

Huron & Erie

LOAN AND SAVINGS CO'Y
LONDON, ONTARIO.

Capital Subscribed, - \$1,500,000.
" Paid up, - - \$1,100,000.
Reserve Fund, - - \$ 417,000.

◆◆◆
Directors:

W. P. R. STREET, Esq., Q. C., *President*.
Wm. SAUNDERS, Esq., *Vice-President*.
HON. E. LEONARD, Senator.
J. G. McINTOSH, Esq.
PHILIP MACKENZIE, Esq.
JOHN BEATTIE, Esq.

Manager,
ROBERT W. SMYLLIE.

Solicitor,

VERSCHOYLE CROXBY, Esq., LL.B.
Bankers in Canada.
THE BANK OF MONTREAL.
THE CANADIAN BANK OF COMMERCE.
THE MORSONS BANK.
Bankers in Great Britain.
THE BANK OF SCOTLAND.
Correspondents in Great Britain.
FINLAYSON & AULD,
Writers,
150 West George Street,
GLASGOW.

FOR PROCEEDINGS AT ANNUAL MEETING, SEE INSIDE.

TWENTY-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 Twenty-third Annual Report, shewing the results of the business of the Company for the past year, accompanied by the Balance Sheet of 31st December, 1886, duly audited.

From the profits of the year, your Directors have been enabled, after defraying all expenses of management, to pay two half-yearly dividends of four-and-a-half per cent each, pay the income tax of \$2,791⁹³/₁₀₀, add \$23,000 to the Reserve Fund, and leave a balance to the credit of Profit and Loss of \$371⁹⁸/₁₀₀.

During the year there has been a small increase in the deposits in the Savings Bank, amounting to \$1,084⁸⁴/₁₀₀, a marked increase in Canadian Debentures of \$29,000, and in Sterling Debentures of \$129,331⁶⁶/₁₀₀, making a total increase to the working capital of \$159,416⁵⁹/₁₀₀.

In accordance with the invariable custom of the Company, all preliminary expenses connected with the issuing of Sterling Debentures have been paid out of the profits of the year.

Notwithstanding that low rates have prevailed, the demand for money has continued, and the funds of the Company are well invested. The *net* cash value of the securities held by the Company at the close of the year amounted to \$3,303,680⁸³/₁₀₀, being an increase since the corresponding period of last year of \$223,924⁹¹/₁₀₀.

The sum invested by your Directors in 1885 in Government Inscribed Stock remains undisturbed, and is at any time readily convertible.

The value of the Real Estate held by the Company, other than the office premises, is \$2,635⁰⁵/₁₀₀. In this sum is included all the properties remaining unsold which have come into possession of the Company by foreclosure, failure to obtain purchasers under power of sale, or otherwise.

The net losses for the year have amounted to \$963⁹⁴/₁₀₀, a very small sum when compared with the total investments of the Company. The system of inspection by the Company's own Inspectors of securities offered to the Company has been continued.

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

All of which is respectfully submitted.

WM. SAUNDERS.

President.

LONDON, ONTARIO,

24th January, 1887.

The Huron & Erie Loan & Savings Co.

Dr. PROFIT AND LOSS STATEMENT FOR YEAR ENDING 31st DECEMBER, 1886. Cr.

<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">To Dividend No. 44 (4½%)</td> <td style="width: 10%; text-align: right;">\$49,500 00</td> <td style="width: 10%;"></td> </tr> <tr> <td>" " " 45 (4½%)</td> <td style="text-align: right;">49,500 00</td> <td></td> </tr> <tr> <td>" Income Tax</td> <td style="text-align: right;">2,791 93</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$101,791 93</td> <td></td> </tr> <tr> <td>" Int. on Deposits</td> <td style="text-align: right;">38,659 34</td> <td></td> </tr> <tr> <td>" " Sterling Debentures</td> <td style="text-align: right;">20,546 81</td> <td></td> </tr> <tr> <td>" " Canadian "</td> <td style="text-align: right;">4,179 55</td> <td></td> </tr> <tr> <td>" Int. accrued, but not due</td> <td style="text-align: right;">13,431 32</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">76,817 02</td> <td></td> </tr> <tr> <td>" General Expense Account</td> <td style="text-align: right;">12,077 23</td> <td></td> </tr> <tr> <td>" Other Expenses, including Directors' Fees, Solicitor's Fees, Municipal Taxes, &c.</td> <td style="text-align: right; vertical-align: bottom;">3,219 83</td> <td></td> </tr> <tr> <td>" Valuators' Commissions</td> <td style="text-align: right;">4,404 66</td> <td></td> </tr> <tr> <td>" Land Inspection (including Inspector's Salary)</td> <td style="text-align: right;">2,200 14</td> <td></td> </tr> <tr> <td>" Expenses in connection with and Commission paid on Sterling Debentures</td> <td style="text-align: right; vertical-align: bottom;">2,566 62</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">24,468 48</td> <td></td> </tr> <tr> <td>" Losses on Real Estate</td> <td style="text-align: right;">982 49</td> <td></td> </tr> <tr> <td>Less recovered</td> <td style="text-align: right;">18 55</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">963 94</td> <td></td> </tr> <tr> <td>" Transferred to Reserve Fund</td> <td style="text-align: right;">23,000 00</td> <td></td> </tr> <tr> <td>" Balance carried forward</td> <td style="text-align: right;">371 28</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$227,412 65</td> <td></td> </tr> </table>	To Dividend No. 44 (4½%)	\$49,500 00		" " " 45 (4½%)	49,500 00		" Income Tax	2,791 93			\$101,791 93		" Int. on Deposits	38,659 34		" " Sterling Debentures	20,546 81		" " Canadian "	4,179 55		" Int. accrued, but not due	13,431 32			76,817 02		" General Expense Account	12,077 23		" Other Expenses, including Directors' Fees, Solicitor's Fees, Municipal Taxes, &c.	3,219 83		" Valuators' Commissions	4,404 66		" Land Inspection (including Inspector's Salary)	2,200 14		" Expenses in connection with and Commission paid on Sterling Debentures	2,566 62			24,468 48		" Losses on Real Estate	982 49		Less recovered	18 55			963 94		" Transferred to Reserve Fund	23,000 00		" Balance carried forward	371 28			\$227,412 65		<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">By Balance brought forward</td> <td style="width: 10%; text-align: right;">\$ 518 05</td> <td style="width: 10%;"></td> </tr> <tr> <td>" Interest earned</td> <td style="text-align: right;">226,362 10</td> <td></td> </tr> <tr> <td>" Rents collected</td> <td style="text-align: right;">532 50</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$227,412 65</td> <td></td> </tr> </table>	By Balance brought forward	\$ 518 05		" Interest earned	226,362 10		" Rents collected	532 50			\$227,412 65	
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Dr. STATEMENT OF LIABILITIES AND ASSETS AS AT 31st DECEMBER, 1886. Cr.

