

Mr. Frank E. Leonard, in acknowledging the vote, stated that the directors and management had all worked together in full accord, with an earnest desire to produce the best results for the shareholders, and he felt convinced that everyone interested in the company would be highly gratified with the statement presented.

Mr. V. Cronyn, in responding to the vote of thanks, just adopted, remarked that the success of the company for the past year had resulted from the faithful diligence of the management in carrying out the policy long since adopted by the board, viz., a thorough inspection in the first instance, followed by reinspection and counter-inspection from time to time of all properties mortgaged to the company; further the amount of arrears due and of lands fallen into the company through mortgagors' default being kept at a minimum, thereby ascertaining and writing off losses with the least delay, and lastly, never over-estimating assets.

But lest the shareholders might be led, from the very favorable report submitted, to expect too much in the future, he would emphasize what the president had said as to the increase of profits derived from the reduction of interest on the company's borrowings and point out that the beneficial effect of such reduction being more rapid in operation than the depreciation of the rate of interest received on loans, the result would be, that as present loans matured and were renewed at a reduced rate of interest, such abnormal profit would cease.

Messrs. Geo. F. Jewell and Thos. A. Browne, having been appointed scrutineers, reported the following gentlemen elected as directors for the ensuing year: Messrs. J. W. Little, Philip Mackenzie, Prof. Wm. Saunders, F. E. Leonard, V. Cronyn and John Labatt.

At a subsequent meeting of the board Mr. J. W. Little was elected president, and Mr. Philip Mackenzie, vice-president.

THE ONTARIO LOAN AND DEBENTURE COMPANY.

The twenty-eighth annual meeting of the shareholders of the Ontario Loan and Debenture Company was held at their office in London, Ont., on Wednesday, the 8th February, at 3 o'clock p.m.

The following shareholders were present, viz.: Messrs. John McClary, A. S. Emery, William Bowman, William McDonough, W. A. Gunn, Albion Parfitt, A. O. Jeffery, J. Edgar Jeffery, A. M. Smart, J. M. McWhinney and Rev. George Richardson.

The president, Mr. John McClary, took the chair, the manager, Mr. William F. Bullen, acting as secretary.

The twenty-eighth annual report, as follows, was then taken as read:

REPORT.

The directors beg to submit for the information and approval of the shareholders the twenty-eighth annual report of this company for the past year, together with the relative accounts and balance sheet up to 31st of December last.

The sum of \$529,879 has been invested, and \$769,389 principal and interest has been repaid during the year.

Although rates of interest have ruled lower than ever, the results of the year show that your directors had, from the earnings, the sum of \$88,442 at their disposal, out of which two half-yearly dividends, at the rate of 6½ per cent. per annum, amounting to \$78,000, have been paid to the shareholders, and \$10,000 added to the reserve fund, leaving \$442 to carry forward.

Your directors have for some years past been providing for depreciation in value of the company's office premises, which were erected at a time when material and labor were very much more expensive than at present, the original cost being \$72,000. We have now had the same valued by thoroughly competent judges of real estate,

who estimate its value at \$40,000. It is now taken into account as an asset for that amount, on which it nets the company a fair rate of interest on the investment.

Properties foreclosed and owned, and properties brought to sale and unsold, show a decrease of \$21,000. The remainder is being gradually disposed of, any probable loss having been amply provided for.

All sterling debentures, as they mature, are either renewed at a rate of interest satisfactory to the company or paid off. Our financial agents in Great Britain, Messrs. Mylne & Cook, C.A., of Edinburgh, continue to look carefully after the company's interest in this direction.

The accounts, as formerly, have undergone the usual monthly audit by competent auditors.

All of which is respectfully submitted.

JOHN MCCLARY,
President.

London, Ont., January 18, 1899.

REVENUE ACCOUNT.

