

An Increase of Over Half a Million Dollars in Canadian Debentures

\$5,215,130 represented the amount invested in The Huron & Erie Canadian Debenture Department at the close of 1918. On December 31, 1917, the amount was \$4,703,191.

The increase of \$511,939 is worthy of mention. It is another indication of confidence on the part of investors in the stability of this strong old institution.

Deposits in the Savings Department at the end of the year totaled \$3,104,973.

At the close of 1917 the amount was \$3,025,255. Notwithstanding the investment of large sums by depositors during 1918, there was an increase of \$79,718.

One of the outstanding results is the addition of \$200,000 to Reserve Fund. The Paid-up Capital and Reserve Fund now total \$5,800,000.

DIRECTORS' REPORT

The Directors of The Huron & Erie Mortgage Corporation have pleasure in submitting herewith their Fifty-fifth Annual Report, showing the result of the Corporation's operations for the past year, accompanied by the balance sheet to December 31st, 1918, duly audited.

After defraying the expenses of management and all other charges, and making allowance for actual and possible losses, the balance available for distribution is \$560,738.90, as follows:—

Brought forward from the previous year's account	\$ 86,669.82
Net profits upon the past year's business	474,069.08
	<u>\$560,738.90</u>
of which the following disposition has been made:—	
Four quarterly dividends of 3 per cent. each (making the total distribution 12 per cent.)	\$300,000.00
Government and Business Tax	8,999.25
War Tax	13,477.11
Set aside for Transfer to Pension Fund	10,000.00
Set aside for Transfer to Patriotic Fund, Canadian Red Cross Fund, National Y.M.C.A. Fund and Navy League Fund	5,825.00
Transferred to Reserve Fund	200,000.00
Balance carried forward	23,337.54
	<u>\$560,738.90</u>

The Reserve Fund now amounts to \$3,300,000.00, or one hundred and thirty-two per cent. of the Paid-up Capital.

The sum of \$10,000.00 has been set aside for transfer to the Pension Fund, and the sum of \$5,825.00 for patriotic purposes as above noted. The Shareholders will be asked to approve these transfers.

The Corporation has no real estate on hand other than office premises, all properties which have come into the possession of the Corporation by foreclosure, failure to obtain purchasers under power of sale, or otherwise, having been sold.

The Directors desire to bear testimony to the very efficient manner in which the Officers of the Corporation have discharged their respective duties.

All of which is respectfully submitted.
London, Ontario, January 28th, 1919.

T. G. MEREDITH, President.

Statement for Year Ending December 31st, 1918

ASSETS AND LIABILITIES			
DR.		CR.	
Liabilities to the Public:		Cash value of Mortgages	\$10,471,100.00
Sterling Debentures	\$3,859,727.16	Less amount retained to pay prior mortgages	61,429.58
Canadian Debentures	5,215,130.05		<u>\$10,409,670.42</u>
Deposits	3,104,973.21	Office Premises	249,903.01
Interest accrued but not due	119,582.10	Canadian Municipal, School District and Rural Telephone Debentures	2,709,498.00
	<u>\$12,299,412.52</u>	Bonds of Great Britain, the Dominion of Canada, and its Provinces	2,241,104.10
To the Shareholders:		Other Bonds and Securities	\$7,894.00
Capital Stock paid up	\$2,500,000.00	Canada Trust Company Stock at cost	1,180,860.00
Reserve Fund	3,300,000.00	(Value on basis of Reserve, \$1,556,640)	
Officers' Pension Fund	10,000.00	Cash in Office	\$ 55,223.63
Quarterly Dividend, No. 125, due 2nd January, 1919, at 3 per cent.	75,000.00	Cash in Bank	1,273,596.90
Balance	23,337.54		<u>1,328,820.53</u>
	<u>\$5,908,337.54</u>		<u>\$18,207,750.06</u>
	<u>\$18,207,750.06</u>		

HUME CRONYN, General Manager.

RESERVE FUND AND UNDIVIDED PROFITS

Reserve on 31st December, 1917	\$3,100,000.00
Transferred from Profits on 31st December, 1918	200,000.00
	<u>\$3,300,000.00</u>
Undivided Profits for 1918	23,337.54
	<u>\$3,323,337.54</u>

AUDITORS' REPORT

We hereby certify that for the year ending December 31st, 1918, we have audited the Books and Accounts and have examined the Securities of the Huron & Erie Mortgage Corporation, except those of its branches at Regina, Winnipeg and Edmonton.

All our requirements as Auditors have been complied with, and in our opinion the above statements are properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as shown by its books.

The Books and Accounts of the Branches at Regina, Winnipeg and Edmonton have been audited and the Securities there have been examined by Mr. J. C. Pope, C.A.; Messrs. F. C. S. Turner & Co., C.A., and by Messrs. Baldwin, Dow & Bowman, C.A., respectively, and the results as certified to by them are incorporated in the above statements.

London, January 28th, 1919.

M. H. ROWLAND }
F. G. JEWELL, C.A. } Auditors.

The Huron and Erie Mortgage Corporation

Head Offices - LONDON, CANADA

Branches: LONDON (two), ST. THOMAS, WINDSOR, WINNIPEG, REGINA, EDMONTON

A Branch Office Will be opened in Toronto at Nos. 14 and 16 King Street East about July next