

FIFTH ANNUAL REPORT OF THE DIRECTORS OF THE TORONTO GENERAL TRUSTS CORPORATION FOR YEAR ENDED 31ST DEC., 1903.

To the Shareholders:

Your directors have pleasure in submitting the fifth annual report of the Toronto General Trusts Corporation (being the twenty-second of the Toronto General Trusts Company), accompanied by the profit and loss account and the various financial statements, showing the results of the operations of the corporation for the year ended 31st December, 1903.

During the year new estates and business have been placed under the care of the corporation to the extent of \$3,001,088.11, as follows:

Executorships	\$ 405,958 44
Administrations	414,428 24
Trusteeships	1,137,428 12
Investment agencies	400,000 00
Estate agencies	201,075 81
Guaranteed mortgage investment agencies	172,512 47
Committeeships	15,289 61
Guardianships	136,283 96
Receiverships	64,177 93
Lunatic estate agencies	29,096 13
Liquidatorships	24,837 39

Total \$3,001,088 11

In addition to the foregoing the corporation has been appointed trustee for the issue and certification of debentures, registrar of stocks and bonds and transfer agent, aggregating transactions of a large amount, but in respect of which class of work the only responsibility which rests on the corporation is the exercise of great care and systematic attention.

Your directors had under consideration in the early part of the year the opening of a branch of the corporation's business in the city of Ottawa. To that end steps were about to be taken to secure suitable premises, when information was received that the assets and business of the Ottawa Trust and Deposit Company, which had been in existence in that city for about five years, might be acquired on fair terms. Negotiations were opened, resulting in the acquirement of that company with all its assets and good-will. As the Ottawa company had power to transact business in the Province of Quebec, and had several unadministered estates in that Province, application has been made to the Legislature for a charter to issue to the corporation. Your directors also considered it advisable, both for loaning and estate purposes, to obtain a charter to transact business in the North-West Territories, which has been granted during the year. It will thus be seen that as soon as the Quebec charter is obtained the corporation will have the necessary statutory authority to transact business in Ontario, Quebec, Manitoba and the North-West Territories. These branches will at the outset considerably increase the general expenses of management, but it is expected that they will soon prove largely remunerative.

An examination of the profit and loss sheet herewith submitted shows that the gross revenues from the various departments of the corporation's work and investments amount to \$212,875.24, and, after deducting the cost of management, including salaries, rent, taxes, directors' and auditors' fees, commissions for obtaining loans and all other expenses at the head office in Toronto and the branches at Winnipeg and Ottawa, and also all preliminary expenses connected with the taking over of the Ottawa branch, the net profits for the year amount to \$96,800.69. Out of these profits your directors declared and have paid two semi-annual dividends at the rate of 7½ per cent. per annum, amounting to \$75,000; have written off the building and vaults account the sum of \$3,632.60, and have added \$10,000 to the reserve (thus increasing that fund to \$300,000), carrying forward the sum of \$8,168.09 to the credit of profit and loss account.

All which is respectfully submitted.

(Signed) J. W. LANGMUIR, (Signed) JOHN HOSKIN,
Managing Director. President.

Toronto, February 24th, 1904.

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED DECEMBER 31ST, 1903.

To salaries, rents, Provincial tax and office expenses at Toronto, Ottawa and Winnipeg, including preliminary expenses of organization at Ottawa	\$ 88,097 50
To fees paid president, vice-presidents, directors, advisory boards and Inspection Committees	11,046 00
To commission on capital loans, inspection of loans, and expenses for superintendence of properties and collection of rents	14,131 05
To interest on mortgage on corporation's buildings at Ottawa	2,800 00
To balance carried down	96,800 69
	\$212,875 24
To dividends Nos. 9 and 10	\$ 75,000 00
To written off the corporation's safe deposit vaults	3,632 60
To carried to reserve fund	10,000 00
To balance carried forward	8,168 09
	\$ 96,800 69

