

The following summary of the year's operations was submitted :

Am't borrowed in Britain on debentures and certificates during the year	\$442,451 24
Amount repaid during the year ..	\$23,949 65
Net increase of " borrowings " for the year	\$118,501 59
Applications for loans were received to the extent of	\$836,109 94
on property estimated as worth \$1,852,905.50.	
Loans were approved and effected during the year to the amount of on property valued by the Company's own appraisers at \$1,297,748.00.	\$590,291 82
Losses repaid during the year amounted to.....	\$441,871 06
Net increase of the Company's Mortgage investments as compared with last report	\$148,420 76
The net balance at credit of revenue account from last year, was ..	\$21,388 80
Less vote to President & Auditors at last meet'g ..	2,700 00
	\$18,688 80
The net result of the past year's operations shows a profit of	\$79,892 42
	\$98,581 22
From which deducting the usual dividends at the rate of 10 per ct per annum	55,977 00
There remains a balance of	\$42,604 22

The Directors, having carefully considered such of their securities as appear in any way inadequate, or likely to involve the Company in loss, recommend that the sum of \$20,000 be added to the Company's Reserve Fund, and that the balance unappropriated, \$22,604.22 be carried forward at the credit of " Revenue Account " to next year.

The chief characteristics of Mortgage investment business throughout the country during the past year have been an increasing competition on the part of both British and Canadian Companies, and a consequent reduction in the rate of interest obtainable; a greater difficulty in obtaining any considerable supply of good loans; and a tendency to a decreased margin of security.

The business pressure of the past few years, now happily passing away, has materially reduced the price of property: and, along with other causes, has contributed to render it less readily salable. Under these circumstances the Directors have felt strongly the necessity of a thorough investigation by the Company's Inspector of the properties on which their loans have been effected, and they have pleasure in stating that there are but few of them, and none of any importance, that have not been now personally examined by that officer, an expert in this special matter, and one in whose judgment and experience they have high confidence. The Directors' estimate of the value of the assets is thus based, not only on the original reports of their selected local appraisers, but upon these reports as confirmed or modified by the more recent judgment of the Company's own officer.

In view of the depression in property before alluded to, the Directors consider it wise to provide against the possible loss in the realization of securities whose values may prove insufficient to meet the Company's claims, and have therefore proposed leaving at the credit of " Revenue Account " the sum of \$22,604.22: which in their judgment will be more than sufficient to cover every contingency.

The Company's officers and staff have continued to discharge their respective duties to the entire satisfaction of the Board.

W. P. HOWLAND,
President.

Toronto, Oct. 15th, 1880.

The auditors, Messrs. J. Sydney Crocker and D. Higgins, certified that they had audited the books and accounts, vouchers and bankers' balances of the Company for the year ending 31st August, 1880. Their report continues: " We have also examined the Mortgages and the other securities, as well as the Debenture account, and have found everything correct and satisfactory. This refers not only to our annual audit, but also to our interim monthly investigations.

The statement of " Assets and Liabilities " and " Revenue Account " herewith submitted, have been carefully compared by us with the Ledger entries, and we hereby certify that they are accurate statements of the Company's transactions during the past financial year, and also of the present position as set forth in their books."

ASSETS AND LIABILITIES, 31ST AUGUST, 1880.

<i>Assets.</i>	
Loan on mortgages ..	\$3,164,301 96
Debent'rs purchased ..	203,055 27
Loans on call or short date on debentures and securities	197,982 92
	\$3,565,340 15
Int'rst accrued on investments to date ..	310,087 86
Office furniture, etc ..	2,930 40
Sundry debtors	12,927 81
Cash in hand—	
With Coy's bankers in Canada	\$117,567 42
With Coy's bankers in Britain	6,072 40
	123,639 82
	\$4,014,926 04

<i>Liabilities.</i>	
Capital stock sub'srd, 80,000 shares at \$50 each	\$4,000,000 00
Capital stock paid up —14 per cent.....	\$560,000 00
Reserve fund as at 31st August, 1879 ..	163,000 00
Reserve fund as added this year	20,000 00
	183,000 00
Str'ling Debent'rs and certificates payable at fixed dates ..	3,045,926 31
Reserved for interest accr'd on debent'rs & cert'f'cts to date ..	\$25,702 29
Reserved for coupons not yet presented ..	5,866 92
	31,569 21
S'ndry cred't'rs, ch'f'y am'ts at credit of borrowers on acct of interest, and balances of mortgage loans in course of payment	80,926 55
Due Comp'y's bankers in Britain	61,957 32
Due Comp'y's agents in Britain	942 43
	62,899 75
Dividend No. 14, payable 15th Sept., '80 ..	28,000 00
Balance at credit of revenue acct., carried forward to next year ..	22,604 22
	\$4,014,926 04

REVENUE ACCOUNT FOR THE YEAR ENDING 31st AUGUST, 1880.

<i>Assets.</i>	
Balance at credit of revenue account 31 August, 1879	\$21,388 80
Less amount voted to president and auditors at last annual meeting	2,700 00
	18,688 80
Amount reserved last year for interest accrued on debentures and certificates to 31st Aug., 1879	\$26,356 06
Intr'st received & accr'd to 31st Aug. '80 ..	\$279,061 92
Less rec'd in advance not yet accrued ..	765 56
	278,296 36
	304,652 42
Sundry commissions and minor items ..	1,579 16
Profit on sale of sterling exchange	498 19
	\$325,418 57
<i>Liabilities.</i>	
Cost of management ..	\$24,919 28
Agency charges in Britain	4,950 03
Commission on debentures issued and loans effected during the year	7,971 46
	\$37,840 77
Debenture and certificate int'rrest paid and accrued to 31st August, 1880	188,996 58
Balance:—	
Net bal'ce from last y'r as per contra. ..	\$18,688 80
Net result of this y'r's operations. ..	\$79,892 42
	\$98,581 22
Appropriated & proposed to be appropriated as follows:—	
Div'nd No 13, p'd 15th March, 1880 ..	\$27,977 00
Div'nd No. 14, payable 15th Sept., 1880	28,000 00
Carried to credit of the Company's reserve fund	20,000 00
Balance at credit of revenue account carried to next year	22,604 22
	98,581 22
	\$325,418 57

J. G. MACDONALD,
Manager.

Moved by the President, seconded by Lt.-Col. Gzowski, " That the Directors' Report, Statement of Account, and Auditors' Report be adopted