

THE LONDON AND CANADIAN LOAN AND AGENCY COMPANY (LIMITED).

The annual general meeting of shareholders for the election of directors for the ensuing year and for other purposes, was held, pursuant to notice, at noon on Wednesday, October 12, 1881, at the office of the company, No 44 King Street West, Toronto. Among those present were the Hon. Sir W. P. Howland, K.C.M.G., C.B. (President), Lieut.-Col. C. S. Gzowski, A.D.C., Dr. Larratt W. Smith, D.C.L., Messrs. A. T. Fulton, Donald McKay, C. S. Gzowski, jr., Frank Arnoldi, David Higgins, Wm. Carey, G. R. R. Cockburn, Joseph Priestman, T. R. Wadsworth, James Campbell, and C. E. Hooper.

The President having taken the Chair, it was moved by Dr. Larratt W. Smith, seconded by Mr. W. Carey, "That Mr. Robins act as Secretary." Carried.

The minutes of the last annual meeting were taken as read. The President read the Directors' report, statements of account, and the report of the auditors.

REPORT.

The Directors beg to submit, for the information and approval of the shareholders, the eighth annual report of the Company, together with relative accounts to the 31st August, 1881.

The stock of the company on the date named was held as follows:

In Britain, 59 shareholders holding 20,577 shares. Paid up, \$144,039.00.

In Canada, 188 shareholders holding 59,423 shares. Paid up, \$415,961.10.

Total shareholders, 247, holding 80,000 shares. Paid up, \$560,000.00.

The following summary of the year's operations is submitted:

Amount borrowed on debentures and certificates during the year.....\$434,596.61
Amount repaid during the year 447,915.57

Net decrease of " borrowings " for the year \$13,318.96

Applications for loans were received to the extent of \$946,464.66 on property estimated as worth \$2,091,135.

Loans were approved and effected during the year to the amount of \$577,887.24

On property valued by the Company's own appraisers at \$1,276,834.

Loans repaid during the year amounted to..... 580,218.82

Net decrease of the Company's mortgage and real estate investments as compared with last report..... 2,331.58

The net balance at credit of Revenue account from last year was \$22,604.22
Less vote to president and auditors at last annual meeting..... 3,300 00

The net result of the past year's operations shows a profit of..... 71,885.55

\$91,189.77

From which deducting the usual dividends at the rate of 10 per cent. per annum 56,000.00

There remains a balance of..... \$35,189.77

From this amount the Directors recommend that the sum of \$12,000 be added to the Company's " Reserve Fund," and that the balance \$23,189.77 be carried forward at the credit of " Revenue Account " to next year.

In common with most other companies doing business in this country, it has hitherto been our practice to include in our accounts, under the general head of " Loans on Mortgage," both current mortgages and properties which had

fallen into the Company's hands. The Dominion Government having, however, required that these two items should be stated separately in the annual return made by the Companies to Ottawa, your directors have decided upon the adoption of the same rule in the yearly accounts submitted to the Shareholders at the annual meeting.

On the all-important point of valuation of assets, the Directors beg to say, that, after a most careful consideration by the Inspector of every individual real estate security on their books; in their opinion, in retaining at the credit of " Revenue Account " an amount about equal to the sum retained last year, ample provision has been made to cover every contingency.

A very much larger amount of property has been realized during the year than the Directors could have anticipated, and with very satisfactory results; and there is now a decidedly improved demand for both farm and town properties as compared with the past three years.

The keen competition at present existing, reduces the rates obtainable on loans, increases the cost of obtaining these, and tends to overvaluation by local valuers, of properties offered in security; this necessitates more vigilant inspection, and consequently much greater expense in this department, simultaneously with decreased gross profits; but our experience has shown that money spent in this way has been most advantageously expended in the Company's interest.

In view of the very trying times through which Canada has recently passed, the volume of business done, and the risks which must always attend the earlier operations of institutions to some extent dependent on the judgment and integrity of local valuers, your Directors will feel that they have cause for thankfulness if, as they hope, they succeed in so conducting the Company's operations as not only to avoid trenching upon the " reserve," but steadily, if moderately, to add to it, while continuing to pay such dividend as the current borrowing and lending rates will permit.

