Western Bank, Oshawa 27,498 56 Whitby 705 14

\$917,565 **0**6

T. H. McMillan, Sec'y-Treas.

We hereby certify that the above statements contain a correct representation of the affairs of the company as shown by the books at Dec. 31st, 1887. We have examined vouchers and

securities and find the same correct.

G. H. GRIERSON,
JNO. B. HARRIS,
Auditors. JNO. B. HARRIS, Oshawa, February 11th, 1888.

In moving the adoption of the report, the President said :-

I feel warranted in assuming that the share holders present will concur in the expression of satisfaction adopted by the directorate in the annual report of the company which I am enabled to submit for your approval. The net earnings, derived solely from the ordinary sources of revenue, are greater than during any year, all the pecuniary benefit accruing from large special trust collections being absorbed before entering upon the operations of the year which are now being considered. It therefore affords a correct test of the earning power of the company upon the basis of an average year's business, conducted upon as low a scale of interest as it seems probable we shall be called upon to compete with for a reasonable term of years. In this connection it must be \$70,000 which has been accumulated almost entirely from surplus profits since the inception of the company, only fifteen years ago, has become an important earning factor in the modern of the company is the profits of the company. erate business within which it has been the

policy of the directors to confine its scope.

As will be seen, the average net surplus after payment of dividend and available for the Rest appropriation, has amounted to about \$5,000, and so long as the result so beneficial to the share holders and assuring to the depositors can be continued I would not advise any enlargement of the capital and concurrent extension of business with increased responsibility which would devolve upon the management. While the sum at credit of contingent account is not large, yet it is ample to cover any reduction in the value of our assets in so far as it can be foreseen, sufficient reduction having been made in the valuation of any mortgage security about the re-payment in full of which any

reasonable doubt existed.

One encouraging feature has been the promptness displayed by borrowers from the company in the payment of both interest and principal upon the leans, in the face of one of the leanest harvests which has for several years been reaped in the Province of Ontario; and no better proof could be afforded of the vitality no better proof could be afforded of the vitality of our agricultural interests and the soundness afforded by the security represented by judic-iously-selected real estate mortgages in this

and adjoining counties.

It is now in order for any shareholder present It is now in order for any shareholder present to ask any questions which may occur to him pertaining to the business of the company, as I am desirous of affording the fullest information regarding its operations, and in order to afford this opportunity, I beg to move the adoption of the report.

Mr. Allen seconded the adoption of the report, which was carried.

port, which was carried.

Mr. Larke, seconded by Mr. Gibson, moved that the sum of \$150 be paid to the auditors, Messrs. Grierson and Harris, for their services

for the past year, and that they be appointed auditors for the current year. Carried.

On motion of Mr. F. E. Dingle, seconded by Mr. Readwin, a vote of thanks was tendered to the president, vice president, directors and secretary treasurer, for the very satisfactory manner in which they have conducted the affairs of the company during the past year, and the sum of \$300 was presented to the President, and \$200 to the vice-president for their services to the company.

Mr. Hamlin, seconded by Mr. John Cowan, moved that the mosting proceed to elect by

moved that the meeting proceed to elect by ballot seven directors to fill the place of those retiring, Messrs. John Carter and Wm. Readwin being appointed scrutineers. Carried.

Chair resumed and the scrutineers reported the following seven gentlemen who were duly

Chair resumed and the scrutineers reported the following seven gentlemen, who were duly declared elected directors for the ensuing year: W. F. Cowan, R. S. Hamlin, W. F. Allen, J. S. Larke, J. A. Gibson, John Cowan, and Thomas Paterson.

A vote of thanks was tandared to the chair-

A vote of thanks was tendered to the chairman and the meeting adjourned.

At a subsequent meeting of the directors W. F. Cowan, Esq., was unanimously elected president, and W. F. Allen, Esq., vice-president.

GUELPH AND ONTARIO INVESTMENT AND SAVINGS' SOCIETY.

The twelfth annual meeting of the share-holders of this society was held at its office, corner of Market Square and Wyndham street, Guelph, on Wednesday, February 15th,

street, Guelph, on Wednesday, February 15th, 1888, the president in the chair.

Among the shareholders present were Messrs. J. B. Armstrong, George Bruce, James Cormack, J. A. Davidson, T. J. Day, Robert Forbes, James Forrest, Dr. Howitt, James Innes, M. P., J. W. Kilgour, Dr. Keating, H. Murton, Robert Melvin, J. E. McElderry, A. B. Petrie, D. Stirton, and G. A. Somerville, Guelph; William Hunter and Robert Shortread, Guelph Township; John Phin, James P. Phin and A. J. Brewster. Hespeler; John P. Phin and A. J. Brewster, Hespeler; John Kitching, jr., Nassagaweya; Daniel Porritt, Rockwood; S. Myers, Toronto; Ernest Park-inson, George Parkinson, J. H. Parkinson, Alexander Burns, James W. Benham, Era-

The Secretary, Mr. G. A. Somerville, read the following

REPORT.

The directors, in submittig their annual re-

The direct is, in submitting their annual report for 1887, have the pleasure of reporting that the past year's business has been most satisfactory.

