

The Alliance Investment Co. (Canada) Limited

CALGARY, ALBERTA

Meeting of Shareholders held at the Head Office of the Company, 902-908 Herald Building, Calgary, Alberta, on Tuesday, 21st April, 1914, the President, Managing Director, Secretary-Treasurer and a large number of Shareholders being present.

Malcolm E. Davis, Esq., the Managing Director, said:—

"In moving the adoption of the report it is not necessary for me to dwell at any great length upon the character of the same, especially as each shareholder for some few days past has had in his possession a copy which should demonstrate to him the true position of affairs and the business transacted during the year 1913. When we glance back over the past year, which has been one of exceptional tightness of money the world over, brought about principally by the unsettled conditions prevailing in Europe, it is with a high degree of satisfaction that, notwithstanding the fact that the percentage of profits is not so large as for former years, your Directors are able to present such a report.

"Our Real Estate on hand is at cost \$544,930.34, or \$76,181.80 less than the previous year, our gross profit on sales amounting to \$96,079.83. In this connection I would respectfully call the attention of the shareholders and those interested to the fact that during the last quarter of the year the holdings of the Company were appraised by experts, whom it is considered are the most reliable and conservative in their estimates in both Regina and Calgary, where the bulk of the property is situated, and such appraisements show a value of \$906,015.00. In substantiation of these remarks I may say that in each case where a sale has been effected since the 1st of January, the price offered has from 20% to 25% exceeded the appraisals.

"Our liability on account of land purchases is \$370,692.42, as against \$544,288.34 in 1912, which shows a decrease of \$173,595.92, while our Accounts Receivable under Sale Agreements amount to \$693,033.11, or \$322,340.69 in excess of the amount we are required to pay out on this account, our total Accounts Receivable being \$331,584.95 in excess of Accounts Payable. You will also perceive that the Reserve has been increased from \$26,500.00 in 1912 to \$133,230.84 in 1913, and it will be the policy of your Directors to continue to build up the Reserve from year to year as conditions warrant.

"During the year also an interim dividend of 5% was paid. To Profit and Loss Account we have carried forward the sum of \$100,417.26. There is one feature of the Balance Sheet which your Directors regret to report is anything but satisfactory, namely, the very large amount of payments past due by our clients on lands and houses sold them. Of the \$245,000.00 referred to in the Auditors' Certificate, there is due \$7,546.25 on account of initial payments which is covered largely by promissory notes past due and quite collectible. At this date, however, I am pleased to say that as a result of improved conditions generally these payments in arrears have been considerably reduced, and as the delinquents have paid on account of their total purchases about 50%, there is every probability of their protecting their holdings in full, it having become necessary to make allowance for foreclosure proceedings on but about 2% of the amount included in arrears.

"The Building Department of the Company was not so active during the year as could have been wished for, owing to decreased demand for houses resultant upon the financial stringency. Nevertheless the Department showed a very good profit, and the high class of applications coming in this spring for buildings under contract is indicative that 1914 will show renewed activity and greatly increased earnings. It has been the custom, when the Company has built under contract, to do so on a profit percentage basis, thus eliminating all risk of loss which is so often contingent upon contracts under tender. Aside from buildings erected by contract, the Company has to date built 41 houses for purposes of sale. When I say that with the exception of a storehouse, which has been leased for manufacturing purposes, we have not a single house left on our hands, the popularity of our buildings will at once commend itself to you.

"Monetary conditions in Europe, as we all are aware, have been such that the Directors did not feel warranted in creating too great an expenditure in pushing forward the sale of securities, but rather have confined their efforts to preparatory work in connection with our Mortgage Department and various flotations which the Company has in hand, and which at present are in course of completion.

"I may say in conclusion that the Board originally had in mind the appointment of their Fiscal Agent, Mr. W. B. Leitch, of Montreal, to act as General Manager to the Company, but after careful consideration it was thought that the services of Mr. Leitch could best be utilized by his remaining in Montreal and continuing there in the capacity as Fiscal Agent and the Board agreed, therefore, to appoint Mr. H. K. Reed, C.A., as General Manager to the Company. The Directors have every hope that this departure will prove of great benefit to the Company, having regard to the efforts they are making to extend the operations of the Company both at home and abroad.

The adoption of the Auditors' Report and Accounts was duly carried, and after the re-election of Messrs. Deloitte, Plender, Griffiths & Co. as Auditors of the Company, the meeting adjourned.

