

in securities of such a permanent character as mortgages.

Your Directors believe that the more prudent, if less profitable investment for the larger proportion of its deposits are loans payable on call or at short dates on good collateral securities, so that the Company would always be in immediate control of a large sum.

Somewhat more difficulty has been experienced in lending money on these latter securities, and lesser rates of interest have been obtained than formerly.

The interest paid for deposits was reduced during the year to a uniform rate of 4 per cent. Although the reduction was made too late in the year to affect its profits, it is confidently expected that the change will favorably affect the earnings of the new year.

The deposits in the hands of the company have largely increased, the amount held at the close of the year exceeding by \$180,000 the amount on hand at the close of the preceding year.

The gross earnings of the year amounted to..... \$53,613 44

Interest paid and credited depositors \$32,589 46
 Expenses of management and year's proportion of commission..... 7,615 86
 Auditors' fees 500 00
 Dividends paid..... 4,854 85
 These sums taken from the above amount show the net profits of the year to be \$8,053 27
 From this it was decided to deduct the sum of \$500, to be applied in reduction of preliminary expenses.

Your directors have much pleasure in stating that the manager and staff have performed their respective duties with efficiency.

All of which is respectfully submitted.
 JAMES MASON, Manager.
 FRANK SMITH, President.
 Toronto, Feb. 16, 1881.

ASSETS AND LIABILITIES, 31ST DECEMBER, 1880.

<i>Assets.</i>	
Loans on collaterals of stocks, bonds and debentures	\$758,258 19
Mortgage loans	88,072 52
Municipal debentures ..	50,375 31
Real estate, including office premises	13,783 07
Cash in Bank.....\$ 54,028 13	
" on hand	3,154 02
Office furniture.....	57,182 15
Preliminary expenses, proportion carried .. \$ 3,000 00	
Less amount written off this year.....	500 00
Sundry accounts.....	2,500 00
	1,107 09
	\$972,629 05
<i>Liabilities.</i>	
Capital stock on which has been paid 10 per cent. amounting to ..	\$ 74,690 00
Due depositors	885,270 58
Directors' fees	2,000 00
Reserve fund, as at 31st Dec., 1879.....\$ 5,000 00	
Reserve fund added 31st Dec., 1880.....	5,000 00
	10,000 00
Profit and Loss a/c, as at 31st Dec., 1879.....	\$115 20
Profit and Loss a/c, added 31st Dec., 1880..	553 27
	668 47
	\$972,629 05

Profit and Loss.

<i>Dr.</i>	
Interest paid and credited depositors	\$ 32,589 46
Expenses of management, including year's proportion of commission	7,615 86
Auditors' fees	500 00
Dividends paid, 6 1/2 p.c.	4,854 85
Balance, appropriated as follows:—Written off preliminary expenses	\$ 500 00
Directors' fees.....	2,000 00
Added to Reserve fund	5,000 00
" profit and loss account.....	557 27
	8,053 27
	\$53,613 44
<i>Cr.</i>	
Gross earnings for the year.....	\$53,613 44
	\$53,613 44

We hereby certify that we have examined the books and accounts of the Home Savings and Loan Company, (limited), to the 31st December, 1880, and find the above statement correct.

We have also examined the vouchers and securities, and found them all correct and in accordance with the above statement.

H. JOSEPH, Auditors.
 ANGUS D. MACDONNELL,

Toronto, 16th Feb., 1881.

The President, in the course of his remarks when moving the adoption of the report, stated to the meeting that in order to comply with the terms of the company's charter, the increase in the deposits rendered necessary an increase in the subscribed stock, and it has been decided to issue new stock sufficient to make the subscribed capital \$1,000,000, to allot the new stock par pro rata, among the present shareholders, and to make a call of ten per cent thereon.

The report and statements read were adopted, and the thanks of the shareholders were tendered to the President, Vice-President and directors, and the sum of \$2,000 voted in recognition of their services. The manager and other officers of the company were voted thanks, and the scrutineers reported the unanimous re-election of the retiring directors, as follows: Hon. Frank Smith, and Messrs Eugene O'Keefe, Patrick Hughes, Wm. T. Kieley and John Foy.

