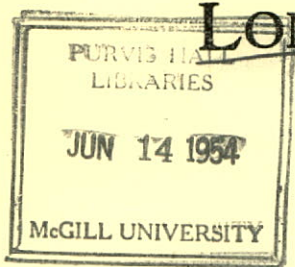
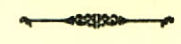


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# LONDON CANADIAN INVESTMENT CORPORATION

(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 NINETEENTH ANNUAL GENERAL MEETING OF SHAREHOLDERS, to be held at the Offices of the Corporation, The Royal Bank Building, Montreal, on Monday, the 12th day of April, 1948, at 11 a.m.*

Your Directors submit the Balance Sheet and Revenue Account of your Corporation for its nineteenth accounting period, the twelve months ended December 31st, 1947. These statements have been certified by your Auditors.

Valuation of the assets of your Corporation at December 31st, 1947, was \$7,387,265.09.

On June 1st, 1947, the Corporation called for redemption its then outstanding \$3,546,500 4½% Debentures, Series A, due June 1st, 1948, payable at the holder's option in New York funds. As of June 1st, 1947, the Corporation issued \$3,000,000 principal amount of Canadian-payment Serial Bonds maturing as indicated in the Corporation's Balance Sheet.

The Revenue of your Corporation for 1947 was \$324,336.47 after deduction of British, United States and other withholding taxes. Expenses for the year, including management expenses (\$22,219.89), Directors' fees (\$9,375.00), etc., were \$38,020.33. To the latter amount there must be added interest on funded debt (\$120,073.98) and U.S. exchange thereon (\$451.69) and Dominion and Provincial Income taxes paid and provided for (\$8,000.00), making a total expenditure of \$166,546.00, leaving a balance of \$157,790.47 to be added to the balance of Revenue Surplus \$1,146,533.49 as at December 31st, 1946, making a total credit of \$1,304,323.96. From this amount there was deducted \$233,863.34 premium on redemption of 4½% Debentures, expenses of issue of the new 3% Bonds, and \$128,477.50 paid in dividends during 1947 on the Corporation's 5% Cumulative Preferred Shares, equal to \$5 per share, leaving a final balance of \$941,983.12 at the credit of Revenue Surplus Account at December 31st, 1947.

To reduce to the minimum your Corporation's liability for 1947 income tax, a dividend of \$4.25 per share was declared on February 9th, 1948, on the Preferred Shares of the Corporation out of distributable net revenue for 1947.

Prior to the redemption of its 4½% Debentures, Series A, the Corporation during 1947 had purchased \$99,000 principal amount of the Debentures and 349 of its 5% Cumulative Preferred Shares. These Debentures and Shares were cancelled. Inasmuch as free stock warrants attached to cancelled Debentures and Preferred Shares were concurrently cancelled, 38,934 fully paid Common Shares, which were held by Montreal Trust Company in trust for the holders of these free stock warrants, are now held by Montreal Trust Company available for cancellation or for such other disposition as the Directors may decide is in the best interest of the Corporation.

Distribution of the valuation of assets of your Corporation at December 31st, 1947, was as follows:—

Cash and U.S. Treasury Notes.....	18.20%
Dominion of Canada and U.S. Gov't. Bonds.....	17.64%
Corporation and Foreign Gov't. Bonds.....	5.16%
Preferred Stocks.....	9.67%
Common Stocks.....	48.64%
Other Assets.....	.69%
	100.00%

Geographical distribution of these assets was:

CANADA	UNITED STATES	BRITISH EMPIRE (excluding Canada)	FOREIGN (excluding U.S.A.)
51.38%	33.57%	7.75%	7.30%

The number of securities in your Corporation's portfolio totalled 166.

The Directors also have to report with deep regret the loss sustained by the Corporation by the death during the year of Alfred J. Mitchell, a Director of the Corporation since its inception.

