

Outstanding fire losses.....	£45,088 15 8
Sundry creditors.....	2,175 2 3
	47,263 17 11
Bills payable.....	5,187 1 7
Unclaimed dividends.....	47 10 10
	£338,944 6 0

£ s. d.

Investments:—

*In United States, Canadian and Austrian Government securities.....	151,868 13 0
Colonial Gov't securities....	62,638 15 0
Foreign Gov't securities....	15,363 12 10
Indian railway guarantee stock.....	10,726 1 1
English railway preference stock.....	12,443 17 6
Mortgages on property within the United Kingdom.....	7,410 0 0
Cash on deposit..£2,000 0 0	
Cash at bankers and in hand....	7,931 4 5
	9,931 4 5
Bills receivable.....	1,851 17 6
Branch and agents' balances..	61,445 8 11
Interest accrued.....	2,890 6 9
Furniture and fittings at head office and branches.....	2,374 9 0
	£338,944 6 0

The Chairman, Sir Henry Edward Knight, in his speech, before moving the adoption of the accounts, gave a full statement of the company's position and prospects, from which the following remarks as to the financial strength of the company, are extracted:—

With regard to the balance-sheet, I should like to refer to the amounts invested, because on previous occasions I have always drawn your attention to that. I am happy to tell you that we have again got an increase in the amounts of cash in hand. Our investments are £270,000 this year, as against £261,000 the year before that. This shows you that we have paid our way and still have been able to put aside a little, to add to the strength of our reserve, and to put the company in a stronger and better position.

I would like now to dwell upon the general position of the company, and to tell you how we stand. We have a reserve of £50,000. After paying the dividend we propose to pay if you approve of it, we shall carry forward a balance of £30,000. The securities, if they are sold, would realise £9,000 more than they stand at in our balance-sheet, so that we have no less than £89,000 substantial money carried forward to meet our outstanding liabilities. That, you may take it from me, although it is not the favorite figure of one-third, is amply sufficient to meet all your outstanding liabilities. You may depend upon it that without having to trench upon your capital you have ample funds to meet these liabilities. Altogether, this may be said to be a very satisfactory position for the company to stand in; and, especially when you compare it with other new companies which started about the same time as we did, you will not hesitate to say that the result is eminently satisfactory. Comparing, too, our position with those of older companies when they were five years old, you will find that we stand in an eminently better position than very many of those companies did. I can only say it is a great consolation to my mind to think I can come before you with such an excellent state of affairs as compared with some of those companies.

We have had the good fortune to add to our board my friend on the right, Mr. Burt, whose name is of world-wide renown, and a gentleman from whom the directors have already received the full benefit from his advice and co-operation, which they thought they would receive when they invited him to take a seat on our board.

The following editorial remarks are from the London (Eng.) *Insurance Review*:—"It has been very properly observed by the chairman, Sir Henry Knight, whose experience and whose business sagacity are second to none in the city of London, that the office is still a young one, and that the expenses will gradually decrease as the business increases. He might have added, that with increased experience and with increased age the percentage of loss will decrease also. The investments of the

company stand at £270,000 in 1886, as against £261,000 in 1885. This, as has properly been observed, shows that the company has paid its way, and still has been able to add a little to the strength of the reserve. The most important point which the shareholders must bear in mind is, that the experience of the company now results in a large increase of the premiums, and in a considerable reduction in the amount insured on each particular risk. That the extra premiums received during the year run a long way towards meeting the extra loss sustained by the Galveston fire is not the least satisfactory feature of this very satisfactory report. The company enters its sixth year with a premium income of £320,000 per annum; and, by the wisdom of its management, and its shareholders in being content with a very small dividend to begin with, it is insuring that the future dividends will be such, as will make the present investments not merely progressively profitable, but permanently sound."

THE LAMBTON LOAN AND INVESTMENT COMPANY.

The annual meeting of the Lambton Loan and Investment Company was held in the Company's office, Sarnia, Ont., on Tuesday, 6th July. President D. Mackenzie in the chair. A large number of shareholders was present.

The assistant manager, Mr. A. C. Clark, read the annual report and statement, which appear below.

REPORT.

Your directors have much pleasure in submitting their annual statement and report for the year ending 30th June, 1886, which exhibits a very satisfactory result of the year's business. Owing to the continued depreciation in the value of money, your directors have considered it prudent to reduce the year's dividend by a half of one per cent.

The profits of the year, after deducting all expenses of management, as well as interest on deposits and debentures, have enabled them to pay two half-yearly dividends of 4½ and 4 per cent.; or at the rate of 8½ per cent. per annum, and carry to Reserve \$15,000, including \$6,620 received for premium on stock, which Reserve now amounts to \$115,000; and have also added to Contingent Fund \$64.70, which fund now amounts to \$2,456.17, and which, together, amount to over 30 per cent. of the capital stock.

