## TO THE PRESIDENT AND DIRECTORS OF THE PROVINCIAL INSURANCE COMPANY.

Gentlemen,

It is with much pleasure that your Auditors at length find themselves in a position to announce the completion of their examination of the Books of the Provincial Insurance Company for the year ending June 30th, 1857.

In explanation of the delay which has arisen in furnishing a correct statement of the Company's affairs, it may be mentioned that in previous Reports presented by your Auditors they found it necessary to call attention to the fact that several important accounts had been altogether unchecked for a number of years, in fact, so far as appears, not since the commencement of the Company, it having been the custom, in the preparation of the Annual Statements, to take the Ledger Balances as correct, without any comparison being made between such balances and the respective actual amount of Assets in the hands of the Company or Liabilities outstanding against it. When it is stated that the accounts thus unproven comprise the Bills Receivable, Bills Payable, Marine Premium Notes, and Fire and Marine Liabilities in the Proprietary Branch and the Liabilities account in the Mutual Branch, it will at once be evident to what an extent errors might have been reasonably anticipated in accounts of such magnitude so long uninvestigated, and that the complete examination of them ordered to be made at the last Annual Meeting of the Shareholders could not but be a work requiring considerable time. In the adjustment of these accounts which has been made by the officers of the Company, errors and omissions, involving large sums both for and against the Company, have been discovered and rectified; they are now, however, with one trifling exception, believed to be correct, and Schedules showing the individual items composing each account have been prepared.

It may also be proper to mention that in previous years the Stataments of the Company, prepared in accordance with the