

# REPORT OF THE DIRECTORS

OF THE

## Canada Permanent Loan and Savings Company

FOR THE YEAR 1877.

The duly audited Balance Sheet which the Directors have now the honour to submit exhibits a very considerable extension of the Company's business, and a further strengthening of its position, which cannot fail to be gratifying to the Stockholders. More than a million of dollars have been this year added to the Assets, which amount to double the sum they did five years ago.

Finding that the demand for loans continued to increase, and that, notwithstanding the additions made in the previous year, more capital could be advantageously used, the Board made a further issue of five thousand shares, *pro rata*, to the Stockholders, at a premium of \$18 per share, which is rather below the ratio of Reserve Fund to Capital at the beginning of the year. All the new shares were taken, and, with a few exceptions, \$473 in all, were paid in full, bringing the Capital Stock up to \$2,000,000.

The Reserve Fund has been augmented from profits on the business, from 36.30 per cent. to 40 per cent. on the Capital, and now reaches the sum of \$800,000. The Contingent Fund has been further enlarged by the addition of the surplus profits, and amounts to \$46,966 at the close of the year. The usual half-yearly dividends of six per cent. each were declared and paid.

In the Company's Debenture Account a satisfactory increase from \$1,099,780 to \$1,758,958 will be observed, the increase being all in Sterling Bonds, issued through the Company's Agents in Great Britain, the interest and principal on which are made payable at the Company's Bankers in London. The gradual contraction of the depositors' accounts is not greater than was expected from the reduction in the rate of interest offered.

In the earlier part of the year the receipts from Mortgagors were much diminished in consequence of the deficient crop of 1876; but after the abundant harvest of last year, a marked improvement took place. The amount received was \$1,463,490, and the amount advanced was \$1,940,579. The total amount of principal and accrued interest on Mortgage Loans at the end of the year was \$5,719,491.

The expenditure on the Company's Freehold, including some unadjusted accounts not yet paid, has not been larger than was anticipated when the property was purchased, and has resulted in placing the entire premises in thorough repair, in improving the annual value of the various offices which are available for rental, and gives the Company their present commodious fire-proof vaults and spacious offices at a very moderate charge.

Since last Annual Meeting, Acts were passed by both the Dominion and Provincial Legislatures, defining and enlarging the powers given by the General Act under which this Company is incorporated, which, if rightly used, will prove of permanent advantage to this and similar institutions.

All which is respectfully submitted.

J. HERBERT MASON,  
*Manager.*

JOSEPH D. RIDOUT,  
*President.*