During the year the building now occupied by the company was offered for sale by the trustees of the Cameron estate, and your directors feeling the necessity of providing fire-proof vaults for the better protection of the books, papers and securities of the company, as well as the necessity for increased office accommodation for the greatly enlarged business done by the company, purchased the same, and under the supervision of a competent architect rebuilt and improved the premises. We have now permanent offices in the most central business portion of the town.

During the year it was found necessary to issue more new stock to the amount of \$33,100 at a premium of 20 per cent., which was at once subscribed for, and the premium received, \$6,620, carried to Reserve Fund. Over 40,000 was paid upon stock during this year, which now stands at \$400,000, of which \$387,185.71 is paid up.

Your directors have kept in view the necessity of increasing the paid-up capital stock of the company, so as to keep within the requirements of the law; and have succeeded in raising the paid up stock and Rest to the sum of \$502,182.75, which now exceeds the amount held by us on deposit.

Your directors cannot give a better idea of the great increase of business done by our company than by stating that in the last seven years our paid up stock has increased by 260 per cent., our deposits by 450 per cent., our loans by 500 per cent., our reserve by 675 per cent., all of which affords gratifying evidence of the increasing popularity of our company with both borrowers and lenders.

The books and accounts of the company have been carefully examined by the auditors. The following directors retire and are eligible for re-election:—Alexander Johnston, E. Watson, James Symington, A. C. Clark, William Cowan.

All of which is respectfully submitted.

D. MACKENZIE, President.
R. S. GURD, Managing Director.
A. C. CLARK, Assistant Manager.

FINANCIAL STATEMENT FOR THE YEAR ENDING 30TH JUNE, 1886.—CASH ACCOUNT.

Receipts.

Cash on hand, July 1st, 1885....	\$ 1,988 66
Stock.....	40,498 21
Repayment of loans.....	220,167 22
Deposits.....	635,854 96
Debentures.....	61,450 00
General interest.....	1,662 60
Premium on stock.....	6,620 00
Bank overdraft.....	10,906 23
Special deposit with bank withdrawn.....	20,500 00
	\$999,647 88

Disbursements.

Repaid bank overdraft of July 1st, 1885.....	\$ 15,044 96
Loans.....	285,927 37
General interest.....	94 77
Deposits withdrawn.....	629,220 65
Interest on deposits.....	21,467 15
Expenses—	
Salaries.....	\$ 2,200 00
Directors' and auditors' fees.....	384 00
Taxes.....	714 07
Refitting office.....	467 29
Other expenses.....	790 09
	4,555 45

Dividends—	
December 31st, 1885..	\$15,893 28
June 30th, 1886.....	15,108 25

	31,001 53
Commission on loans.....	189 75
Debenture interest.....	453 40
Office premises.....	10,000 00
Office furniture.....	150 00
Cash on hand.....	1,542 85

BALANCE SHEET.

Assets.

Loans.....	\$1,072,328 62
Cash on hand.....	1,542 85
Office furniture.....	1,000 00
Office premises.....	8,000 00
	\$1,082,871 47

Liabilities.

Stock paid up.....	\$ 387,185 71
Deposits.....	499,370 43
Reserve fund.....	115,000 00
Contingent fund.....	2,456 17
Bank overdraft.....	10,906 23
Debentures.....	66,550 00
Debenture interest.....	1,402 93
	\$1,082,871 47

PROFIT AND LOSS.

Dr.

Interest on debentures Dec. 31st, 1885.....	\$ 476 77
Interest on debentures June 30th, 1886.....	1,359 71
Interest on deposits.....	21,467 15
Dividends, Dec. 31st, 1885.....	15,893 28
Dividends, June 30th, 1886.....	15,108 25
Commission on loans.....	189 75
Expenses.....	4,555 45
Office furniture (written off)....	100 00
Office premises (written off)....	2,000 00
Carried to reserve fund.....	15,000 00
Carried to contingent fund.....	64 70
	\$76,215 06

Cr.

Premium on stock.....	\$ 6,620 00
General interest.....	1,567 83
Interest on loans, paid.....	30,793 95
Interest on loans, accrued.....	37,233 28
	\$76,215 06

Messrs. F. W. Kittermaster and D. W. Johnston having been appointed scrutineers, the election of Directors was held, resulting in the re-election of the following retiring Directors:—

A. Johnston, Jas. S. Symington, Wm. Symington, E. Watson, A. C. Clark and Wm. Cowan.

The President, in moving the adoption of the report, said that the showing there presented was most creditable to the management. It was also creditable to the district that it should possess so stable and well-managed an institution. While the interests of the stockholders were carefully looked after, borrowers were fairly and leniently dealt with, which, no doubt helped to account for the company's remarkable success.

Mr. John Paul seconded the motion, which was carried.

* These securities are deposited in the United States, in Canada, and in Austria, under local laws for the security of policy-holders in those countries.