

REPORT OF THE DIRECTORS
OF THE
Canada Permanent Building and Savings' Society,
OF
THE TRANSACTIONS OF THE SOCIETY,
FOR THE YEAR ENDING JANUARY 31st, 1857.

Having arrived at the period when by the Rules of the Society it becomes their duty to lay before the Shareholders a Report of the operations of the Society, the Board of Directors submit herewith, full statements of the Receipts and Expenditure of the Association during the past financial year, together with the existing Assets and Liabilities, and other memoranda, to which the attentive consideration of the Stockholders is requested.

It is with pleasure that the Directors announce that these returns will be found to manifest a marked and most gratifying advancement in every branch of the business of the Institution.

At the date of the last Report the number of shares held was 6994. The number of new shares subscribed for during the past year was 5541; and there were purchased by the Society 601; redeemed 3; matured 1, and forfeited 24; leaving the net increase on the year 4881, and the total number of shares now existing 11874. Of these 3371, amounting to £33,750 have been advanced on mortgage security, and 8501 representing a subscribed capital of £85,025 remain as investing shares. Having continued the system of allowing a remunerative discount to persons who preferred paying up their shares in full, several members have availed themselves of it, and the number of such shares now amounts to 984.

From £1,000 per month the income of the Society from members has steadily increased to £1,750—the amount at the present time. Notwithstanding the general stringency of the money market the Deposit branch of the Company's business exhibits a net increase of more than fifty per cent. on that account during the past year. The Board have continued to exercise great caution in the selection of Properties offered in pledge for Loans, and they are again enabled to state that the Society holds abundant Real Estate as security, for all advances made, while the comparatively small amount of arrears proves that the engagements entered into by borrowers have been generally met with punctuality.

As affording an additional safeguard against the possibility of inconvenience in the event of an unusual demand being made on the funds of the Society, it has been deemed expedient to invest a portion of the money deposited for accumulation, in a security readily available at any time, and accordingly 176 shares in the stock of the Bank of Upper Canada have been purchased for, and are held by the Society.

The result of the operations thus briefly referred to, is shown in the amount standing to the credit of the Shareholders as Profit realized, being equal to 18 per cent. per annum compound interest on the invested capital—and although it would be premature to state that such a rate of interest will be maintained, the Directors are not aware of any reason for supposing that any considerable diminution for some time is probable. It may be satisfactory to the members to be informed that their shares are intrinsically worth what is stated to be their present value, actually realized profits only being estimated, and although by the General Act of Parliament under which Building Societies are incorporated, members are not allowed to receive any interest or dividend on their shares, unless in case of withdrawal, until the time when their shares mature, the Profits of the Society being compounded monthly, makes it equivalent to their being paid to the Shareholder every month, and by him reinvested without expense or loss of time at the same high rate of interest, a consideration which, if estimated at its real value, is a very important one to investors.

Being now firmly established, with a large capital and steadily increasing resources, the position of the Stock of the Society will compare favorably with that of any of the monetary institutions of the Province, the chief elements of a desirable investment, *security*, advances being made on ample real estate only, *availability*, in being always convertible into money either by transfer, or sale on short notice to the Society, and *large ultimate profit*, being combined to an extent to which few investments can lay claim.

While the advantages presented to Capitalists are not inconsiderable, especially as a means of accumulation by frequent periodical payments, to those who are able to withdraw from their present resources, large or small sums for future requirements, the system of the Society seems peculiarly adapted; and whether the object contemplated be to relieve incumbered property, to acquire real estate, to enable young men to commence business, to make provision for old age, or any of the other beneficial purposes in which a cash fund may be judiciously employed, it would be difficult to indicate a more satisfactory method for its attainment than by investing shares in this Association.

JOSEPH D. RIDOUT,
PRESIDENT.

J. HERBERT MASON,
Secretary.