

# CENTRAL CANADA LOAN AND SAVINGS' CO. OF ONTARIO.

Fourteenth Annual Meeting of the shareholders of the Central Canada Loan & Savings' Company of Ontario was held at the head office, 437 George Street, Peterboro, on Wednesday, the 1st of January, 1898, at 2 o'clock p.m.  
The President, Hon. Geo. A. Cox, having taken the chair, Mr. E. J. Manager, was requested to act as Secretary of the meeting.  
On reading the notice convening the meeting, the Secretary read the Fourteenth Annual Report and the accompanying financial statement.

## REPORT.

The directors take pleasure in submitting herewith their fourteenth annual report and accounts for the year ending 31st December, 1897.  
The gross earnings for the year amounted to \$270,897.32, and after payment of interest on debentures and deposits, and all expenses of management, there remained a net profit of \$91,034.62, which has been appropriated as follows:

1st. Payment of four quarterly dividends of $1\frac{1}{2}$ per cent. each (equal to 6 per cent. for the year) on the paid up capital of \$1,250,000.....	\$ 75,000 00
2nd. Transfer to the reserve fund, increasing same to \$315,000.....	10,000 00
3rd. Transfer to Contingent fund.....	6,034 62
	<u>\$91,034 62</u>

The debentures, both currency and sterling, which matured during the year, were well renewed, and in all cases at a substantial reduction in the rate of interest carried. The deposits show a good increase since the last report, notwithstanding the reduced rate now paid by the company. In this connection it might be stated that the company has a large proportion of its assets in immediately convertible securities, among which are the following:—

Dominion of Canada stock.....	\$ 245,219 16
Stocks and bonds of the Provinces of Canada.....	350,580 55
Cay, township and school section securities.....	51,271 33
Call loans on municipal and other bonds and stocks....	242,187 35
Cash on hand and in banks.....	72,418 88
	<u>\$961,977 27</u>

The directors have great satisfaction in reporting that the cash received during the year for interest on investments was in excess of the gross earnings for the year, thus showing the satisfactory nature of the assets.

The books, accounts and securities have received the regular thorough audit and inspection by the auditors and Inspection Committee, as will be seen by the certificates attached to the financial statement.

Respectfully submitted,

GEORGE A. COX, President.

Financial Statement for the Year ending 31st December, 1897.

## ASSETS.

Net value of mortgages and other securities.....	\$5,302,503 27
Cash on hand.....	13,544 79
Cash in banks.....	58,874 09
Sundry accounts due to company.....	2,670 89
	<u>\$5,377,593 04</u>

## LIABILITIES.

To the public—	
Deposits with accrued interest.....	\$ 832,456 74
Curancy debentures with accrued interest.....	827,531 85
Sterling debentures with accrued interest.....	2,071,193 11
Sundry accounts due by company.....	2,419 42
To the Shareholders—	
Capital stock subscribed.....	\$2,500,000 00
Upon which has been paid.....	<u>\$1,250,000 00</u>
Reserve fund, 31st Dec., 1896.....	335,000 00
Add from profits of year.....	10,000 00
Contingent fund.....	30,241 92
Dividend No. 35, due 2nd January, 1898.....	18,750 00
	<u>\$5,377,593 04</u>

## PROFIT AND LOSS ACCOUNT.

Cr.

Interest on investments, rentals, etc.....	\$ 270,897 32
Interest on deposits, currency and sterling debentures and bank balances.....	150,102 02
Expenses in connection with, and commission paid on money borrowed and loaned.....	7,246 16
General expenses, including cost of management, directors' and auditors' fees, officers' salaries, inspection, tax on dividend, rent, postage, advertising, etc.....	22,514 52
Balance carried down, being net profit.....	<u>91,034 62</u>
	<u>\$270,897 32</u>
By balance brought down, being net profits for year..	\$ 91,034 62

Appropriated as follows:

Quarterly dividends Nos. 32, 33, 34 and 35.....	\$ 75,000 00
Transferred to reserve fund.....	10,000 00
Transferred to contingent fund.....	6,034 62
	<u>\$ 91,034 62</u>

## PROCEEDINGS OF THE FOURTEENTH ANNUAL GENERAL MEETING.

The President, in moving the adoption of the report, said:

Gentlemen—In moving the adoption of the report that has for some days been in the hands of the shareholders, I do not think I can do better than let the figures speak for themselves. In preparing the statement for the past year the securities have been scrutinized with the usual care, and the directors have felt warranted in making an addition of \$10,000 to the reserve fund, after the payment of \$75,000 in dividends to the shareholders. This, I trust, will be regarded as satisfactory.

I am able to repeat the statement made in our last annual report, that the actual cash payments for the year on account of interest upon investments exceeded the company's gross earnings for the year. This means that all interest on deposits and debentures, all expenses of management, all dividends paid on capital stock, together with the amounts transferred to the reserve and contingent funds, were paid out of cash received during the year for interest on the company's invested funds.

During the last four or five years nearly all the financial, commercial and agricultural interests of the country have been passing through a very trying time, perhaps none more so upon the whole than our loan companies, because of their more direct interest in the agricultural products of the country, where low prices for produce and consequent shrinkage in values of land have prevailed. It should, therefore, I think, be gratifying that during this quinquennium the directors have been enabled from the net profits to pay a six per cent. dividend each year, and in addition to increase the reserve fund from \$290,000 to \$345,000, equal to \$11,000 per annum, and I am pleased to be able to congratulate the shareholders, depositors and debenture holders upon having emerged from this period of depression in a stronger position than that in which we entered it. There is now unmistakable evidence upon every hand that the country has entered upon a new era of prosperity, and we fully expect to participate in that prosperity.

The unfortunate experience of one or two of the smaller companies has caused apprehension in the minds of some as to the effect it may have upon the credit of loan companies generally who place their debentures in Great Britain. I do not anticipate any difficulty in that respect. There are good and bad investments in every country, and the experience of British investors in the debentures of Canadian loan companies during the last quarter of a century will compare favorably with their investments at home.

A more perplexing problem with all our financial institutions is where best to find profitable investment for the rapid accumulation of funds in the hands of our life companies, loan companies, banks and trust companies. So far as this company is concerned it will be seen that we have been directing our attention with considerable advantage to the purchase of Dominion and Provincial Government bonds, municipal and other high-class securities, trusting to the advancing value of securities of this description to compensate for the lower rate of interest they carry.

I deeply regret having to record the death, since our last annual meeting, of Mr. Wm. Finlayson, of Glasgow, the senior member of the firm of Messrs. Finlayson & Auld, who have for so many years represented the company in Great Britain with so much satisfaction to the company and with so much credit to themselves. The surviving members of the firm, Messrs. MacKechnie & Auld, continue to represent the company, and we are under renewed obligations to them for the satisfactory manner in which they have done so during the past year.

In August last, Mr. F. G. Cox resigned his position as manager of the company to accept the position of managing director of the Imperial Life Assurance Company. The vacancy thus created was filled