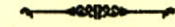
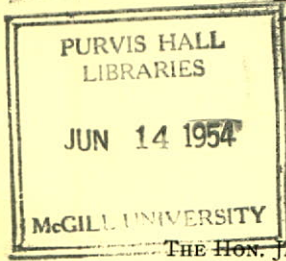


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LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)



DIRECTORS

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

NEY K. GORDON
JAMES H. GUNDY, C.B.E., LL.D.
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, Montreal, P.Q., Canada.

REPORT OF THE DIRECTORS

To be submitted to the Shareholders at the TWENTIETH ANNUAL GENERAL MEETING OF SHAREHOLDERS, to be held at the Offices of the Corporation, Montreal, P.Q., Canada, immediately following the Special General Meeting of Shareholders to be held on Tuesday, the 29th day of March 1949, at 11 a.m.

Your Directors submit the Balance Sheet and Revenue Account of your Corporation for its twentieth accounting period, the twelve months ended December 31st, 1948. These statements have been certified by your Auditors.

Valuation of assets of your Corporation at December 31st, 1948, was \$7,143,674.37.

The Revenue of your Corporation for 1948, after deduction of British, United States and other withholding taxes, was \$327,841.10. Expenses for the year were \$37,049.40. These expenses, together with payment and accrual of \$90,000.00 bond interest, left an amount of \$200,791.70, from which was deducted \$9,500.00 for Dominion and Provincial Income Taxes, leaving Net Revenue for the year of \$191,291.70. After deduction of \$147,205.75 paid in dividends on the Corporation's 5% Cumulative Preferred Shares, equal to \$5.75 per share, and of \$39,065.46 single premium for past services Staff Pension Plan, referred to in the next paragraph, there remained a balance in Revenue Surplus of \$947,003.61 as of December 31st, 1948.

Effective as of November 1st, 1948, United Corporations Limited, Investment Bond & Share Corporation, and your Corporation established a joint Pension Plan, on a contributory basis, covering employees of the three corporations. The required contribution in respect of the past services of the employees concerned was paid in full, your Corporation's share of this initial premium being \$39,065.46. Under this Plan, the annual premium payable by your Corporation will, subject to future staff and salary changes, amount to \$1,678.30.

A Special General Meeting of Shareholders of your Corporation is being called for the 29th day of March, 1949, for the purpose of considering and, if deemed fit, ratifying and approving Special By-Law B, enacted by your Directors, authorizing your Corporation's participation in this Pension Plan.

Distribution of the valuation of assets of your Corporation at December 31st, 1948, was as follows:—

Dominion, Provincial and U.S. Gov't. Bonds.....	33.17%
Corporation and Foreign Gov't. Bonds.....	7.77%
Preferred Stocks including Class A Shares.....	9.01%
Common Stocks.....	47.98%
Cash, etc.....	2.07%
	100.00%

Geographical distribution of these assets was:

CANADA	UNITED STATES	BRITISH EMPIRE (excluding Canada)	FOREIGN (excluding U.S.A.)
55.50%	31.59%	7.15%	5.76%

The number of securities in your Corporation's portfolio totalled 186.

Respectfully submitted on behalf of the Directors,

ARTHUR D. EMORY,
Chairman of the Board.

REVENUE ACCOUNT
For the Year Ending December 31st, 1948

Dividends received and interest received and accrued.....	\$348,369.73	
Stock dividends received and sold.....	12,751.67	
	\$361,121.40	
DEDUCT: British, United States and other withholding taxes.....	33,280.30	\$327,841.10
DEDUCT:		
Management expenses.....	\$ 17,926.23	
Directors' fees.....	8,750.00	
Trustee, registrar and transfer agents' fees and expenses.....	4,938.36	
Miscellaneous expenses.....	3,469.81	
Taxes, other than income taxes.....	1,685.28	
Staff Pension Plan, current premium.....	279.72	
	37,049.40	
		\$290,791.70
DEDUCT: Interest on 3% Bonds.....		90,000.00
		\$200,791.70
DEDUCT: Dominion and Provincial income taxes.....		9,500.00
Net Revenue for the year ending December 31st, 1948.....		\$191,291.70

