

CANADA PERMANENT

LOAN AND SAVINGS COMPANY.

ANNUAL MEETING.

The Thirty-fifth Annual General Meeting of Shareholders of this Company was held on Wednesday, the 19th inst., in the Company's building, Toronto Street, the President, J. Herbert Mason, Esq., in the chair.

The report of the Directors for the year 1889 is as follows:

The Board of Directors have much pleasure in submitting for the information of Shareholders the usual duly audited statements of the business of the past year, and of the condition of the Company on 31st December, 1889.

From these statements it will appear that the aggregate transactions again exceed, by a considerable sum, those of any previous year.

There were received on account of mortgage loans \$2,310,989, and loans to the amount of \$2,255,933 were granted. The total sum invested in mortgages and debentures at the close of the year was \$11,029,658.

The amounts accepted by the Company for investment were: On deposit, \$513,541; on debenture, \$985,889; and on debenture stock, \$82,392. The net increase in these items was \$614,074.

The total assets exhibit an increase of \$678,716, and at the end of the year amounted to \$11,265,335.

The demand for money was good, enabling the Directors to keep the largely augmented funds of the Company always well employed. The average rate of interest was about the same as in the year previous. In the last few months the money market generally became more stringent, and a slight advance in lending rates took place.

The customary half-yearly dividends of six per cent. each, were declared on the enlarged capital stock. After also charging the Revenue Account with the Shareholders' income tax on dividends, and providing for all items of expense and loss, as well as anticipating possible deductions on properties held for sale, the sum of twenty thousand dollars has been added to the Reserve Fund, which now amounts to \$1,340,000. The Contingent Fund of \$111,415 is considered amply sufficient to protect the Reserve Fund, and guard against any diminution in value not at present foreseen.

From general causes affecting the products of agriculture in Europe and in the United States of America, as well as in Canada, there exists a considerable depression in the market value of farming lands in all these countries. Since the disappointing results of the last harvest of cereals in Ontario and Manitoba became manifest, this depression has become still more decided. Notwithstanding this, the property in the hands of the Company for sale is less than it was in previous years, when the amount invested was much smaller. It is hoped that more favourable climatic conditions, followed by more abundant crops, may reward the labours of husbandmen during the coming season.

It is with deep regret that the Directors record the demise of an esteemed member of the Board, Mr. William Gooderham. To their appreciation of his earnest interest in the Company's welfare, the Directors desire to join their testimony to his well-known high character as a Christian philanthropist. Mr. William G. Gooderham was elected to fill the vacancy at the Board.

All which is respectfully submitted.

J. HERBERT MASON, President.

FINANCIAL STATEMENT.

CASH ACCOUNT FOR THE YEAR 1889.

RECEIPTS.	
Balance January 1st, 1889	\$168,870 21
Mortgages and other securities	2,310,989 27
Deposits	\$513,541 01
Debentures	985,889 44
Debenture stock	82,392 66
Capital stock (balance of last issue)	1,581,823 11
Rentals	791 44
Exchange	6,703 36
	696 84
	\$4,089,874 23

EXPENDITURE.	
Loans on real estate	\$2,255,933 79
Loans on other securities	21,060 00
Municipal debentures purchased	\$2,276,383 79
Deposits repaid	11,687 06
Debentures repaid	459,812 89
Interest on deposits, debentures, etc.	507,835 78
Dividends on capital stock	264,480 48
Municipal tax on dividends	287,991 00
Disbursements chargeable to mortgages	3,502 50
Repayments for and on account of mortgages	67,244 85
Company's building	2,393 99
Charges on money borrowed and lent	698 40
Cost of management, including branch office	30,654 71
Legal expenses	56,589 61
Balance	504 36
	119,114 63
	\$4,089,874 23

PROFIT AND LOSS.	
Fifty-eighth dividend	\$150,000 00
Fifty-ninth dividend	150,000 00
Municipal tax on dividends	3,802 50
Reserve fund, addition thereto	20,000 00
Contingent fund, December 31st, 1889	111,415 99
	\$435,218 49
Contingent fund, January 1st, 1889	\$114,089 97
Net profits, after providing for interest on deposits, debenture stock and debentures, cost of management, estimated deductions, etc.	321,128 52
	\$435,218 49

ABSTRACT OF ASSETS AND LIABILITIES.

