

sum of \$45,290.45; to depositors and debenture holders, being interest on deposits and debentures, \$26,730.58; municipal tax, \$609.52; carried to reserve the sum of \$15,000, which now amounts to \$175,000, being 30 per cent. of the subscribed paid-up capital stock of the Company; besides adding to contingent account the sum of \$441.60, which now amounts to \$7,850.42, after deducting cost of management and all ascertained losses, a result which is very gratifying to your directors, and no doubt will prove highly satisfactory to the shareholders.

(2.) Your directors have also the pleasure to report that they have established an Advisory Board in Edinburgh (as referred to in last annual report), consisting of George Seton, Esq., St. Bennett's Advocate, Edinburgh; Robert Lockhart, Esq., Belleisle, Polwarth Terrace Edinburgh; Wm. Campbell McEwen, Esq., writer to the Signet, Edinburgh; whose duties are "to negotiate the Company's debentures at the lowest possible rates, to make arrangements for the renewal or repayment thereof; to afford full and reliable information to investors, and generally to represent the Company in Scotland, subject to such instructions as may be communicated by our directors from time to time." From the highly respectable connection of these gentlemen, and eminent professional standing of Messrs. Philip, Laing and Trail, solicitors before the Supreme Court, the general agents through whom the business will be conducted, your directors anticipate advantageous results. So far, however, only a limited amount of debentures have been issued, owing to competition from a large number of companies already in the field, some of whom are offering higher rates of interest than your directors feel inclined to give.

(3.) When your directors appointed the Advisory Board they had in contemplation to extend the Company's business to Manitoba, thereby finding an outlet for the surplus resources thus obtained at higher rates of interest than can now be obtained in this province, but circumstances have since occurred arising through the depression now existing in that province, and other causes that have induced your directors to defer their intention, at least for a time, until a more favorable opportunity occurs. It is gratifying however, to be able to report that full employment continues to be had for all the Company's available resources, and so long as this can be obtained at remunerative rates, your directors are still of opinion there will be no necessity for going outside the province to look for business.

(4.) It will further be seen on reference to the statement appended hereto, that the deposits and debentures taken together are now in excess of the paid-up capital stock of the Company; and while the deposits may equal, but not exceed the paid-up capital, it may be necessary during the current year to issue a portion of the new stock already authorized, so as to keep within the meaning of the Act now being applied for; which provides that any company or society having a paid-up capital of \$100,000 may borrow on debentures twice the amount of the paid-up capital, plus the amount of subscribed capital unpaid, upon which not less than 20 per cent. has been paid, and of this amount the deposits must not exceed the paid-up capital.

(5.) Your directors propose, for the sake of uniformity, and in order to comply with the requirements of the Statute in making up the Company's annual returns to the government to amend No. 6 of the Company's by-laws, which provides that the annual report of the directors and statement of accounts shall be made up to the 28th day of February in each year, and be submitted to the stockholders on the third Friday in March, following, by substituting the words "31st day of December in each year, and last Wednesday on January following," and a resolution to that effect will be submitted to this meeting. By this arrangement the dividends will be made up to 30th June and 31st December, in place of 31st August and 28th February as heretofore, consequently the current period to 30th June being two months earlier, will only include four months' dividend, and half-yearly thereafter.

(6.) The loans effected during the year amount to \$316,262, as against \$330,282 for the corresponding period last year, while borrowers continue to meet their re-payments with fair regularity, except in a few cases where summary proceedings had to be taken.

(7.) The offices in the Company's building have been fully occupied during the year, and have produced nearly 6 per cent. on the investment, besides affording office accommodation rent free.

(8.) The auditors have as usual bestowed much care and attention on the examination of the Company's books, vouchers, mortgages and accounts, which they have found correct, and in conformity with the statements appended hereto, and your directors have the satisfaction to report that all the Company's officers have discharged their duties in an efficient manner and to the entire satisfaction of the board.

(9.) The directors hold their seats from year to year, but are eligible for re-election, in accordance with the Company's by-laws.

Respectfully submitted.

W. MACLEAN, Manager. FRANCIS RICHARDSON, President.

#### STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING 29TH FEBRUARY, 1884.

Receipts.	
Cash in bank from last year.....	\$ 48,754 66
" " hand .....	120 93
" on account of stock .....	4,735 00
" " loans .....	317,872 16
" deposits received .....	556,988 23
" on account of debentures sterling.....	\$23,116 66
Canadian .....	9,800 00
	32,916 65
" on account of interest, etc....	4,278 05
" " rents of Union Buildings exclusive of Co's Office .....	5,051 11
	\$970,716 79