The Officers and Directors of the Company are:—President, Malcolm E. Davis, Calgary; Vice-President, H. A. MacLean, Calgary; Sec-Treas., L. F. McCausland, Calgary; H. N. Dancy, Toronto; Thos. Underwood, Calgary; Chas. H. B. Longworth, Charlottetown, P.E.I.

BALANCE SHEET, DECEMBER 31st, 1913.

CAPITAL AND LIABILITIES.		PROPERTY AND ASSETS.	
TO SHARE CAPITAL AUTHORIZED—		BY REAL ESTATE AT COST	
100,000 Shares of \$10.00 each	\$1,000,000.00	\$544,930.34	
SHARE CAPITAL ISSUED—		" HOUSE PROPERTY at cost	7,856.22
56,630 Shares of \$10.00 each fully paid	566,300.00	(Subject to Mortgage of \$3,750.00)	
960 Shares of \$10.00 33 1/3% called	3,199.98	" STORE BUILDING	1,569.27
22,530 Shares of \$10.00 28% called	63,084.00	" BUILDING MATERIAL, PLANS, etc., as per	
872 Shares of \$10.00 25% called	2,180.00	Inventory certified by a Director	\$5,305.83
2,000 Shares of \$10.00 21% called	4,347.82	Deduct: Depreciation on plans	1,000.00
160 Shares of \$10.00 10% called	160.00	" BUILDING PLANT, AUTOMOBILES,	
83,152	\$639,271.80	OFFICE FURNITURE, etc.	
Add: Calls paid in advance	12,877.82	Balance January 1st 1913	\$9,258.08
.....		Add: Purchases during year	6,991.24
Less: Calls in arrears	\$652,149.62		\$16,249.32
.....	\$5,995.02	Less: Depreciation	2,767.63
" PREMIUMS ON SHARE SUBSCRIPTIONS—		" ANNUAL LEASEHOLDS at cost	\$13,481.69
After deducting amounts not called and		INVESTMENT—	2,371.56
adjusting calls paid in advance and in		100 shares of Bank of Nova Scotia Stock of \$100.00	
arrears	15,667.16	each at cost (deposited as collateral security)	26,500.00
" SUNDRY CREDITORS—		" SUNDRY DEBTORS—	
Amounts payable under purchase agreements		Amounts Receivable under Sale Agreements	
forming a lien on Real Estate and Accounts		(subject to Mortgages of \$5,640.00)	592,169.90
Receivable under Sale and Building		Amounts Receivable under Building	
Agreements	\$370,692.42	Agreements	\$50,141.76
Mortgages Payable	9,390.00	Amounts Receivable under Building	
Trade Bills Payable	5,054.24	Agreements secured by second	
Open Accounts	27,846.70	Mortgages	50,721.45
.....	\$412,983.36		100,863.21
" BANK LOANS	49,190.00	Bills Receivable	25,086.61
" LAND SALES RESERVE	37,046.00	Open Accounts	30,908.83
" RESERVE ACCOUNT	96,184.84	Deduct:	
" PROFIT & LOSS ACCOUNT—		Reserve for bad and doubtful debts	4,460.24
Balance as per Account attached	100,417.26		26,448.59
Note: There is a contingent liability for Bills dis-		" DEFERRED CHARGES	\$744,568.31
counted of \$22,235.00.		" CASH AT BANK AND IN HAND	167.93
.....			11,892.07
.....			\$1,357,643.22
.....	\$1,357,643.22		

MALCOLM E. DAVIS
L. McCAUSLAND Directors.

We have audited the Books and Accounts of the Alliance Investment Company (Canada) Limited for the year ended December 31st, 1913, and have obtained the information and explanations we have required. The Gross Profits from sales of Real Estate during the year arise very largely from sales made late in the year and upon which sales but about 7% have been received on account of the purchase money at the date of the Balance Sheet. The Real Estate owned, it will be noticed, is stated at cost to the Company. In connection with the Accounts Receivable under Sale and Building Agreements initial payments and instalments aggregating approximately \$245,000.00 are in arrears. Subject to the foregoing remarks we CERTIFY that the above Balance Sheet in our opinion correctly sets forth the position of the Company as at December 31st, 1913, and that it is in accordance with its books.

(Signed) DELOITTE, PLENDER, GRIFFITHS & CO., Accountants and Auditors.

Vancouver, B.C., April 11th, 1914.