

FIFTH ANNUAL REPORT OF THE DIRECTORS OF
The Imperial Canadian Trust Company
 HEAD OFFICE :: WINNIPEG, MAN.

TO THE SHAREHOLDERS:

It is with pleasure that your Directors present for your consideration their annual report of the affairs of the Company, accompanied by the statement of assets and liabilities and profit and loss, for the year ended December 31st, 1916, and duly certified by the Company's auditor.

In reviewing the year's business, it may be said that practically the same general conditions prevailed in 1916 as in the previous year. In other words, desirable and profitable trust business was rather difficult to obtain, and, in fact, during these times of unrest and doubtful business conditions, your Directors have deemed it in the best interests of the Company not to undertake or assume new large obligations, but rather to conserve the resources of the Company, awaiting for more propitious and favorable times.

The idea has been and is primarily to maintain as strong a financial position as possible, having due regard for the interests of the shareholders; and while it would have been gratifying on the part of the Directors to be able to report a large volume of new and profitable business for the year, they feel that their attitude and policy on conserving the financial strength of the Company in these strenuous times will be duly appreciated by the shareholders.

As regards the Company's investments, a substantial portion consists of first mortgages on improved city and farm properties, and, notwithstanding the various Moratoria and War Relief Acts in the Western provinces, the payment of principal and interest was generally satisfactory. This was particularly true of the farm loans, where the borrowers in many instances were not only prompt in their payments, but made substantial cash payments in advance of the amounts then owing. This was due largely to the splendid crops harvested in the West during the last two years.

In the administration of new estates during 1916 a considerable sum was advanced to clients, as shown by the increase in this item in the financial statement. As was general with financial corporations, this Company was obliged to take over certain properties last year;

but it is not expected, owing to our margin of security, that any loss will result therefrom. Substantial cash reserves were maintained throughout the entire year. While no special effort was made to increase the paid-up capital, yet some \$52,000.00 was paid in during 1916, the amount paid up at December 31st, 1916, being \$856,658.13.

The net profits for the year, after providing for all expenses, interest and other charges, amounted to \$37,307.97. This sum, combined with that brought forward from profit and loss from the previous year, now amounts to \$55,447.23. Your Directors have duly considered the matter of a dividend for the year, but decided to leave this question to be dealt with by the shareholders at the annual meeting.

While it has not been possible for this young Company to make, during the period of the war, when the volume of desirable trust business has been materially reduced owing to unfavorable business conditions, the progress which we had anticipated, yet everything has been done to keep the Company in a strong financial position, and on the resumption of more normal times, and with an improvement in business generally, it is confidently expected that this Company will, with its valuable business connections, make substantial progress.

Your Directors wish to thank the shareholders for their continued patronage, good-will and co-operation, and would again remind them that these features are very essential for the success of the Company.

They also wish to express their appreciation of the services rendered by the officers and staff during the past year.

D. E. SPRAGUE, President.

Winnipeg, February 20th, 1917.

The election of Directors for the current year resulted as follows: J. H. G. Russell, W. T. Alexander, D. E. Sprague, J. G. Hargrave, F. H. Alexander, Dr. A. D. Carscallen, E. L. Taylor, S. D. Lazier, R. G. Affleck, Hon. A. C. Rutherford, Edmonton, Alta.; James Short, K.C., Calgary, Alta.; R. T. Elliott, K.C., Victoria, B. C.; Thos. S. McPherson, Victoria, B. C.

BALANCE SHEET

As at December 31st, 1916

LIABILITIES

Capital Account:

Capital stock subscribed	\$1,171,700.00	
Capital stock paid up	\$856,658.13	
Deposits	48,243.47	
Sundry creditors	1,647.26	
Guaranteed investments	260,000.00	
(Secured by allocation of mortgages.)		
Reserve fund	155,108.20	
Balance carried forward at credit of profit and loss account	55,447.23	
		\$1,377,104.29

Estate Trust and Agency Account:

Clients' and beneficiaries' capital	5,729,907.91	
		\$7,107,012.20

ASSETS

Capital Account:

Mortgages on real estate	\$368,996.72	
Head office premises	\$163,526.80	
Less balance owing on purchase	133,352.35	
		30,174.45
Advances to clients secured by estates' assets	425,715.83	
Stocks at cost	413,938.91	
Real estate acquired by foreclosure	66,499.70	
Furniture and fittings, head office and branches	18,146.65	
Charter and licence	2,326.80	
Rents prepaid	6,979.86	
Sundry accounts due Company	1,431.80	
Cash on hand and in bank, head office and branches	42,893.57	
		\$1,377,104.29

Estate Trust and Agency Account:

Assets under administration	\$5,729,907.91	
		\$7,107,012.20

D. E. SPRAGUE,
Vice-President.

W. T. ALEXANDER,
General Manager.

PROFIT AND LOSS ACCOUNT

As at December 31st, 1916

Net profits for the year, after deducting all organization and management expenses, interest on deposits, auditors' fees, etc.	\$ 37,307.97
At credit of account, January 1st, 1916	18,139.26
Carried forward at credit of profit and loss account	\$ 55,447.23

RESERVE FUND

Balance at December 31st, 1916	\$155,108.20
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AUDITORS' REPORT

We beg to report that we have audited the books and accounts of The Imperial Canadian Trust Company for the year ending December 31st, 1916, and have found them properly stated and sufficiently vouched. In our opinion, the above balance sheet presents a correct view of the state of the Company's affairs as at December 31st, 1916, according to the best of our information and the explanations given us, and as shown by the books of the Company.

We have verified the securities for loans in the hands of the Company, and have compared them with the mortgage ledgers, and found them in agreement therewith. We have also inspected the certificates for stock held by the Company and found same in order.

We would recommend that a contingent reserve be created for any possible losses on real estate acquired by foreclosure and uncollected interest accrued and due.

Winnipeg, February 16th, 1917.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C. A., Auditors.

VANCOUVER BRANCH OFFICE: 655 PENDER ST. WEST.