

THIRTY-THIRD ANNUAL REPORT.

DECEMBER 31st, 1896.

Huron & Erie

LOAN AND SAVINGS CO'Y,

LONDON, CANADA.

Capital Subscribed, - - -	\$3,000,000.00
" Paid-up, - - -	1,400,000.00
Reserve Fund, - - -	780,000.00

Directors.

J. W. LITTLE, *President*,
PHILIP MACKENZIE, *Vice-President*,
Prof. WM. SAUNDERS, | F. E. LEONARD,
JOHN LABATT. | V. CRONYN.

Manager.

G. A. SOMERVILLE.

Solitors.

CRONYN & BETTS.

Auditors.

GEO. F. JEWELL, F.C.A. | THOS. A. BROWNE.

Bankers in Canada.

THE BANK OF MONTREAL.
THE CANADIAN BANK OF COMMERCE.
THE MOLSONS BANK.

Bankers in Great Britain.

THE BANK OF SCOTLAND.

THIRTY-THIRD ANNUAL REPORT

—OF THE—

HURON & ERIE LOAN & SAVINGS COMPANY.

The Directors of the Huron and Erie Loan and Savings Company beg to submit herewith their Thirty-third Annual Report, showing the results of the business of the Company for the past year, accompanied by the balance sheet to December 31st, 1896, duly audited.

After defraying the expenses^a of management and all other charges, and writing off anticipated as well as actual losses, the net profits, amounting to \$145,413.40, were sufficient to pay two half-yearly dividends at the rate of nine per cent. per annum, together with the Shareholders' income tax of \$2,605.39 thereon, and leave a surplus of \$16,808.01. This sum, together with \$35,305.38 brought forward from last year, was disposed of by adding \$30,000.00 to the Reserve Fund, and carrying forward a balance of \$22,113.39.

Owing to the continued depression in agriculture, it was thought desirable to obtain a re-valuation of a considerable number of the Company's securities, by experts, other than those who valued the lands at the time the loans were effected. Accordingly, during the year a special inspection was made of all the farms mortgaged to the Company in fifty-two Townships, mainly those most remote from the head office, and provision has been made for all cases in which the margin of security appears to have become insufficient.

The value of the Real Estate held by the Company, other than office premises, is \$36,200.00. This sum includes all properties remaining unsold which have come into possession of the Company by foreclosure, failure to obtain purchasers under power of sale, or otherwise.

Loans on Real Estate have been confined as usual to Western Ontario. The demand for money on Mortgage has been quite sufficient to keep the funds of the Company well employed, the rate of interest being practically the same as in the previous year, and notwithstanding the low price of nearly all farm products, interest payments have been fairly well met. The fact that over two-thirds of the amount of investments offered during the year were declined on account of the security being considered insufficient indicates the care exercised in the selection of loans.

Debentures which matured during the year were renewed or replaced by new money at lower rates of interest.

To bring the Rules and By-laws of the Company into harmony with the Huron and Erie Act of 1896, and other general legislation passed since the By-laws were revised about seventeen years ago, certain changes, set out in the notice calling the Annual Meeting, will be submitted for approval by the shareholders.

Your Directors desire to bear testimony to the very efficient manner in which the Manager and other officers of the Company have discharged their respective duties.

All of which is respectfully submitted.

J. W. LITTLE,
President.

LONDON, ONTARIO,
26th January, 1897.

The Huron and Erie Loan and Savings Co.

Dr. PROFIT AND LOSS STATEMENT FOR YEAR ENDING 31ST DECEMBER, 1896. Cr.

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Dr. STATEMENT OF LIABILITIES AND ASSETS AS AT 31ST DECEMBER, 1896. Cr.

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G. A. SOMERVILLE, Manager.

We hereby certify that we have carefully audited the Books and Accounts of THE HURON AND ERIE LOAN AND SAVINGS COMPANY for the year ending 31st December, 1896. The Cash and Bank Accounts have been audited monthly; the postings and balances of all the Company's Ledgers examined quarterly; and we find the whole correct and in accordance with the above statements. We have also examined the Company's Securities, and find them in order.