During the year applications for loans amounting to \$668,389.40 were received, and from these investments on mortgage security to the amount of \$337,054.40 were selected and granted granted.

After paying all costs of management, municipal tax on dividends, interest on deposits and debentures, &c., &c., the net profits, including \$1,631.21 brought forward from last year and \$2,057.50 premium on stock, amount to \$35,443.48. This sum has been appropriated as follows:

 Dividend No. 22, paid 2nd July, '87.\$10,222
 19

 Dividend No. 23, payable 2nd January, 1888
 10,670
 72

 Carried to reserve fund
 13,000
 00

 1,550 57 Balance carried forward

\$35,443 48

The reserve fund now amounts to \$64,000, and the total assets of the society show an increase of \$170,454.89 for the year. During

increase of \$170,454.89 for the year. During the year borrowers have met their payments very satisfactorily, and the society has no property on hand. The amount placed with the society by investors continues to increase. In accordance with the by-law passed at last annual meeting, the board issued \$100,000 of new stock. All but \$3,750 of this stock was taken by the shareholders, to whom it had been allotted pro rata, and that small balance was at once disposed of at an advance of five per cent. on the premium at which it was issued to shareholders.

The officers of the society continue to discharge their duties to the sastisfaction of the board.

As usual, the books and accounts have been carefully examined every month, and the auditors' report is presented herewith. All of which is respectfully submitted.

D. STIRTON,

President.

FINANCIAL STATEMENT FOR THE YEAR ENDING 31st DECEMBER, 1887.

PROFIT AND LOSS. Dr

Di.			
Dividend No. 22	8 10,222	19	١
Dividend No. 23	10,670	72]]
Interest on deposits	13,128	96]
Interest on debentures	21,759	85	יו
Valuators' fees and commissions	1,041	71	1
Municipal taxes	438	36	!
Cost of management	5,047	94	١,
Carried to reserve fund	13,000	00	ľ
Balance carried forward	1,550	57]
	\$76,860	30	-
Cr.			۱,
Balance brought forward	\$ 1,631	21	ı
Interest on loans	69,608	91	١
Interest on arrears	2,528	29	1
Interest on bank deposits, &c	1,034	39	1
Premium on stock	2,057	50	١
	\$76,860	30	ľ

The assets are as follows :-Cash value of mort gages and other securities\$1,132,235 22 Cash in Bank of Montreal Cash in Ontario 10.000 00 Bank..... 41,069 22 -\$1,183,304 44 The liabilities are as follows :---Savings bank deposits and interest\$296,996 46 Debentures...... 490,588 20 Interest on debentures 10,572 16 798.156 82 Surplus assets..... 385,147 62 The surplus assets are composed of :-Fixed and permanent stock subscribed, \$400,000, on which has been paid.....\$308,926 33 Dividend payable 2nd January, 1888 Reserve fund, 31st 10,670 72 December, 1886... 51.000 00 Added for premium on stock 2,057 50 Added from profits ... 10,942 50 Balance at credit of profit and loss ac-

> \$ 385,147 62 GEO. A. SOMERVILLE,

1,550 57

We have audited the books and vouchers of we have audited the books and vouchers of the Guelph & Ontario Investment and Savings' Society each month during 1887 and found them correct. We have also examined the mortgages and calculated the value and earnings of each one separately, proved the bank balances and certify that the above balance sheet is a correct statement of the company's affairs to 31st December, 1887.

count

A. J. BREWSTER, J. W. KILGOUR, Auditors.

Guelph, 3rd February, 1888. The president then said it was a very easy matter to move the adoption of a report so generally satisfactory as the one just read; whether considered with reference to the large increase in the volume of business, the low ratio of expenses, the addition to the reserve fund, or the thoroughly sound condition of the assets, the statement could not be but regarded as highly gratifying to all interested in the welfare of the society.

A most careful revision of the greater part of the property mortgaged to the society, had been made during the summer by Mr. Melvin, Mr. James P. Phin, the secretary, and himself. Then, at the close of the year, every self. Then, at the close of the year, every mortgage and other security had been examined and compared with the valuations and books of the society by a committee of six members of the board, so that the directors were in a position to say that the assets are of a real and substantial character, and such as a real and substantial character, and such as to inspire and retain the confidence of the investing public. And the fact that the society had no property on hand was conclusive proof that the loans must have been carefully selected at first and closely watched after-

Anticipating the financial stringency through which we have been passing, the board lent sparingly during the fall, and held large reserves in readiness to meet any unusual demands which might be made. But the amounts received from investors flowed in so freely that our deposits and debentures at the end of the year largely exceeded the amount placed with the society at any previous period. In fact the increase was so large as to render it necessary in January, 1888 withstanding the issue of stock referred to in the report, to issue \$50,000 more new stock to the report, to issue \$50,000 more new stock to be fully paid up, so that the society might be within the limit of its borrowing powers in proportion to capital as prescribed by law. The premium on this stock—twenty per cent.—is equal to the amount of the existing reserve fund.

The expenses were exceedingly small considering the large volume of business transacted, and the secretary and his assistants had discharged their duties with such care and efficiency as to deserve the highest encomiums of every director and shareholder.

The financial statement had been made very