Disbursements.	
Amount of loans on Real Estate .....	\$290,789 16
Amount of loans on stock .....	25,673 65
	316,262 81
Amount of deposits repaid .....	500,703 02
" debentures repaid .....	9,490 00
Dividend paid .....	45,039 66
Municipal tax on dividends .....	609 52
Sundry payments chargeable to borrowers .....	16,449 54
Debenture and sundry interest .....	6,918 72
Company's building for caretaker, fuel, taxes and repairs .....	2,066 66
Directors' compensation .....	2,024 00
Office expenses, salaries, etc....	6,034 04
Auditors' and scrutineers' fees .....	310 00
Printing, advertising and stationery. Com. to agents and valuers and Debenture expenses .....	1,152 84
Office furniture and fittings .....	164 01
Cash in bank .....	62,694 19
" hand .....	192 80
	\$970,716 79

#### Profit and Loss Account, 29th February, 1884.

Dr.	
Dividend No. 27 .....	\$22,599 05
" No. 38 .....	22,691 40
	45,290 45
Municipal tax .....	609 52
Interest on deposit and Debentures..	26,730 58
Carried to reserve .....	\$15,000 00
" Contingent ac't .....	441 60
	15,441 60
	\$88,072 15

Cr.	
Net Revenue, after deducting cost of management and all ascertained losses .....	\$88,072 15
	\$88,072 15

#### ABSTRACT OF ACCOUNTS FOR THE YEAR ENDING 29TH FEBRUARY, 1884.

Assets.	
Mtgs. on real estate..	\$1,273,100 33
Mortgages on other securities .....	35,996 42
	\$1,309,096 75
Company's building .....	60,000 00
Office furniture .....	1,164 01
Rents outstanding and accrued..	801 67
Dominion Bank .....	62,694 19
Cash in hand .....	192 80
	\$1,433,949 42

Liabilities.	
To the Public:—	
Deposits including Int..	\$514,774 30
Debentures—(Sterling) .....	60,952 74
" —(Currency) .....	76,600 00
	\$ 652,327 08

To Stockholders:—	
Capital stock sub'd..	\$600,000 00
Less amount coming due .....	23,919 44
	\$ 576,080 56
Reserve Fund last year..	\$160,000 00
" added this year..	15,000 00
	\$ 175,000 00
Contingent account last year .....	\$7,408 82
Contingent added this year .....	441,60
	7,850 42
Dividend No. 38,, (8 p c.) .....	22,691 40
	\$1,433,949 42

We, the undersigned have audited the books of the Union Loan and Savings' Company for the year ending 29th January, 1884, and find them in conformity with the above statement, and have checked the vouchers and mortgage registers, and found them correct.

JAMES CARLYLE, } Auditors.  
JOHN N. LAKE, }

The President, in moving the adoption of the report, said: "I may fairly congratulate the stockholders on the result of the year's business. When we take into account the small amount of our borrowed capital, small, compared with the amount we are permitted by Act of Parliament to borrow, and also the reduced rate of interest from 9 and 10 per cent. to 7; and when with all this we are able to add \$15,000 to the Rest, I think we have much reason to be satisfied. We have not, as yet, received as much money from Scotland as we anticipated, but we quite expect, as we become better known through our Scotch agents, that the amount will be greatly increased. —It is more to our advantage to borrow money in Debentures than on deposits, as there is fixed time for repayment of the former, while the latter may be called for at any time; We have not had during the year more funds than we could safely dispose of in Ontario, so that sending money to Manitoba for investment was quite out of the question. It is true, that better rates may be obtained there, but at, I believe, a very great risk—as I believe some sister companies have already found to their cost. As long as we can get all the money we want on debentures and deposit, there will be no need to issue new stock until the limit is reached. You have given the Directors power to issue \$400,000 more to complete the \$1,000,000, at such times and in such sums as they may deem expedient; but, it may be remarked, that procuring money by the sale of new stock issued at 25 per cent. premium, and paying a dividend of 8 per cent., is a more costly way of obtaining money than on debentures and deposits. Should, however, we be unable to obtain sufficient money on Debentures, and our deposits reach the limit assigned by Act of Parliament, it will be for the directors to decide as to the new issue. In regard to alteration of the by-law, I think you will agree with the directors, that it is a proper one to make. The two Governments require our annual returns to be made on the 14th January, so that, as our audit is not completed until the beginning of March, we cannot otherwise comply with the government requirement. Our loans for the past year have been somewhat less than in the preceding year but those we have passed have been carefully selected from applications amounting to at least three times the amount passed, all of which we believe to be perfectly safe. We think it better to leave our money in the bank at 4 per cent. rather than loan it out at even a possible risk. The \$62,000 in bank at end of our financial year has since been disposed of in payment of dividends and in loans that have been passed. In conclusion, I have much satisfaction in saying that our Manager continues to manifest the same active interest in our affairs that he has ever done; that the staff working under him have been diligent and attentive to their duties, and that the business of the office has been conducted in a manner satisfactory to the directors, and I believe to the public also, in the transaction of their business."

The following resolutions were passed unanimously:—

1. That the report of the Directors and statement of accounts for the year ending 29th February, submitted to this meeting be received and adopted.

2. That clause 6 of the Company's By-laws be and is hereby amended so as to read "last Wednesday in the month of January," in place of "third Friday in March," for holding the