LONDON, 26th January, 1897.

GEO. F. JEWELL, F.C.A., }
THOMAS A. BROWNE, } *Auditors.*

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The Huron and Erie Loan and Savings Company.

The Thirty-third General Annual Meeting of the Company was held at its office, in London, Ont., on Wednesday, February 10th, 1897.

Present: Messrs. J. W. Little, Philip Mackenzie, Prof. Wm. Saunders, V. Cronyn, F. E. Leonard, Jos. Wheaton, Jas. Bogue, J. G. Richter, G. F. Jewell, T. A. Browne, Thos. Clark, H. Cronyn, A. M. Smart, F. P. Betts, Alex. Fraser, G. A. Somerville, Walter Bell, and others.

The President, Mr. J. W. Little, took the chair, and the Manager, Mr. G. A. Somerville, acted as Secretary. The minutes of the last annual meeting were read and approved; and the annual report and financial statement were submitted, after which the President said:

"I have much pleasure in moving the adoption of the report, which needs little explanation from me. The Company's business has been in every respect satisfactory. We can no longer, as in the past, report large increases in the volume of business done, the legal limit of our borrowing powers having been reached some time ago, but the net results still compare favorably with those of previous years. Payments of principal and interest falling due during the year were well met and the arrears are less than at the end of last year.

"Besides paying the usual dividends at the rate of nine per cent. per annum, with all expenses of management, commissions, taxes and outlays of every kind, and providing for known and anticipated losses, we have added to the Reserve Fund, from this year's earnings, about \$17,000; this amount, together with about \$13,000, taken from last year's undivided profits, brings up the reserve to the handsome sum of \$730,000, or over 52% on the paid-up capital.

"A larger sum than usual has been set aside to provide for anticipated losses, or for possible depreciation in land values, as it is called in the statement. In some cases where the security appeared to be doubtful, interest accrued but unpaid was not taken into account, it being deemed more prudent not to take credit for it until actually paid. It has long been the custom to have our own Inspector's report upon real estate offered as security before the money is paid out, and also to keep in touch with the borrowers, visiting the properties as frequently as possible. This year a re-inspection of a large number of the Company's loans was made by competent experts, who were not responsible for the original advances, and were not aware of the amount of the claims against the particular farms valued.

"The oldest loans, and those most remote from the head office, were, so far as practicable, first dealt with, and it is believed that the provision, made for possible depreciation, will fully cover any contingency which may arise.

"Farm property is more particularly referred to, because the bulk of our business has been confined to that class of security. At the end of the year we had two city dwellings on hand, but they have since been sold at satisfactory prices, and we have no other city or town loans from which trouble is anticipated.

"The sum shown on the statement as losses on real estate covers, not only losses actually sustained during the year, but also provides for possible loss in disposing of property held for sale, none of which, I may add, has been on hand more than a few months, and no doubt will be disposed of without delay.

"The number of Mortgages held by the Company is 3,513, averaging \$1,653.12 each.

"The number of depositors in the Savings Bank is 4,302, the average deposit being \$297.97.

"Mr. A. W. Porte, who has been a Director for some years, has removed to Toronto, and desires to retire from the Board. His services to the Company have been most valuable, and his late colleagues will very much miss the benefit of his counsel and advice. I am sure you will all join with me in wishing him continued success and prosperity in his new home."

Mr. Philip Mackenzie, Vice-President, seconded the motion, which was carried unanimously.

The alterations and amendments, made by the Directors, in the rules and by-laws of the Company, were confirmed.

The usual votes of thanks were tendered the President, Directors, Manager and other Officers of the Company.

Messrs. Geo. F. Jewell and Thos. A. Browne, having been appointed scrutineers, reported the following gentlemen elected as Directors for the ensuing year: Messrs. J. W. Little, Philip Mackenzie, Prof. Wm. Saunders, F. E. Leonard, V. Cronyn, and John Labatt.

At a subsequent meeting of the Board Mr. J. W. Little was elected President and Mr. Philip Mackenzie Vice-President.

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Auditors.