propriety, be still further deferred; a small balance of £26 8s. 10d. remains at the credit of the Shareholders undivided.

The usual statements required by the Charter are also submitted herewith, the Abstract of Assets and Liabilities showing the increased balance of £50,776 3s. 8d. in favor of the Company.

It will be observed that the greater portion of this surplus arises from the valuation of the *gross income* from premiums; this, as already mentioned, (although not by any means of unfrequent occurrence) is not in the opinion of the Directors, a prudent rate of valuation upon which to estimate the true position of the Company, or the amount of profit realized and divisible; it in fact includes the full estimate of profit which can be anticipated from the business now on the books, without providing for the necessary working expenses of the office, or for the withdrawal of some of the Policies creating the surplus.

That the Company has never sustained a loss on any of its investments is a matter of much gratification to the Directors. Very few instances of a want of punctuality have occurred; on the contrary, interest being allowed for pre-payment, instalments, and interest on both mortgages and debentures are not unfrequently paid in advance.

It is further worthy of comment, that although the premium receipts of the Company have progressively advanced in each year, from £1,500 to £2,000, its expenditure, which this year includes for the first time the vote of £260 as Directors' fees, has been as steadily reduced in its proportion thereto, the per centage of the expenses on the income of the past year being less than the per-centage of the expenses on the income of its predecessor, by 2 per cent; thus is proved that an increase of business does not entail a proportionate increase of expenditure, and hence a strong reason why existing assurers should endeavor to induce others to assure, their own advantage being the certain result.

The feeling of the Directors remains decidedly averse to the assurance of the lives of individuals whose destination is California or Australia; they are content to limit the Company's operations, at any rate for the present, to Canada, the other