

Suspense acc't last year,  
paid this ..... 833.16

Gross revenue of year ..... 46,112.94  
\$100,328.36

**Disbursements.**

Actual working expenses... \$ 9,697.51  
Directors' and Auditors'  
fees and Government  
stamps..... 1,100.30  
Commissions..... 3,363.08  
Losses—Paid..... 22,583.62  
Profit and loss account ..... 296.64

\$ 87,041.75

\$ 69,286.61

Balance .....  
Less two half-yearly divi-  
dends of 4 per cent. paid  
during year, May and  
November ..... 2,758.79

Balance to next year  
which is the amount of  
the Assets of the Com-  
pany over and above un-  
called Capital ..... \$ 60,527.82

Against these assets there  
has to be placed:—  
Paid up Capital ..... \$23,335.00  
Provision for claims un-  
der consideration ..... 12,400.00  
Provision for Directors'  
Fees, 1876 ..... 1,000.00  
Sundry Items, including  
Agents' Commission on  
balances on hand, Ac-  
crued Rent and Taxes... 423.63

37,158.63

\$23,369.19

Against which, however,  
must be temporarily  
held the estimated  
amount of Premium  
Revenue *Unearned*, be-  
ing the amount which  
would be required to re-  
insure the balance of  
the unexpired risks at  
*present date* ..... 10,000.00

Surplus Profit ..... \$18,969.19

**ANNUAL PROGRESS OF THE COMPANY SINCE ITS COM-  
MENCEMENT.**

YEAR.	GROSS RECEIPTS OF YEAR FROM ALL SOURCES.	LOSSES PAID IN YEAR.	ASSETS INDE- PENDENT OF UNCALLED CAPITAL.	SURPLUS.
1873	Premiums ..... \$4064.85 Interest ..... 1776.53 18 mos. ..... \$5841.43	\$1506.00	\$30809.04	\$5539.04
1874	Premiums ..... 2981.84 Interest ..... 2401.16 Claims recovered..... 200.00 26063.00	12468.60	40573.00	7552.00
1875	Premiums ..... 36361.88 Interest ..... 2468.50 P. & L. ..... 4352.16 Claims recovered..... 37422.66	11782.87	54216.32	11488.93
1876	Premiums ..... 36061.77 Interest ..... 3318.20 Claims recovered..... 3668.91 Suspense acct. paid. 565.16 46112.04	24397.53	60527.82	13869.19
	Totals, 1876..... \$135439.13	\$50147.00	\$60527.82	\$13869.19
	Gross Receipts. (Paid.)	Gross Losses.	Gross Assets.	Net Surplus.

Thus it will be seen that the company has made no retrograde movement, but has steadily increased in extent of business and amount of

its assets and reserves; and it may be stated, as a particular evidence of the desire of the directors to act on a strictly conservative and prudent principle, that the total dividends which have been paid to shareholders are more than \$1,000 less than the interest received on the company's investments. This principle has all through been observed by the directors, who, it is true, might have been justified from *former results* in dividing more amongst the shareholders; but they have steadfastly adhered to the system of allowing all the surplus of the business proper to accumulate for the purpose of strengthening the position of the company—dividing only that which the company had itself received as interest. The result of this is, that the company stands at this date in a thoroughly sound condition, enjoying a revenue of over \$40,000 a year, and possessing cash assets, independent of uncalled capital of over \$60,000, and a clear surplus of over fifty-seven per cent. on its paid-up capital, after paying all its expenses and heavy losses, and deducting from said assets provision for every contingency, including \$12,000 for possible additional losses, and \$10,000 for unearned premiums on current risks not yet expired.

Total resources of the company at present date:—

Assets as above ..... \$60,527.82  
Uncalled capital..... 93,340.00  
\$153,867.82

The liability of the share-  
holders being double—  
add ..... 116,675.00

Making gross resources. \$270,552.82

This is a result which the directors feel they have every reason to congratulate the stockholders upon, and inasmuch as it shows the company to have enjoyed, and to remain fully entitled to—the confidence of the commercial community generally, they cannot but augur for it a considerable degree of prosperity in the future. The thanks of the shareholders are due, and are hereby tendered, to the several local directors at the various branches, and to the agents for the important services rendered by them during the past year. The whole of the directors retire this year, but are eligible for re-election.

