

out of the original authorized issue of 20,000 shares. The reserved shares were disposed of in the following manner:

4,097 shares to proprietors of the English and Scottish Company at ten per cent. premium; 3,738 shares allotments accepted by shareholders of the London and Ontario Company at 10 per cent. premium; 670 shares allotted to London and Ontario Co.'s shareholders, but not accepted, sold by Co.'y at 15 per cent. premium.

The increased volume of business to be controlled by the Company, and the introduction of new interests in the proprietary and debenture holdings, made it advisable to change the number of Directors from nine to eleven. A by-law to this effect was passed at the meeting of shareholders held in October last, and at a subsequent meeting Messrs. Frederick Wyld and Henry W. Darling, of this city, both of whom possessed the confidence of the shareholders of the late English and Scottish Company, were elected to fill the two vacancies on the Board. The net profits for the year, after deducting all expenses and interest charges, amount to..... \$39,228 61

To which add premium received on new stock issued—8505 shares.... 17,280 00
And balance remaining over from last year..... 2,026 91

Making a total of..... \$58,535 52

Which the Directors have appropriated as follows:

Two half-yearly dividends at the rate of six per cent. per annum..... \$17,338 84
Added to Reserve Fund..... 20,000 00
Added to Contingent Fund..... 8,396 68
Balance of Commission Accounts, written off..... 12,800 00

\$58,535 52

One or two items in the foregoing exhibit deserve special notice. The amount written off for commission, \$12 800 is really applicable to the unexpired terms of current mortgages and outstanding debentures; hitherto the amount charged to revenue each year has simply represented the proportion for the year. The directors felt that, as an item of this kind in the statement of assets gives rise to misapprehension, it was advisable to write off the whole remaining sum, and they recommend that in future, revenue account be charged each year with the actual disbursements for commissions.

The reserve account and contingent fund together show a surplus of over 15 per cent. upon the paid up capital, which now stands at \$400,000, being 20 per cent. of the subscribed capital of \$2,000,000.

During the year, irrespective of the exceptional increase from the single transaction referred to, a fair business has been done. Applications for loans were received amounting to \$1,045,316, upon the security of properties valued by the Company's appraisers at \$2,298,830, out of which new loans were effected to the extent of \$364,793, upon the security of real estate worth \$895,641. Repayments have been made by borrowers during the year to the amount of \$124,125.28. Great caution has been exercised in selecting new investments, and adopting in connection with the same such restrictions and safeguards as appear to make the Company safe from loss.

It is the opinion of experienced and prudent men that loans upon certain kinds of landed security in the Province of Manitoba may be made with confidence, and it is the intention of your Directors to establish a general agency in Winnipeg for the transaction of a limited business in that Province at an early date.

The Directors look forward to the future with every confidence. The current rates of interest on mortgages are not likely to decline, but rather to increase, owing to the great demand for money in the new Provinces. Real estate in Ontario of all kinds is more readily salable and brings better prices than could be obtained a year ago; and although many of the farmers from the older settled parts of Canada have gone to the North-West to take up new homes, their properties have been bought by their more wealthy neighbors, or by tenant farmers from Britain. Further, the Company's connection in Britain has been materially improved and strengthened by the recent addition of British members to its proprietary, and by its succession to all agency and other advantages enjoyed by the late English and Scottish Company.

The Auditor's report is appended hereto, certifying to the regular examination of the books, and the correctness of the statements submitted.

The Directors have again to testify to the

continued efficiency of the manager and office staff. All of which is respectfully submitted.

FRANK SMITH,

Toronto, Sept. 21, 1882. President.

Profit and Loss Account for the Year ending June 30, 1882.

Dr.

To expenses of management, directors and audit fees.....	\$ 7,790 69
" Office expenses, rent, Postage, advertizing, etc.....	2,291 47
" Amounts written off furniture and stationery accounts....	523 34
" Inspection charges.....	661 68
" Expenses in connection with debentures placed.....	1,794 66
" Year's proportion of commission on loans and debentures....	3,195 02
" Losses on property sold by company.....	798 42
" Interest paid and accrued on debentures.....	71,185 89
" Balance, net earnings.....	41,255 52
	\$129,496 69

Cr.

By balance at credit of net revenue from last year.....	\$ 2,026 91
" Interest on investments and bank balances.....	127,469 78
	\$129,496 69

Net earnings carried down \$41,255 52
Premium received on 8,505 shares of new stock issued..... 17,280 00
\$58,535 52

Which has been appropriated as follows:

Dividends Nos. 7 and 8, to June 30th, 1882....	\$17,338 84
Added to reserve account.	20,000 00
Balance of commission accounts on loans and debentures written off..	12,800 00
Added to contingent fund	8,396 68
	\$58,535 52

General Balance Sheet June 30th, 1882.

LIABILITIES.