REVENUE SURPLUS
As at December 31st, 1948

Balance, December 31st, 1947.....	\$ 941,983.12	
DEDUCT: Staff Pension Plan, past services.....	39,065.46	
	\$ 902,917.66	
ADD: Net revenue for the year ending December 31st, 1948.....	191,291.70	\$ 1,094,209.36
DEDUCT: Dividends paid on Preferred Shares—		
On February 12th, 1948, out of revenue surplus as at December 31st, 1947—\$4.25 per share.....	\$108,804.25	
On December 3rd, 1948, out of net revenue for the year ending December 31st, 1948—\$1.50 per share.....	38,401.50	
	147,205.75	
Revenue Surplus, December 31st, 1948.....		\$ 947,003.61

LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

BALANCE SHEET AS AT DECEMBER 31st, 1948

ASSETS	LIABILITIES
BONDS AND STOCKS AT COST, less Investment Reserve of \$888,814.41.....	\$7,423,181.69
On the basis of market quotations in the case of quoted securities and prices considered fair by the Directors in the case of securities not currently quoted, the value of the securities owned by the Corporation at December 31st, 1948, was \$6,995,488 of which \$702,909 (£174,853) represents sterling securities	
CASH ON DEPOSIT.....	124,757.56
AMOUNTS RECEIVABLE IN RESPECT OF SECURITIES SOLD.....	6,652.17
ACCRUED INTEREST ON BONDS.....	13,104.98
PREPAID INSURANCE, TAXES, ETC.....	3,671.66
	<u>\$7,571,368.06</u>
	SUNDRY LIABILITIES:
	Accounts payable..... \$ 1,200.00
	Dominion and Provincial Income Taxes..... 5,564.45
	Interest accrued on 3% Bonds..... 7,500.00
	\$ 14,264.45
	3% BONDS:
	Authorized... \$3,000,000.00
	Issued and outstanding—
	Serial bonds, due June 1st, 1949-53..... \$1,000,000.00
	Due June 1st, 1954..... 2,000,000.00
	3,000,000.00
	(Serial bonds mature to the extent of \$150,000 on June 1st, 1949, \$150,000 on June 1st, 1950, \$200,000 on June 1st, 1951, \$200,000 on June 1st, 1952, and \$300,000 on June 1st, 1953)
	RESERVE FOR CONTINGENCIES..... 50,000.00
	FIVE PER CENT CUMULATIVE PREFERRED SHARES OF \$100 PAR VALUE:
	Authorized—100,000 shares.. \$10,000,000.00
	Issued— 40,000 shares... \$4,000,000.00
	Less: 14,399 shares purchased and cancelled..... 1,439,900.00
	25,601 shares outstanding..... 2,560,100.00
	Redeemable at any quarterly dividend date at \$105 per share. Dividends cumulated and unpaid amount to \$1,873,139.83, equivalent to \$73.17 per share.
	COMMON SHARES-
	Without nominal or par value—
	Authorized—400,000 shares
	Issued —350,000 shares
	1,000,000.00
	(Includes 38,934 shares now held by Montreal Trust Company for disposition by the Corporation consequent upon the cancellation of free stock warrants covering such shares)
	REVENUE SURPLUS:
	Per statement attached..... 947,003.61
	<u>\$7,571,368.06</u>

APPROVED 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, 1948, 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 custodians; the cash on deposit was verified by confirmations received from the depositories. We report that, in our opinion, the above Balance Sheet as at December 31st, 1948, 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, February 9th, 1949.

PRICE, WATERHOUSE & CO.,
Auditors.

LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

REPORT

*For Year Ended
December 31st, 1948*

SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Shareholders of LONDON CANADIAN INVESTMENT CORPORATION will be held at the Head Office of the Corporation, Room 506, 360 St. James Street West, Montreal, P.Q., Canada, on Tuesday the 29th day of March, 1949, at the hour of 11 o'clock of the forenoon for the following purposes, namely:-

- (a) To consider and, if deemed advisable, sanction Special By-law B of the Corporation, enacted by the Directors, being a by-law authorizing the establishment by the Corporation, in conjunction with United Corporations Limited and Investment Bond & Share Corporation, of a Pension Plan for the employees of the Corporation and the said two other corporations, and
- (b) To transact such other business, if any, as may properly come before the Meeting.

ANNUAL GENERAL MEETING

NOTICE IS HEREBY FURTHER GIVEN that the Twentieth 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, immediately following the Special General Meeting of Shareholders to be held on Tuesday the 29th day of March, 1949, 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, 1948;
- (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.

February 25th, 1949.

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