Interest on sterling debentures	\$ 47,580 53
Interest on currency debentures	9,965 01
Interest on deposits	17,184 87
Expenses connected with sterling debentures	1,516 97
Commission and expenses in connection with loans	3,480 48
Expenses of management	16,114 98
Income tax paid	1,632 28
Amount written off office premises	32,000 00
Dividend No. 69, paid July 2, 1898	39,000 00
Dividend No. 70, due January 2, 1899	39,000 00
Carried to reserve fund	10,000 00
Balance carried forward	442 05
	<u>\$217,917 17</u>

Balance from last year	\$ 9,310 67
Amount previously written off interest earnings in anticipation of a reduction in the asset value of office premises	15,000 00
Interest earned on mortgages, rents, etc.	193,606 59
	<u>\$217,917 17</u>

FINANCIAL STATEMENT.

Assets.

Mortgages on real estate	\$3,181,577 65
Loans on debentures	121,085 20
Loans on this company's stock	36,695 53
Real estate foreclosed and owned	24,300 00
Real estate brought to sale and unsold	101,187 95
Office premises (freehold), cost \$72,000	
Am't written off	32,000
	<u>40,000 00</u>
Cash with Bank of Scotland	2,231 26
Cash with banks in Canada	233,575 62
	<u>\$3,740,653 21</u>

Liabilities.

Liabilities to the Public:	
Sterling debentures	\$1,218,012 21
Accrued interest on same	11,155 84
Currency debentures	238,078 00
Accrued interest on same	3,670 10
Deposits	540,295 01
	<u>\$2,011,211 16</u>
Surplus	\$1,729,442 05
Liabilities to Shareholders:	
Capital stock paid up	\$1,200,000 00
Dividend No. 70 (since paid)	39,000 00

Reserve fund	\$480,000 00
Carried to do.	10,000 00
	<u>490,000 00</u>
Balance at credit of revenue acc't	442 05

\$1,729,442 05

WILLIAM F. BULLEN,
Manager.

To the Shareholders of the Ontario Loan and Debenture Co.:

We hereby certify that we have audited the books and accounts of the Ontario Loan and Debenture Company for the year 1898, comprising a monthly cash audit and the verification of the postings and balances in all the company's books, and we find the whole correct and in accordance with the above statements. We have also examined the securities and find them in order.

GEO. F. JEWELL, F.C.A.,
A. M. SMART,

Auditors.

London, Ont., January 18, 1899.

The president then said: "Gentlemen—Before moving the adoption of the annual report, which has been in your hands for some time, and no doubt thoroughly analyzed, perhaps it will not be out of place for me to add some remarks.

"The past year has shown a great improvement in the general mercantile and manufacturing business of the country, the farmers have been favored with good crops, and with fairly good prices for every product of the farm. Farm lands have increased in value with an improved demand. The prospects of increased immigration and the extension of agriculture, and increased development of the mineral resources of the country were never more hopeful than at present.

"Rates of interest have ruled lower than ever, which, while it will no doubt continue to increase the value of farm lands, will materially decrease the earning power of companies such as ours, whose business is restricted to loaning on mortgages on real estate and municipal and other debentures. I can, however, assure our shareholders that with our handsome reserve fund of nearly half a million dollars we will be enabled to pay them 1 per cent. more than they could obtain by loaning their own money on the same class of securities. I am inclined to think that we should only pay such dividends as will enable us to continue making substantial annual additions to our reserve fund until it amounts to 50 per cent. of our capital.

"Our accounts show that we have written \$32,000 off the cost of our office premises, after having them valued by some of the best judges of real estate in the city. I think you will agree with me that this was the proper course to adopt. It will now pay a fair rate of interest on the reduced valuation. Eight thousand dollars of this sum was taken out of the earnings of the year, after adding \$10,000 to the reserve.

"On account of old mortgages bearing a higher rate of interest being either paid off or renewed at reduced rates we must, consequently, look for decreased earnings. This your directors are endeavoring to meet as far as possible by reduced rates of interest on our borrowed money.

"Our assets are in good shape, any property on the company's hands has been taken into account at a low valuation, and is being gradually disposed of without making any undue sacrifice.

"The manager and other officers of the company have performed their various duties to the entire satisfaction of the board.

"I think I have covered the ground pretty fully, but should be pleased to answer any questions.

"I will now move the adoption of the report."

The motion adopting the report was seconded by the vice-president and carried unanimously, and the retiring directors, Messrs. John McClary, A. S. Emery, William Bowman, William McDonough and