

ASSETS AND LIABILITIES STATEMENT, YEAR ENDED 31st DECEMBER, 1908.

Assets.

Capital Account:—	
Mortgages on real estate	\$900,467 72
Bonds and debentures	142,261 57
Loans on stocks and bonds....	47,018 88
Real Estate:—	
Office premises and safe deposit vaults, at Toronto and Ottawa	325,000 00
Accrued rents re office premises and vaults at Toronto and Ottawa	4,385 32
Sundry assets	5,380 88
Cash on hand and in banks..	102,065 90
	<u>\$ 1,526,580 27</u>
Trust, Guarantee and Agency Accounts:—	
Mortgages on real estate.....	\$12,486,759 65
Government and municipal debentures	3,511,652 51
Loan company debentures	13,900 00
Stocks and bonds	632,332 78
Loans on stocks, bonds and debentures	327,385 20
Sundry assets	550 27
Cash on hand and in banks...	823,316 74
	<u>\$17,795,897 15</u>
Trust Estates and Agencies:—	
Unrealized original assets, including real estate, mortgages, debentures, stocks and bonds, etc., at inventory value	15,839,169 37
	<u>\$35,161,646 79</u>

Liabilities.

Capital Account:—	
Capital stock fully paid	\$1,000,000 00
Reserve fund	450,000 00
Dividend No. 54	37,500 00
Profit and loss	22,417 16
Interest in reserve	16,349 89
Balance of auditors' allowance..	313 22
	<u>\$ 1,526,580 27</u>
Trust, Guarantee and Agency Funds:—	
For investment or distribution. \$17,795,897 15	<u>\$17,795,897 15</u>
Trust Estates and Agencies:—	
Inventory value of unrealized original assets of estates and agencies under administration by corporation	15,839,169 37
	<u>\$35,161,646 79</u>

Auditors' Certificate.

We, the undersigned, beg to report that we have made a full examination of the books, accounts and vouchers of the Toronto General Trusts Corporation to the 31st December, 1908, and find same to be correct and properly set forth in the above statements of profit and loss and assets and liabilities. We have examined and find in order all the mortgages, debentures, bonds and script of the Corporation, as well as those negotiated for the Supreme Court of Judicature for Ontario, and trusts, estates and agencies in the corporation's hands, and have checked same with the mortgage and debenture ledgers and registers. The bankers' balances, after deducting outstanding cheques, agree with the books of the Corporation.

We have also examined the reports of the auditors of the Winnipeg and Ottawa branches, and find that they agree with the head office books.

R. F. SPENCE, F.C.A., "CAN."
GEO. MACBETH,

Auditors.

Toronto, January 29th, 1909.

Managing Director's Address.

The managing director, Mr. J. W. Langmuir, in presenting the voluminous statements showing the operations of the Corporation during the past year, said:—I feel confident that the results of the year's work as set out in the statements which I have just read will be accepted by the shareholders as satisfactory. The profit and loss statement so plainly sets out the operations of the Corporation during the year that I need not take up your time in commenting on the various sources of revenue as given in that statement. Suffice it to say that the gross profits of the year amount to \$275,150.69 and after paying the entire expenses of the management of

the business at head office, and the Ottawa and Winnipeg branches, the net profits amount to \$131,181.88, to which has to be added \$22,168.78, brought forward from last year, making the total amount at credit of profit and loss \$153,350.66. Out of these profits your directors have paid the shareholders a seven and one-half (7½) per cent. dividend for the year, amounting to \$75,000; have written off \$5,933.50 from vault equipment and office furniture, being balance at debit of this account; have placed \$50,000 to reserve account (increasing that fund to \$450,000), and have carried forward to the credit of profit and loss account \$22,417.16.

Included in our capital and reserve funds are our buildings at Toronto and Ottawa. The former is taken in at \$150,000, including vaults, vault fixtures and safe deposit boxes, which alone cost over \$50,000. The Ottawa building, which stands at \$175,000, is situated in the very best part of that city, and, as some of you may know, is one of the finest buildings on Sparks Street. The net rents from these buildings, including a very moderate charge for our own occupation, and also including the rents received from the safe deposit vaults, amount to \$22,988.50, being equivalent to a return of a fraction over seven (7) per cent. on the \$325,000, at which amount our buildings stand on our books. You will, therefore, see that this portion of our \$1,450,000 of capital and reserve is well and permanently invested. I think that these buildings, at a very conservative valuation, and having regard to the net rents received, are worth somewhat over \$400,000, and even if increased to that amount would yield a return of nearly 5½ per cent., thereby increasing our reserve fund to over half a million dollars, instead of \$450,000. You will also observe that, in addition to the \$325,000 of our capital so well invested in real estate, we have over \$900,000 invested in mortgages on real estate, all of which have been carefully selected.

Regarding the dividend that we pay, I am frequently asked why it is that it is fixed at seven and a fraction, instead of an even amount. The shareholders are, perhaps, not aware that when we amalgamated with the Trusts Corporation of Ontario the Act of amalgamation restricted us to the payment of a dividend not exceeding 7½ per cent. until the reserve fund reached the sum of \$750,000. No such provision exists in the charters of any other trust company in Ontario; nor is it provided for in the general Act respecting trust companies; nor, indeed, in any joint stock company of which I am aware. If such a law is necessary in the working of trust companies it should have been incorporated in the general Act and made applicable to all companies, but as this was not done it is obviously unfair to the Corporation that it should be bound by this provision. Application has, therefore, been made by petition for the issue of supplementary letters patent with a view to placing this Corporation on the same footing as all other trust companies in respect to the payment of dividends.

Another question that is frequently asked—chiefly by investors in the stock of the Corporation, and shareholders in banks—is: Why is it, with the enormous mass of business under the care of the Corporation, aggregating over \$35,000,000, that the net profits are only about \$130,000? I have endeavored to answer this inquiry when addressing the shareholders at previous annual meetings, but will again do so: With the exception of the investment of our capital funds, and of moneys given to us for investment under the Guaranteed Investment Principle, this Corporation is simply a corporate manager of estates, trusts and agencies committed to its care, and for such management and care we receive a moderate compensation fixed by the courts. We do not speculate with our capital funds, or with any funds, and even when we accept moneys for investment under the Guaranteed Principle, we do so strictly within the terms of the Trustee Investment Act. We do not underwrite or invest in any industrial issues. Under these circumstances our profits may be smaller than they otherwise might be, but in strictly adhering to this rule the investment of our capital money and that of our clients is as safe as human care can make it.

After all, while our profits do not, perhaps, equal those obtained by banks, or even long-established loan companies with large reserves, still we have from the origin of the company paid our shareholders good dividends, and, in addition, have accumulated, almost entirely out of profits, a rest of \$450,000. I think, therefore, that I am warranted in saying that the statements I have just read, and have commented on, should be satisfactory to the shareholders. So much from the shareholders' point of view in the Corporation's operations.

Coming now to the general work and utility of the Corporation, I have very little to add to what has been said at previous annual meetings. It will be seen on reference to our statement of assets and liabilities that the Corporation has now under its control and management assets to the extent of over \$35,000,000, showing a net increase over 1907 of approximately \$2,250,000. This, together with the fact that over \$3,000,000 of new work, exclusive of trusteeships for bond issues, etc., etc., has been placed under our care during the year, notwithstanding the increasing competition that exists