LIABILITIES TO THE PUBLIC.	
Deposits	\$1,018,649 17
Debentures—sterling (£995,980)	4,847,102 47
Debentures—currency	510,180 08
Debenture stock—sterling (£118,780)	578,062 66
Interest due and accrued	185,870 67
Sundry accounts	16,558 36
Due banks	7,500 00
	\$7,106,903 41

LIABILITIES TO SHAREHOLDERS.

Capital stock paid up	\$2,000,000 00
Capital stock (\$2,500,000, 20 per cent. paid)	500,000 00
	2,500,000 00
Reserve fund	\$1,340,000 00
Contingent fund	111,415 99
	1,451,415 99
Dividends unclaimed	\$ 15 60
Fifty-ninth dividend declared	150,000 00
	150,015 60
	\$11,265,335 00

ASSETS.

Mortgages upon real estate	\$10,794,231 00
Mortgages upon other securities	15,147 00
	\$10,809,378 00
Municipal debentures	220,250 42
Company's building	115,063 95
Accrued rentals	1,498 00
Cash on hand	\$ 2,812 67
Cash in banks	116,301 96
	119,114 63
	\$11,265,335 00

GEO. H. SMITH, Secretary.

We, the undersigned, beg to report that we have made the usual thorough examination of the books of the Canada Permanent Loan and Savings Company for the year ending 31st December, 1889, and hereby certify that the above statements are strictly correct, and in accordance with the same. The books of the Manitoba Agency have been inspected by an officer especially deputed for that purpose.

J. E. BERKELEY SMITH, } Auditors.
JOHN HAGUE, F.S.S., }

Toronto, 7th Feb., 1890.

The President said:

GENTLEMEN,—In moving the adoption of the Directors' Report and Financial Statements for the past year, it is not necessary that I should detain you with any lengthened remarks. The Company's annual statements are very full, containing not only the results of the year's operations, but also showing the business done.

Remarks have been made about our adhering to the old plan of publishing a Cash Statement, a practice which some Companies have discontinued. There are two reasons for this. In the first place, I think that statement conveys important information to the Stockholders which does not appear in the Profit and Loss Account and Balance Sheet, which are a record of results only; and, in the second place, the General Act under which we are incorporated makes it imperative that a Statement shall be presented to the Shareholders, at least once every year, containing an account of all moneys received or expended since the publication of the preceding Statement, and that a copy shall be furnished to the Shareholders free of charge; so that, in adhering to the old form of Statement, we are simply complying with the terms of the Act.

Among our receipts the Shareholders will, I am sure, be struck by the large amount received on account of mortgages. The payments made by our customers last year were most satisfactory—never better—and speak well for the general character of our investments. They will also be struck by another large item—the sum we received on sterling debentures and debenture stock, amounting to more than a million dollars, none of it costing more than four per cent. per annum, and some less. No more satisfactory evidence than this can be afforded of the high position the Company holds in the market where we obtain our funds.

Among the items of expenditure it will be seen that we did a large business in the way of lending last year. The demand for money throughout the year was good, and we were able to select our securities. There was no necessity for trenching upon our lines either in regard to the class of securities, or to the proportion of the value we lent upon them.

Another item in the expenditure I wish to advert to is the "Cost of management." That item exhibits an increase of about \$8,000 over last year. It is right that you should know that there is no such actual increase in expense. The apparent increase arises from the fact that last year we organized a branch for conducting our business in Winnipeg, taking an office of our own, and paying the officers fixed salaries instead of commission. Thus the expenses that appeared before in the shape of "inspection," and "charges on money borrowed and lent," last year went into the general expense account. You will see that the aggregate of the expense items is about \$9,000 less than in the previous year.

We began last year with \$200,000 more than in the previous year of Stockholders' capital, upon which to earn dividends. The dividend on that new capital took \$24,000 out of the revenue of the year. I need scarcely inform you that the profit-making power of a Loan Company very much depends upon the proportionate amount of its borrowed funds, and the rate at which it is able to obtain these funds. If we had only our Stockholders' capital to work with, there would be no twelve per cent. dividends nor anything approaching them. Last year we had this \$200,000 of additional capital, and at first had not the profit-making borrowed money upon which to earn that dividend. It was, however, made up during the year. We begin this year with a revenue-earning power \$600,000 greater than we had last year, and we have no larger amount of stock capital to pay dividends upon. I think it well to point this out, because but for it we might have been able to carry something more than we did to the Reserve Fund.

