

The Directors have pleasure in reporting that all the borrowers have duly paid up their instalments and interest.

An important branch of the business of this Company consists in making loans to persons who desire to acquire homes of their own, instead of paying rent, such loans being repayable in equal monthly or other periodic instalments. The borrower becomes a member of the Company, and participates in the profits equally with the mere investor; and the shares he takes to cover the amount of his loan come to par value in about eight years, when his mortgage is released. A modification of this may in some cases be made, making the loan extend over a greater number of years and the periodic instalments less in proportion. While the borrower lives there is usually little difficulty in paying his instalments—these instalments being little more than what he would pay as rent to a landlord for a similar house; but in case of his death difficulty is apt to arise. The husband's income ceases, and the widow and children, probably unprovided for, would be wholly unable to keep up the number of the instalments necessary to obtain a full discharge of the mortgage. The instalments ceasing, the Company would be under the painful necessity of protecting their other members by foreclosing upon the widow's home, and selling the property for the amount due. To provide against such a contingency, the Company is about perfecting arrangements by which, upon the demise of the natural provider below par value of the shares or other term agreed upon is reached and the debt on the home thus extinguished, the remainder of the debt will be assumed should the borrower so elect, and the widow and children or other legal representatives endowed with a free, unencumbered homestead. Mr. Pettegrew, the manager, has already obtained interim copyright in this direction, and absolute copyright will be secured by him as soon as the arrangements referred to are perfected.

The Directors are satisfied from the experiment made during the past year that a successful, safe and profitable business, both to the investor and the borrower, can be conducted by this Company, with headquarters at the Capital of the Dominion.

The books, vouchers and securities of the Company have been carefully examined by the Auditors, Messrs. Larmonth and Garland, whose report is appended. The Directors desire to bear testimony to the thoroughness those gentlemen have evinced in the performance of their duties.

MCLEOD STEWART, *President.*

FIRST ANNUAL FINANCIAL STATEMENT

— OF —

THE DOMINION INVESTMENT, LOAN & SAVINGS COMPANY

At 31st December, 1887.

CAPITAL NOT LIMITED, IN SHARES OF \$100 EACH, EITHER PERMANENT PAID UP OR ACCUMULATIVE.		Office: 33 Scottish Ontario Chambers, Ottawa.	
RECEIPTS.		DISBURSEMENTS.	
On Stock	\$15,164 50	On Loans	\$13,666 65
Entrance Fees	208 00	Expenses	748 51
Interest	653 43	Withdrawn	15 00
		Interest on withdrawal	38
		Cash on hand	1,595 39
	<u>\$16,025 93</u>		<u>\$16,025 93</u>
ASSETS.		LIABILITIES.	
Loans in force	\$19,133 36	Permanent Stock taken, 205 shares	\$20,500 00
Due on permanent stock, subject to call	7,950 00	Accumulative Stock, 627 shares	3,480 50
Arrears of Accumulative Stock	871 00	Gross Profits, viz:—	
Inventory, Office Furniture, Stationery, etc	150 00	Contingent Fund	4,783 33
Cash	1,595 39	And balance, out of which latter a dividend of 8 per cent. is payable to permanent stockholders, and applicable to accumu- lative stock	945 92
	<u>\$29,709 75</u>		<u>\$29,709 75</u>

We, the undersigned, hereby certify that we have carefully examined the accounts and books of THE DOMINION INVESTMENT, LOAN AND SAVINGS COMPANY for the year ended 31st December, 1887, and have found them correct. The mortgages and their amounts correspond with the above financial statement, and it agrees with the ledger balances.

OTTAWA, 16th January, 1888.

P. LARMONTH,
N. S. GARLAND, } *Auditors.*