certificates from the custodian, Montreal Trust Company; the cash on deposit was verified by confirmations received from the depositaries.

We report that, in our opinion, the above balance sheet as at December 31st, 1950, read in conjunction with the note thereto, 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.

MONTREAL, January 10th, 1951.

PRICE, WATERHOUSE & CO.,
Auditors.

LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

REPORT

*For Year Ended
December 31st, 1950*

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second 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 30th day of April, 1951, at the hour of 11 o'clock of 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, Statement of Revenue and Expenditure, Revenue Surplus and Report of the Auditors for the financial year of the Corporation ending December 31st, 1950;
- (b) To elect Directors for the ensuing year;
- (c) To appoint and fix the remuneration of the Auditors for the ensuing year; and
- (d) To transact such other business as may properly come before the Meeting.

By Order of the Board,

J. E. ARDRON,
Secretary.

THE ROYAL BANK BUILDING,
MONTREAL, P.Q.
March 28th, 1951.

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