The directors have had under consideration for some time past the desirability of strengthening the resources of the company by the increase of its subscribed capital, and have decided, in view of the increasing responsibilities of the company and the numerous defalcations that have recently occurred, to recommend the adoption of a resolution to that effect by the present meeting.

The report of the auditors, Messrs. Evans and Riddell, were read next in order.

Sir A. T. Galt, President, moved, seconded by Mr. Rankin, that the report and balance sheets now read be approved and adopted.

Sir A. T. Galt said, in moving the adoption of the report, that the directors thought on this particular occasion it was well to put a very full and comprehensive statement of the company's position before the public. The report which had been read not only contained the business of the past year, but it gave the history of its business since its commencement. The statement was so full and satisfactory that he did not think he could add much to what it contained. There was one point which he would take this opportunity of referring to, namely, the course of procedure which it had been alleged in one of the newspapers had been taken by the company towards those who had placed their risks in its hands. He referred to the system of *espionage* which had been said to exist, and which he need scarcely remark, was not the case, as such a course would be very

unworthy of the company. The directors had the strongest belief that the best security the company possessed was in the high moral tone of the gentlemen whom they insured.

But it must be understood, nevertheless, as everybody was aware, that there were certain places of disrepute and of unfavourable resort which were under the constant surveillance of the properly constituted authorities, with whom the company had its arrangements, by which reports were conveyed to it, of any officer known to be in position of trust, who might frequent such places. The object of the company in this was not injury to those gentlemen, but it was really protection, and a timely warning where it was needed; and already in two cases, he had reason to believe that by the intervention of the company in this respect, a downward course had been averted. Those who did not go to these places would not be reported. He thought that this company was not subject to any reproach upon the conduct of its affairs generally, and he hoped the press would be as willing to publish the reverse of the statement, as they had been in giving a partial version of it. He would be happy to reply to any questions from any of the shareholders on the report.

Mr. D. Lorn McDougall—You had better ask some questions, Mr. Scott. I believe it's usual.

The President said the more questions that were asked the better would the Board be pleased.

Mr. Gilbert Scott—I am of opinion that when things are going on so satisfactorily it is not necessary to ask any questions. (Hear, hear.)

Sir A. T. Galt—You will observe, gentlemen, that as far as we are concerned, we do not represent our *balance* as our "surplus"—the surplus we arrive at after providing for every possible contingency, and deducting them from the assets; and I may refer to the fact that the payment of our dividends does not come out of our receipts, but from the interest upon our investments, which, it will be observed from the auditors' report, are only estimated in the assets at their *market value*.

The resolution was then put and carried unanimously.

It was then moved by Mr. McDougall and seconded by Mr. Rose: That the directors be and they are hereby authorized to issue such further stock of the company as they may deem desirable, and at such times and in such amounts as they shall think fit, provided always that the total amount of the shares so to be issued with the capital already subscribed shall not exceed in the whole \$500,000, and the directors are requested to offer such new issue of stock in the first instance to the present shareholders.—Carried unanimously.

Moved by Mr. Tiffin, seconded by Mr. H. A. Budden:

That the thanks of the shareholders are due and are hereby tendered to the directors for their services during the past year.—Carried unanimously.

Moved by Mr. Gilbert Scott, seconded by Mr. J. Walker:

That the thanks of the shareholders are due and are hereby tendered to the Manager and the officers for their services during the past year.

Sir A. T. Galt thought the thanks of the Board were especially due to Mr. Rawlings, who had shown so much energy and discretion in the administration of the company's affairs. Had it not been for his careful management they would not have had so satisfactory a report.

Mr. Rawlings replied—Mr. President, Mr. Scott, and gentlemen,—I am greatly honored by your compliment. I can assure you it gives me particular satisfaction under the peculiar circumstances surrounding the last year's transactions. I have really nothing to say more than is in the report. We have gone through a