The average rate of interest during the preceding year, as stated in the report, was maintained. In the Directors' Report for 1888 reference was made to the fact that money was now down to the lowest point at which it could be imported and lent here. That statement has been sustained by the experience of last year. I do not anticipate a return to the high rates of olden times, but I do think they cannot long remain below what money can be imported at, so as to leave a fairly remunerative profit to those who incur the responsibility of bringing it to this country, and the risk and expense of investing it.

The same close inspection of properties and rigid scrutiny into the value of securities remaining in our hands has been carried out this year as in previous years. We had hoped for an improvement in Manitoba, which has not to any great extent taken place; and we were met by a further depression in Ontario, which had to be provided against. Wherever there is the slightest reason to anticipate any loss in realizing upon our securities they have been written down. We do not leave the writing off of a probable loss until it is made, but look ahead and provide for it out of the current year's revenue.

On the whole, I think the Shareholders may be congratulated on the satisfactory result of the year's business, and on the unquestionably strong position the Company has now attained. The anticipations which I expressed here last year, as to the earnings of the Company, and, as far as we can foresee, of the permanence of our dividend, have been confirmed by what has taken place during the year. The revenue-earning power of the Company is greater to-day than it was a year ago.

These are the only points, gentlemen, that I consider it necessary to call your attention to. If any Shareholder present would like information upon any point not touched upon, I shall be very happy to furnish it as far as I may be able.

The Vice-President, E. Hooper, Esq., seconded the resolution.

The report of the Directors was unanimously adopted, as also were votes of thanks to the President, Directors, Officers and Agents of the Company.

The retiring Directors, Messrs. Edward Hooper, A. M. Smith, Ralph K. Burgess, and William G. Gooderham, were unanimously re-elected.

At a subsequent meeting of the Board, Messrs. J. Herbert Mason and Edward Hooper were respectively re-elected to the offices of the President and Vice-President.

BRITISH AMERICA ASSURANCE CO.

ANNUAL REPORT, 1889.

The Annual Meeting of the Stockholders of this Company was held in the Company's office, Front Street, on Wednesday, the 19th inst., the Governor, Mr. John Morison, occupying the chair. Among the gentlemen present were H. Pellatt, W. J. Macdonell, Thomas Long, J. Y. Reid, Robert Thompson, Geo. H. Smith (New York), A. Meyers, Dr. Robertson, John Leys, Alex. Wills, J. Morrison, Jun., William Adamson, J. K. Niven, Alex. Smith, J. Jackson and C. D. Barton.

The Assistant Secretary, Mr. W. H. Banks, read the following report: The Directors have much pleasure in presenting the Fifty-sixth Annual Statement of the affairs of the Company for the year ending December 31, together with the balance sheet duly audited.

Notwithstanding the many large conflagrations which have occurred, the Directors are able to congratulate the Shareholders on a very profitable year.

You will also notice that the marine department is in a prosperous condition.

Owing to the stringency in the money market at the close of the year, our investments have depreciated to the extent of \$5,642.68, and, after deducting this amount, the profit and loss account shows the very handsome gain of \$98,028.19.

The Directors desire to thank the agents and special agents for their active co-operation in guarding the interests of the Company.

All of which is respectfully submitted.

J. MORISON, Governor.

STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDING DECEMBER 31, 1889.

ASSETS.	
U. S. Government and State bonds	\$540,737 50
Bonds, debentures and other dividend-paying investments	235,599 40
Real estate	150,000 00
Office furniture, business maps, etc.	21,197 02
Agents' balances	96,501 14
Cash in banks	68,974 28
Cash in office	1 58
Interest due and accrued	6,267 41
	\$1,169,281 33
LIABILITIES.	
Capital stock	\$500,000 00
Losses under adjustment:—	
Fire	\$57,627 67
Marine	1,384 33
	59,012 20
Dividend No. 91, balance	\$3,458 12
" 92, "	17,500 00
	20,958 12
Balance	589,311 01
	\$1,169,281 33
PROFIT AND LOSS.	
Fire losses paid	\$405,795 06
unsettled	57,627 67
	\$463,422 73
Marine losses paid	\$37,749 85
unsettled	1,384 33
	39,134 38
Commissions and all other charges	241,419 82
Government and local taxes	19,121 75
Rent account, including taxes	3,269 99
Depreciation in investments	5,612 68
Balance	98,028 19
	\$870,039 54
Fire premiums	\$812,891 56
Less re-insurance	57,066 98
	755,824 58
Marine premiums	\$84,526 92
Less re-insurance	9,517 38
	75,009 54
Interest	33,734 13
Rent account	5,451 29
	\$870,039 54
SURPLUS FUND.	
Dividend No. 91	\$17,500 00
" 92	17,500 00
	\$35,000 00
Balance	589,311 01
	\$624,311 01
Balance from last statement	526,282 82
Profit and loss	98,028 19
	\$624,311 01
RE INSURANCE LIABILITY.	
Balance at credit of surplus fund	\$589,311 01
Reserve to re-insure outstanding risks	401,012 36
	\$990,323 37
Net surplus over all liabilities	\$188,268 65