Respectfully submitted on behalf of the Directors,

ARTHUR D. EMORY,  
*Chairman of the Board.*

**REVENUE ACCOUNT**  
**For the Year Ending December 31st, 1947**

Dividends received and interest received and accrued . . . . .	\$355,909.15	
Stock dividends received and sold . . . . .	961.16	
	\$356,870.31	
DEDUCT: British, United States and other withholding taxes . . . . .	32,533.84	\$324,336.47
DEDUCT:		
Management expenses . . . . .	\$ 22,219.89	
Directors' fees . . . . .	9,375.00	
Trustee, registrar and transfer agents' fees and expenses . . . . .	3,756.14	
Miscellaneous expenses . . . . .	1,983.47	
Taxes, other than income taxes . . . . .	685.83	
	38,020.33	
		\$286,316.14
DEDUCT:		
Interest on 4½% Gold Debentures . . . . .	\$67,573.98	
(redeemed June 1st, 1947)		
U.S. exchange premium thereon . . . . .	451.69	
	\$ 68,025.67	
Interest on 3% Bonds . . . . .	52,500.00	
(issued as of June 1st, 1947)		
	120,525.67	
		\$165,790.47
DEDUCT: Dominion and Provincial income taxes . . . . .		8,000.00
Net Revenue for the year ending December 31st, 1947 . . . . .		\$157,790.47

**REVENUE SURPLUS**  
**As at December 31st, 1947**

Balance, December 31st, 1946 . . . . .		\$1,146,533.49
ADD: Net revenue for the year ending December 31st, 1947 . . . . .		157,790.47
		\$1,304,323.96
DEDUCT:		
Premium on redemption of Series A, 4½% Gold Debentures, and expenses in connection with issue of 3% Bonds, as of June 1st, 1947 . . . . .	\$233,863.34	
Dividends paid on Preferred Shares—		
As of February 27th, 1947, out of revenue surplus as at December 31st, 1946—\$3.50 per share . . . . .	\$90,076.00	
As of October 31st, 1947, out of net revenue for the year ending December 31st, 1947—\$1.50 per share . . . . .	38,401.50	
	128,477.50	
		362,340.84
Revenue Surplus, December 31st, 1947 . . . . .		\$ 941,983.12

# LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

## BALANCE SHEET AS AT DECEMBER 31st, 1947

ASSETS	LIABILITIES
BONDS AND STOCKS AT COST, less Investment Reserve of \$1,099,816.15 . . . . .	INTEREST ACCRUED ON 3% BONDS . . . . . \$ 7,500.00
\$6,203,969.09	ACCRUED LIABILITY . . . . . 1,000.00
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, 1947, was \$6,030,651.06 of which \$839,790.88 (£208,903.4.3) represents sterling securities.	3% BONDS:
CASH ON DEPOSIT AND UNITED STATES TREASURY NOTES . . . . .	Authorized . . . \$3,000,000.00
1,344,329.26	Issued and outstanding—
ACCRUED INTEREST ON BONDS AND UNITED STATES TREASURY NOTES . . . . .	Serial bonds, due June 1st, 1949-53 . . . . . \$1,000,000.00
10,565.92	Due June 1st, 1954 . . . . . 2,000,000.00
DOMINION OF CANADA INCOME AND EXCESS PROFITS TAXES RECOVERABLE (NET) . . . . .	3,000,000.00
871.39	(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)
PREPAID INSURANCE AND TAXES . . . . .	RESERVE FOR CONTINGENCIES . . . . . 50,000.00
847.46	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 \$1,892,340.58, equivalent to \$73.92 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 . . . . . 941,983.12
<u>\$7,560,583.12</u>	<u>\$7,560,583.12</u>

APPROVED ON BEHALF OF THE BOARD:

ARTHUR D. EMORY, *Director.*

N. K. GORDON, *Director.*

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of London Canadian Investment Corporation for the year ending December 31st, 1947, 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 depositaries. We report that, in our opinion, the above Balance Sheet as at December 31st, 1947, 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 12th, 1948.*

PRICE, WATERHOUSE & CO.,  
*Auditors.*

# LONDON CANADIAN INVESTMENT CORPORATION

(Incorporated under the Province of Quebec Companies Act)

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## REPORT

*For year ending  
December 31st, 1947*

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NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Shareholders of London Canadian Investment Corporation will be held at the Offices of the Corporation, The Royal Bank Building, 360 St. James Street West, Montreal, P.Q., Canada, on Monday, the 12th day of April, 1948, at 11 a.m. 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, 1947.
- (b) To elect Directors for the ensuing year;
- (c) To appoint and fix the remuneration of 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 2nd, 1948.*

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

