

During the past, as in former years, the company has assumed the position of trustee under mortgages made by corporations to secure their bond or debenture issue. The company's duty was simply to see that the issue of the bonds or debentures was correct and regular, and that the holders of the bonds or debentures were secured the benefit of the assets covered by the trust deed, and in none of these cases has anything been advanced by the company upon the mortgages, bonds or debentures, nor has it assumed any part whatever of the mortgage liability. The Directors feel it right to make this explanation as to the company's liabilities in such cases, in order to remove a misapprehension which seems to exist in the public mind on the subject, as in recent articles which have appeared in our papers it is erroneously assumed that at least in one of these cases the company had incurred serious pecuniary liability,—in fact, that it had loaned a very large amount of its funds to the corporation, instead of, as was the case, simply becoming a trustee for the lenders.

The number of estates which have come into the company's hands during the past year is very large, but not a few of these are estates where the assets are very trifling, and where the amount of compensation which the company received is altogether inadequate for the work performed. Filling, however, as it does, the position of a public corporate trustee, your Directors have not felt justified in declining, except in very special cases, to undertake the management of these small estates. It has accepted them, however, rather as a matter of accommodation than for the sake of reward.

The profit and loss sheet, herewith submitted, shows the revenues of the company for the year and the various sources from which they were obtained, and also the expenses of management.

The net profits for the year, including \$2,983.74, balance brought forward from last year, as will be seen, amount to \$56,096.11, out of which your Directors have declared a dividend of 10 per cent. on the paid-up capital stock, absorbing \$21,787.36. The reserve fund has been increased by \$15,000, and now stands at \$240,000, and there has been added to the contingent account the sum of \$15,000, which increases that fund to \$33,325.78. The unappropriated balance at credit of profit and loss amounts to \$4,308.75.

All of which is respectfully submitted,

JOHN HOSKIN,

*Vice-President and Chairman Executive Committee.*

J. W. LANGMUIR, *Manager.*