By balance brought forward from December 31st, 1902	\$ 4,025 43
Less vote of shareholders to auditors for services for year ended December 31st, 1902	2,600 00
	\$ 1,425 45
By commission earned for management of estates, collection of revenue, etc.	98,423 22
By interest earned	94,261 30
By net rents from corporation's buildings	9,037 99
By net rents from safe deposit vaults	4,727 28
By profit on purchase and sale of municipal debentures under guarantee of the corporation	5,000 00
	\$212,875 24
By balance brought down	\$ 96,800 69
	\$ 96,800 69

We, the undersigned, beg to report that we have made a full examination of the books, accounts and vouchers of the Toronto General Trusts Corporation to the 31st December, 1903, and find same to be correct and properly set forth in the above statement of profit and loss. We have examined and find in order all the mortgages, debentures, bonds and scrip of the corporation, as well as those negotiated for the Supreme Court of Judicature for Ontario and trusts and agencies in the corporation's hands, and have checked same with the mortgage and debenture ledgers and registers.

The bankers' balances, after deducting outstanding cheques, agree with the books of the corporation. We have also examined the reports of the auditors of the Winnipeg and Ottawa branches, and find that they agree with the head office books.

(Signed) R. F. SPENCE, F.C.A. (Can.),
JOHN M. MARTIN, F.C.A.,

Auditors.

The president, Dr. Hoskin, in moving the adoption of the report, said:

In moving the adoption of the report I think it will only be necessary to call attention to one or two points. The profit and loss sheet accompanying the report is so plain and so detailed that extended remarks are unnecessary.

The year's work has been normal in volume and character. We have had no unusually large items of revenue as in some previous years. The commissions for the management of estates were in round figures \$100,000, but the simple statement of this fact gives an exceedingly meagre idea of the very great "care, pains and trouble" involved in the getting in of that sum in items of from one dollar upwards. Perhaps you may form an idea of this work (although I am sure it will be a very inadequate one) when I tell you that we have about 2,000 estates, large and small, to look after, and some of the small ones, with assets under \$10,000, give as much, and frequently more, trouble than an estate of a quarter of a million. In Britain or the United States, with their great accumulations of wealth, the commissions we have earned for the year might have been obtained out of half a dozen estates, but we cannot look for that yet in Canada. In the meantime the expenses of management are necessarily large, and, perhaps, out of proportion to the revenue derived from commissions.

This corporation has in its control mortgages, debentures, real estate and other securities aggregating \$25,000,000, thus exceeding in value the assets of any loan company in Canada, and the bookkeeping, care and management connected with the administration of this large volume of business is no less, but probably greater, than that connected with the management of a company lending money similar in amount simply on real estate and debenture securities.

I may here repeat what I have so often stated, that every succeeding year adds to the confidence I have in the future of this corporation. This year there has come under our care \$3,000,000 of new estates, and there is no doubt that in the course of a few years we shall double the volume of assets committed to our care, and with a few additional clerks it will be just as easy, so far as clerical work is concerned, to manage an additional \$10,000,000.

You must always bear in mind that the revenue of a Trusts Corporation, managed on the lines that your directors have adopted and religiously adhered to, must be limited. We depend entirely on commissions earned and the investment of our capital and surplus. We scrupulously avoid speculation of every kind, no matter how tempting; we underwrite neither bond nor stock issues, nor guarantee the interest on such issues. We do not take deposits, which we are constantly asked to accept, as the investment of monies received in this way would cast upon the corporation the burden of looking after such investments to the detriment of our trust funds, to care for which is our first duty. In short, the corporation strictly confines itself to the performance of the duties of a corporate executor, administrator, trustee, etc., and we, your directors, are fully convinced that a testator will be consulting the best interests of the beneficiaries of his estate in appointing such a corporation as ours instead of an individual executor, trustee, etc., and the superiority of a corporate over an individual executor, trustee, etc., must be apparent to all in the creation of trusts for the benefit, more particularly of widows, minor children and female members of families.

I have so often referred to the many obvious advantages