At a meeting of the new board, held immediately after the close of the above, the Hon. Frank Smith was re-elected president and Mr. Eugene O'Keefe vice-president of the company.

ROYAL LOAN AND SAVINGS' COMPANY.

The fifth annual meeting of this Company was held at its offices in Brantford on Friday, 11th inst. Mr. T. S. Shenston, the president, occupied the chair. The following is the fifth annual report for the year ending 31st Dec., 1880:—

Report.

The business of this company has greatly increased during the past year, and has been profitable and satisfactory in every branch, as will readily be seen by the accompanying financial statement.

The steady growth of the Company is shown by the following comparative statement:

	Date.	Capital Paid Up.	Deposits.	Amount of Loans.
Dec. 31st, 1877 ..		\$ 78,087 69	\$ 39,950 74	\$121,015 15
" 1878 ..		124,492 47	96,282 37	244,120 47
" 1879 ..		186,226 15	179,840 84	337,081 96
" 1880 ..		217,198 07	215,854 07	441,663 13

After paying interest on deposits, agents' commissions, valuers' and solicitor's fees, and

all other expenses connected with the management, the net profits on the year's business have been \$19,981.93, out of which have been paid two half-yearly dividends of four per cent. each, on the Capital Stock, amounting to \$15,996.45, leaving a balance of \$3,985.48 of which \$3,000 has been added to the Reserve Fund, bringing it up to \$10,000, leaving \$985.48 to be carried to the Contingent Account.

During the year there were received for new loans 138 applications for the sum of \$233,725, of which 23 were declined, covering the sum of \$53,600. Twenty were accepted, but not completed, for the sum of \$36,109, leaving 95 applications which were finally carried through, amounting to \$144,025.

The total losses during the year—and the first made by the Company—have been \$78.98, and were the balance of expenses incurred in selling some properties.

There would have been no difficulty in disposing of a large amount of stock at a good premium—to have done which would have apparently augmented the profits for the year—but, at the same time, have greatly increased the balance lying in the bank drawing less than one half the interest the purchasers of the stock would reasonably expect to receive. The Company's principal source of profit is derived from deposits, and, while they are within the limits allowed by law, it is not in the interest of the stockholders that new stock should be issued any faster than is absolutely necessary to conform with the statute.

Before accepting any loan your Directors have, if possible, taken greater care than hitherto to ascertain the sufficiency of the security offered. No important loans have been accepted during the year without one of the Directors or a competent valuator having first inspected the properties.

The maximum amount of deposits allowed by law for the Company to receive, having been reached in the early part of the year, and there being then no opening for safe and profitable investment of our surplus funds, deposits were not received for some months. When, in April, we again commenced to receive them, it was at a somewhat reduced rate of interest. In December a still further reduction was made to correspond with the reduced rate of interest at which we were obliged to make loans. Notwithstanding these reductions the number of depositors has steadily increased, and the amount received from that source is upwards of \$36,000 over last year.

The payments on mortgages have been satisfactory, and while there will always be some delinquents, the amount in arrears is now less than at the same period last year.

The Auditors this year, as formerly, have made a quarterly audit of the books. By their annual report, hereto annexed, it will be seen that they have carefully ascertained the exact value of every mortgage in the hands of the Company at the end of the year, calculated at the rate of interest which they respectively bear.

Your Directors think it due to themselves, in closing their report, to assure the stockholders that to the best of their knowledge and belief there is nothing in connection with the Company's transactions of the least interest to any stockholder that is not covered by the report now submitted. Under the present rules of the Company, the whole of the old Board of Directors retire, but are eligible for re-election.

All of which is respectfully submitted.

R. S. SCHELL, Secretary-Treasurer.
 T. S. SHENSTON, President.
 Brantford, January 28th, 1881.

Liabilities.

To Accumulating stock .. \$	10,105 03
" Divid'nds acc'd on do	1,613 04
" New stock	9,730 00
" Capitalized stock....	195,750 00
	217,198 07