

THE TORONTO RAILWAY COMPANY

REPORT OF THE PRESIDENT AND DIRECTORS FOR THE YEAR ENDING DECEMBER 31st, 1912.

To the Shareholders:—

Your Directors with pleasure submit herewith their Twenty-first Annual Report, together with balance sheet and profit and loss account of the Company for the year ending 31st December, 1912.

A summary of the year's operations will be found attached hereto, from which will be recognized the continued increase in the Company's business.

The gross earnings amounted to \$5,448,050.36
Charges for operating, maintenance, etc. 2,866,550.12

Net Earnings \$2,581,500.24

From which net earnings there was deducted the sum of \$2,012,637.57, distributed as follows:

Dividends \$879,595.85
Bond interest, etc. 190,992.76 \$1,070,588.61

Payments to City:
Percentage on earnings \$798,958.66
Pavement charges 90,953.00
General taxes 52,137.30 942,048.96
\$2,012,637.57

The increase in gross passenger earnings is most gratifying, showing as it does the amount of \$567,035.00, when compared with the previous year; the earnings being \$5,367,502.48, while those for 1911 amounted to \$4,800,467.48. Notwithstanding the large increase in gross earnings referred to, said surplus was reduced largely by the operation of additional cars placed in service, a higher rate of wages paid to our conductors, motormen, and other employees, also the cost of material of all classes having advanced in price. The charges for the year amounted to \$2,866,550.12. When compared with the previous year, which amounted to \$2,653,361.86, show an increase of \$213,188.26. The percentage of operating cost being 53.4% of our passenger earnings.

The payments made to the City of Toronto amounted to the sum of \$942,048.96, which amount, when compared with the payments of the previous year, shows an increase of \$119,815.72, or 14.6 per cent.

In addition to entirely renewing the battery plant at Frederick and Front Streets, there was expended during the

year on Capital Account, the sum of \$591,484.70 in building additional rolling stock and procuring electrical equipment for same, the construction of new tracks and erection of overhead work in various sections of the city, additions to buildings, and other improvements.

On the 25th day of March last a fire occurred at the King Street East Division, completely destroying the car storage house in the rear of the main building, together with about 150 cars, practically all of which cars were of the open, or summer type. The property was insured.

The Company's agreement with its employees having expired on the 15th June, 1912, your Directors are pleased to report that after a number of conferences, all differences were amicably adjusted and an increase in wages was granted, and a new agreement entered into for three years.

The second drawing of the Company's currency and sterling bond issues, under the terms of the mortgage deed dated 1st September, 1892, took place on the 27th day of June, 1912, the Company being obliged under the mortgage deed to redeem by drawing annually five per cent. of the amount of bonds issued, same to be redeemed on the 31st day of August following the date of drawing, and from which date no interest is payable. The full number of bonds drawn in June, 1912, amounting to \$168,693.33 have been presented and paid, and of the bonds drawn during 1912 \$159,500.00 have been presented and redeemed. The total amount of bonds so drawn for redemption aggregate \$339,386.66.

Careful attention has been paid to the maintenance of the plant, rolling stock equipment, and other properties of the Company.

Your Directors declared out of the accumulated surplus earnings of the Company, four quarterly dividends of two (2) per cent., all of which dividends were paid on the several dates set for payment.

The Toronto and York Radial Railway Company report that the earnings of the said Company continue to show satisfactory increases, the gross earnings amounting to \$492,022.86, compared with \$449,059.16 for the previous year—an increase of 9.76 per cent.

A regular monthly audit and verification of the books, accounts and vouchers was made by Messrs. Clarkson and Cross, Chartered Accountants, and their certificate has been attached to the Company's balance sheet.

Respectfully submitted,

WILLIAM MACKENZIE,
President.

INCOME ACCOUNT.

Gross Earnings		\$5,448,050.36
Operating, maintenance, etc.	\$2,866,550.12	
Interest on bonds, etc.	190,992.76	
Percentage on earnings	798,958.66	
Pavements, taxes	143,090.30	3,999,591.84
Surplus Earnings		<u>\$1,448,458.52</u>

PROFIT AND LOSS ACCOUNT,

December 31st, 1912.

Balance from last year		\$3,125,894.33
Surplus Earnings, after payment of all expenses, interest, taxes, etc.		1,448,458.52
		<u>\$4,574,352.85</u>
Dividends, four of 2% each, on the paid-up capital.....		\$879,595.85
Balance from 1911	\$3,125,894.33	
Surplus carried forward	568,862.67	3,694,757.00
		<u>\$4,574,352.85</u>

COMPARATIVE STATEMENT, 1912-1911.

	1912.	1911.	Increase.
Gross Income	\$5,448,050.36	\$4,851,541.42	\$596,508.94
Operating, maintenance charges, etc.	2,866,550.12	2,653,361.86	213,188.26
Net Earnings	2,581,500.24	2,198,179.56	383,320.68
Passengers carried	135,786,573	120,997,844	14,788,729
Transfers	56,176,985	48,730,671	7,446,314
Percentage of charges, etc., to passenger earnings	53.4	55.2	*1.8

*Decrease.