To Shareholders

Capital stock (20 per cent. paid on \$2,000,000 subscribed).....	\$400,000 00
Reserve account.....	50,000 00
Contingent fund.....	14,856 03
Dividend due July 1st, 1882.....	10,443 22
Unclaimed dividends.....	4 80
	\$475,304 05

To Debenture Holders

Outstanding currency and sterling debentures.....	\$1,575,394 76
Reserved for interest accrued.....	11,120 07
	1,586,514 83
To amounts due to borrowers being balances awaiting payment.....	\$ 21,092 90
To Sundry accounts due by company.....	1,357 82
	\$2,084,269 60

ASSETS.

By Investments

Mortgage loans.....	\$2,014,997 37
Municipal debentures.....	23,768 23
" Balances in various banks.....	43,624 92
" Sundry accounts due to company.....	379 08
" Office furniture, fixtures and stationary.....	1,500 00
	\$2,084,269 60

A. MORGAN COSBY, Manager.

AUDITOR'S REPORT.

To the President and Directors of the London and Ontario Investment Company, Limited Toronto.

GENTLEMEN,—I hereby certify that I have audited the books of the company for the year ending 30th June, 1882, and have examined and compared the securities, vouchers and papers relating thereto, and find the same correct. The accompanying balance sheet is a true statement of the affairs of the company.

W. R. HARRIS, Auditor.

Moved by Wm. Ramsay, Esq., seconded by Fred. Wyld, Esq., that the minutes of the last annual meeting and of the subsequent shareholders' meetings be taken as read.—Carried.

The secretary read the report and statements of Accounts for the past year.

Moved by the president, Hon. Frank Smith, seconded by the vice-president, W. H. Beatty, Esq., that the report and statements of account for the year ending June 30th 1882 be adopted. Carried.

Moved by John Leys, Esq., seconded by George Gooderham, Esq., that the hearty thanks of the shareholders are due, and are hereby tendered to the president, vice-president and directors for their personal attention to the business of the company during the past year, and that in recognition thereof the sum of \$2,500 be awarded them.—Carried.

Moved by H. W. Darling, Esq., seconded by A. B. Lee, Esq., "that the thanks of the shareholders be hereby given to the manager and other officers of the company, and also to the agents of the company in Great Britain and Canada for their services during the past year."—Carried.

Moved by Dr. McConnell, seconded by Alfred Gooderham, Esq., that the sum of \$250 be appropriated for the services rendered by the auditors during the past year, and that Messrs. W. R. Harris and R. W. Sutherland be the auditors for the current year, and in case of death or resignation of either or both of them, the board be empowered to appoint others in their place.

Moved by William Ramsay, Esq., seconded by the Rev. Mr. Bain, that the poll be now opened for the election of directors, and that the same be closed whenever five minutes shall have elapsed without a vote having been tendered, and that Messrs. J. Tell Burnside and E. S. Cox be the scrutineers: that they report the result of the election to the meeting, and be paid the sum of five dollars each for their services.—Carried.

The election was then proceeded with, the following gentlemen being unanimously chosen as Directors for the current year:—Hon. Frank Smith, Wm. H. Beatty, W. B. Hamilton, Henry Gooderham, Alex. Nairn, George Taylor, Jas. G. Worts, Arthur B. Lee, William Ramsay, Fred. Wyld, and Henry W. Darling.

The meeting then adjourned.

At a subsequent meeting of the Directors the Hon. Frank Smith was elected president, and William H. Beatty, Esq., vice-president.

BANK OF BRITISH COLUMBIA.

The half-yearly meeting of the Bank of British Columbia was held on the 13th inst., at the Cannon street Terminus hotel, London, England, Mr Robert Gillespie presiding. The report stated that, after paying all charges, deducting rebate of interest on bills not due, and making provision for bad and doubtful debts, the balance at the credit of the profit and loss account at the end of June amounted to £14,019 of which the directors proposed to appropriate £10,380 in payment of a dividend for the half-year at the rate of 6 per cent. per annum (free of income tax) to add £2000 to the reserve fund (now amounting to £40,000), and to leave £1639 to be carried forward. The chairman stated that the accounts presented were regarded as satisfactory by the board of directors. In the half-year under consideration the business done would compare favourably with any corresponding half year, although a great amount of the export business which might have been expected to have come into the first half of the year was crowded into the previous half year. The charges were heavier than usual in consequence of the increase of business, which needed an increased staff. The company had to pay the passage out of the additions to the staff, and the salaries of efficient members of the staff had also been increased. There was every prospect of another favourable harvest in British Columbia; the fisheries were also very prosperous, and the Canada Pacific railway was making great progress. All these circumstances would increase the business of the company. He moved the adoption of the report, Sir John Rose seconded the motion for the adoption of the report, and it was carried. The chairman then proposed the payment of the dividend at the rate of 6 per cent. per annum, for the half year, and this was also carried.