The Board, in conclusion, desire to express their sincere regret at the loss the Company has sustained in the death of their late co-director, Mr. A. R. McMaster, a gentleman of whose sound judgment and long business experience the shareholders have had the benefit ever since the organization of the institution.

W. P. HOWLAND, President.

October 12th, 1881.

Assets and Liabilities.

ASSETS.

Loans on mortgage	\$2,879,261 29
Properties ac't.	282,709 09
Debentures purchased	180,436 77
Loans on call or short date on debentures and securities	258,913 80
Interest accrued on investments to date	302,204 32
Office furniture, &c.	2,930 40
Sundry debtors	1,376 05
Cash in hand	
With company's bankers in Canada	\$42,755 79
With company's bankers in Britain	3,902 14
	46,657 93
	\$3,954,489 15

LIABILITIES.

Capital stock subscribed, 80,000 shares at \$50 each	\$4,000,000 00
Capital stock paid up—14 per cent.	\$560,000 00
Reserve fund as at 31st August 1880	\$183,000 00
Reserve fund, added this year	12,000 00
	195,000 00
Debentures and certificates payable at fixed dates	3,032,607 35
Reserved for interest accrued	

on debentures and certificates to date	\$25,493 31
Reserved for coupons not yet presented	979 42
	26,472 73
Sundry creditors, chiefly amts at credit of borrowers on account of interest, and balances of mortgage loans in course of payment	80,087 40
Due to company's bankers in Britain	6,718 94
Due to company's agents in Britain	2,412 96
	9,131 90
Dividend No. 16, payable 14th September, 1881	28,000 00
Balance at credit of revenue account, carried forward to next year	23,189 77
	\$3,954,489 15

REVENUE ACCOUNT FOR THE YEAR ENDING 31st AUGUST, 1881.

Cost of management	\$29,014 99
Agency charges in Britain	4,314 86
Commission on debentures issued and loans effected during the year	9,435 05
	\$42,764 80
Debenture and certificate interest paid and accrued to 31st August, 1881	188,171 07
Less amount reserved last year for interest accrued on debentures and certificates	25,702 29
	162,468 78
Balance—Net balance from last year as per contra	\$19,304 22
Net result of this year's operations	71,885 55
	\$91,189 77
Appropriated and proposed to be appropriated as follows—	
Dividend No. 15, paid 15th March, 1881	\$28,000 00
Dividend No. 16, payable 14th Sept. 1881	28,000 00
Carried to credit of company's Reserve Fund	12,000 00
Balance at credit of Revenue Account carried to next year	23,189 77
	91,189 77
	\$296,423 35
Balance at credit of Revenue Acc't 31st August, 1880	22,604 22
Less amount voted to President and Auditors at the last annual meeting	3,300 00
	19,304 22
Interest received and accrued to 31st August 1881	271,260 16
Less received in advance not yet accrued	548 58
	270,711 58
Sundry commissions and minor items	3,739 93
Profit on sale of sterling exchange	2,667 62
	6,407 55
	\$296,423 35

To the President and Directors of the London and Canadian Loan and Agency Company,

GENTLEMEN,—In addition to our monthly audits, we have now completed the Annual Investigation of the Company's books and accounts. We find their entries agree with the several vouchers and the bankers' balances; and we certify them to be in every respect correct.

The debentures, mortgages and other securities have also been examined and they correspond with the accompanying schedules and the ledger balances.

The loans on call or short date, on debentures and securities, at the present market value are over \$41,000 in excess of the amount due thereon.

We further certify that the statements of assets and liabilities, and revenue and expenditure rendered herewith, exhibit together a correct analysis of the Company's affairs, as shown by their books at the close of the financial year ending 31st August 1881.

We are, Gentlemen, your faithful servants,
JA. SYDNEY CROCKER, } AUDITORS.
DAVID HIGGINS, }
Toronto, 10th October 1881.