To the Governor and Directors of the British America Assurance Co.:—

GENTLEMEN,—We, the undersigned, having examined the securities and vouchers and audited the books of the British America Assurance Company, Toronto, certify that we have found them correct, and that the annexed balance sheet is a statement of the Company's affairs to Dec. 31, 1889.

Governor Morison said:—The Annual Report being so clear, I think it leaves very little for me to add, for you will see that we have kept the Fire and Marine business entirely separate, and the statement shows the exact result in each department. However, there are a few points I wish to submit for your consideration. In past years it was the habit of this Company, and is still the custom with some other insurance companies in Canada, to leave the cash account open for ten or twelve days at the beginning of each year, and to put in one item, "Cash in bank and in office." We, however, believe that this is not the correct practice, but that not only the loss account, but also the cash account should be closed on the 31st December of each year, as is the usual course adopted by every merchant, because, by leaving the account open, a large amount of money is received from agents during that time and is merely transferred from the "agents' balances" to the "cash in office" account. In making up our statement, however, we simply allow the facts to remain as they were on the 31st December. Another point to which I desire to call your attention is that when the present Directorate assumed the management of this Company the amount of outstanding unsettled losses was \$151,906.99, while you will observe the amount at the end of 1889 was only \$59,012.21, showing that the Company is in a much cleaner condition than in former years. I would also bring to your notice the state of our re-insurance reserve, to which we have added \$9,965.48. It is the rule with some companies to simply estimate that liability, while we, on the other hand, desire to be guided by the Government standard, and the accountant allows the amount required by that standard for every risk that enters the office, which has been found by experience to be absolutely necessary to run off the liability. You will note, therefore, that the \$91,042.36 reserved for re-insurance is equal to 43 cents for every dollar of our income during the past year. Another very important matter which I would draw your attention to is the fact that our entire business for 1889 has been done at an expense ratio of 31.310 per cent., which is the lowest expense ratio of any stock company doing a similar agency business in America. Now, gentlemen, with these facts before you I think we have every reason to feel gratified at the result of the year's business; and with no barnacles surrounding your excellent property, the same industry and perseverance displayed by every one connected with the Company, should produce like results yearly. I now beg to move the adoption of the report.

Moved by the Governor, seconded by the Deputy-Governor, that the report now read be adopted and printed for distribution among the Shareholders. Carried.

Moved by J. Jackson, seconded by Alex. Smith, that the thanks of the Shareholders are due and are hereby tendered to the Governor, Deputy-Governor and the Directors of this Company for their attention to the interests of the Company during the past year. Carried.

Moved by J. Y. Reid, seconded by Dr. Robertson, that Messrs. H. Pellatt, W. J. Macdonell and John K. Niven be appointed scrutineers for taking the ballot for Directors to serve during the ensuing year, and that the poll be closed as soon as five minutes shall have elapsed without a vote being taken. Carried.

The following is the scrutineers' report:—We, the undersigned scrutineers appointed at the annual meeting of the British American Assurance Company on February 19, 1890, declare the following gentlemen duly elected Directors for the ensuing year: Messrs. John Morison, John Leys, Hon. William Cayley, J. Y. Reid, A. Myers, G. M. Kinghorn, George H. Smith, Thomas Long and Dr. H. Robertson.

W. J. MACDONELL, }
H. PELLATT, } Scrutineers.
JOHN K. NIVEN, }

The meeting then adjourned. At a subsequent meeting of the Board Mr. John Morison was unanimously re-elected Governor, and Mr. John Leys, Deputy-Governor for the ensuing year.