REPORT.

Your directors beg to submit the second annual report of the Toronto General Trusts Corporation (being the nineteenth of the Toronto General Trusts Company), accompanied by the usual financial statements showing the results of the corporation's business for the year ended 31st December, 1900.

The subscribed capital stock of the corporation is $1,000,000, of which there has been paid up to 31st December last the sum of $906,720, leaving two instalments of 10 per cent. each due on the partially paid stock at that date. The last instalment falls due on the 19th March, and when received the paid-up capital stock will be $1,000,000, and the reserve fund $250,000, thus furnishing the clients of the corporation, in addition to the specific investments held for each estate, security to the extent of $1,250,000 for the proper performance of all the duties entrusted to the corporation.

The profit and loss statement, herewith submitted (which has reference only to the capital funds of the corporation), shows the revenues for the year and the sources from which they were derived, and the charges against the same for management and all other outlays. It will be seen that the net profits for the year, including the balance from 1899, amount to $89,658.20, out of which there has been paid two semi-annual dividends on the paid-up stock of the corporation, at the rate of 7½ per cent. per annum, amounting to $57,036.54. Your directors have also, out of the net profits, written off from the cost of the corporation's building the sum of $15,000 and from the vault fixtures and furniture $3,102.54, and have placed to interest reserve the sum of $6,000, leaving $8,519.12 to be carried forward to the credit of profit and loss.

The contingent fund of $163,000, referred to in the last annual report, which was set apart at amalgamation to meet ascertained and contemplated losses, has been dealt with by your board during the year, and the loans for which such provision was made have been written down to the full extent of the fund thus set apart, and the contingent account has been finally closed out.

Not infrequently, surprise is expressed at the comparatively small net profits of the corporation, with assets under its care exceeding $20,000,000. In that connection it should be borne in mind that the profits upon funds invested for beneficiaries belong to them, and not to the corporation, which only receives a percentage commission for its care and trouble in connection with the investment of the money and the collection of interest.

The Toronto General Trusts Corporation strictly confines itself to the performance of the duties devolving on it as trustee, executor, administrator, agent, and such kindred offices, receiving for the administration of the same such compensation only as the court allows it, or as may be arranged with the parties interested. It eliminates from its transactions every undertaking of a speculative character, no matter how profitable it may promise to be, and it assumes no guarantees of any description, except of securities coming strictly within the scope of the Trustee Investment Act. In further explanation of the limited profits of the corporation, it should also be remembered that the diversified character of the business entrusted to it, and its great magnitude, require a large and expensive staff in order that its affairs may be properly conducted in every department.

Recognizing the paramount importance of a continuous and systematic inspection of the books and securities of a corporation charged with the execution of trusts and the care of estates, the bylaws of the corporation provide (in addition to the usual examination by skilled auditors appointed by the shareholders), for the appointment of an Inspection Committee, comprising three members of the directorate. This committee in the discharge of its duties becomes cognizant of every act of the Executive Committee, as recorded in the minute book. It has to see every mortgage and debenture that has been acquired by order of the Executive, in order that it may ascertain whether the conditions under which the same were authorized have been carried out, and, finally, to see that such securities are registered or ear-marked in the books of the corporation as the property of the estate or trust to which they belong. Your board appointed to the Inspection Committee three of the directors, who in their opinion are eminently qualified to perform the responsible duties devolving on them, namely: Mr. W. H. Beatty, vice-president Bank of Toronto (chairman); Mr. Henry S. Howland, president Imperial Bank of Canada; Mr. Aemilius Irving, K.C., treasurer Law Society of the Province of Ontario.

In order that the shareholders and the interested public may have a knowledge of the thoroughness with which the inspections by this committee are conducted, their annual report, which is supplementary to the reports submitted by them at each quarterly board meeting, is herewith appended.

Your board is glad in being able to report the entire completion of the alterations and additions to the corporation's premises on the southeast corner of Yonge and Colborne streets. The alterations practically involved the entire reconstruction of the interior of the building, as well as making important changes to the exterior; the vault accommodation, which is now the most extensive of any building in Canada, comprises, with the safe deposit vaults, 1,544 superficial feet. The corporation occupies the whole of the ground floor and basement, and the most of the first floor. The remainder of the building is all let to excellent tenants under terms of five years.

Your directors record with deep regret the death during the year of two old and valued members of the board—Mr. Samuel Alcorn, who was appointed to the directorate in 1896, and served continuously until his death. The Hon. Sir Frank Smith, senator, became a member of the board in 1889, and brought to the discharge of his duties as a director that great business ability and ripe experience which has proved so advantageous to all the institutions with which he was connected. Both of these deceased directors left large estates, and showed their appreciation of the objects of the corporation and their confidence in its management by appointing it their executors and trustees. They also regret to announce the death of Mr. B. B. Osler, K.C., who was formerly a director of the Trusts Corporation of Ontario, and since the amalgamation acted as standing counsel for the corporation, and who by his will also appointed the corporation trustee of a portion of his estate.

All of which is respectfully submitted.

J. W. LANGMUIR, JOHN HOSKIN,

Toronto, February 25, 1901.

PROFIT AND LOSS ACCOUNT.

Balance brought forward from 31st December, 1899	$ 11,082 91
Less vote of shareholders to president, vice-presidents and auditors, for services for year ending 31st December, 1899	7,920 00
	$ 3,162 91
Commission earned for management of trusts, executorships, administrations, agencies, liquidations, receiverships, etc	60,997 77
Interest earned, including arrears recovered, not heretofore taken credit for	77,031 72
Rents of corporation's building, net amount	3,471 66
Rents of safes in deposit vaults	2,358 89
Profits on purchase and sale of municipal debentures under guarantee of corporation	7,535 19
	$154,558 14
General expenses, including office expenses, salaries, rent, provincial tax, president and directors' compensation, etc	$ 61,473 34
Commission on loans	163 22
Inspection of loans	3,263 38
Balance carried down	89,658 20
	$154,558 14
Balance brought down	$ 89,658 20
Dividend No. 3, due 2nd July, 1900........$25,637 53	
Dividend No. 4, due 2nd January, 1901.... 31,399 01	
Being at the rate of 7½% per annum	57,036 54
Provision for interest claims	6,000 00
Written off corporation's building	15,000 00
Written off office furniture and vault fixtures	3,102 54
Balance carried forward	8,519 12
	$ 89,658 20

J. W. LANGMUIR, Managing Director.

INSPECTION COMMITTEE'S REPORT.

To the Board of Directors of the Toronto General Trusts Corporation: The Inspection Committee of your board, in addition to the usual quarterly statements which they have presented to the directors during the past twelve months, desire, at the close of the year, to submit a condensed report of their inspections, comprising forty-six meetings held during the year ended 31st December, 1900.

The duties of the Inspection Committee are set out in bylaw No. 10.

The minute book of the Executive Committee was placed before your committee at all its meetings, which clearly sets out the operations of the corporation for the year. Statements were also submitted, showing the executorships, administrations, trusts and all new work assumed by the corporation during the year, together with the inventoried values of the assets connected therewith. Simultaneously with the reading of the executive minutes these statements were checked, and it was found that proper authority had been given by the Executive Committee in every case to assume and take over all the new work, namely:

Executorships	$721,588 03
Administrations	107,116 28
Administrations, with will annexed	125,000 00
Trusteeships	340,067 61
Investment agencies	206,287 82
Estate agencies	336,796 70
Guaranteed mortgage investment agencies	28,000 00
Committeeships	40,650 00
Guardianships	2,700 00
Receiverships	295,567 38
Lunatic estate agencies	39,334 26
	$2,243,108 08