Liabilities to the Public:			
To Deposits	\$1,073,556 16		
" Sterling Debentures	553,948 33		
" Canadian Debentures	200,000 00		
" Int. accrued, but not due	13,431 32		
	\$1,840,935 81		
To the Shareholders:			
To Capital Stock paid up	\$1,100,000 00		
" Reserve Fund	417,000 00		
" Forty-fifth Dividend, due 2nd January, 1887	49,500 00		
" Unclaimed Dividends	81 90		
" Balance	371 28		
	1,566,953 18		
	\$3,407,888 99		
		By Cash Value of Securities	
		\$3,336,375 40	
		Less amount retained to pay prior mortgages	32,694 57
		\$3,303,680 83	
		" Gov't Inscribed Stock and accrued Interest	51,513 33
		" Real Estate on hand	2,635 05
		" Office Premises	19,000 00
		" CASH:	
		Banks in Canada	17,803 42
		Bank of Scotland, London	5,196 06
		On hand	8,060 30
		31,059 78	
		\$3,407,888 99	

ROBERT W. SMYLIE, 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, 1886. 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.

GEO. F. JEWELL, F.C.A., }
W. M. MOORE, } *Auditors.*

HURON & ERIE LOAN & SAVINGS COMPANY.

The Twenty-third General Annual Meeting of the Company was held at its Office, London, Ontario, on the 9th February, 1887.

Present:—Messrs. Wm. Saunders, W. P. R. Street, V. Cronyn, John Beattie, Hanson, Marsh, Moore, Jewell, Mackenzie, J. G. McIntosh, G. O. Challoner, W. J. McIntosh, and others.

The President, Wm. Saunders, Esq., occupied the chair, the Manager, Mr. Robert W. Smylie, acting as Secretary.

The minutes of the last General Annual Meeting were read and confirmed.

The Secretary read the notice calling the meeting, and also the Report and Financial Statement.

In moving the adoption of the Report, the President said:—

“The Report which has just been read to you, containing the results of the business of this Company for the past year, must be gratifying to all the Shareholders, since it shows that an increasing and profitable business has been transacted.

“To the net cash value of the securities of the Company there has been added \$223,924, making a total of \$3,303,680.83, which is secured by real estate valued by the Inspectors of the Company at \$7,153,595. The demand for money has enabled the Directors to find safe investments for all repayments received on mortgages, and also for the increase in the Working Capital, amounting to \$159,416.50, which has been mainly derived from the sale of Debentures. During the year, applications for loans have been received to the extent of \$1,076,420, of which \$643,155 was accepted, and \$433,265 declined.

“When the estimates of profits of the half-year, ending June 30th, 1886, was submitted to the Directors, the important subject of the dividend was carefully considered. Seeing that the rates of interest on money continued low, with no apparent probability of an advance, it was unanimously resolved to adopt what was believed to be a prudent course, to anticipate the gradually lessened earning powers of the Company, and reduce the dividend from 5 to 4½ per cent. half-yearly. This has been done with the hope of so strengthening the Reserve Fund as to make the present dividend as permanent as possible, a course which I trust will be approved of by all.

“Toward the close of 1886 I accepted an appointment from the Canadian Government as the Director of the Experimental Farms proposed to be established in several Provinces of the Dominion. This work will be very onerous, and involve much responsibility, and will make it impracticable for me to undertake any other duties which would prove a material tax upon my time. Under the circumstances, I shall be unable to continue to act as President of this Company, but as I expect to visit London frequently during this coming year, if the Shareholders think proper to elect me again as a Director, with the understanding that such service only will be expected of me as I can render without interfering with the efficient discharge of my public duties, I shall be glad to continue to occupy a seat at the Board for another term.

“Since I took office as your President in 1878, the Huron and Erie Loan and Savings Company has made substantial progress. The working Capital has been augmented from \$2,109,473.24 to \$3,407,888.99, being a net gain of \$1,298,415.75. This large sum has been made up from different sources; the funds in the Savings Bank having increased from \$835,398.84 to \$1,073,556.16, an addition of \$238,157.32. In 1878 the sum of \$16,452.29 covered all the Debentures issued by the Company, whereas the present statement shows under this item the large sum of \$753,948.33; to the Capital Stock there has been added the sum of \$122,238, while the Reserve Fund has been nearly doubled since that date, having grown from \$220,000 to \$417,000. These figures will, I trust, afford convincing proof that your Directors and Officers have not during the past nine years been negligent of the trust committed to their care, but have endeavored to their utmost to make the best use of all the funds with which they have been entrusted for the benefit of the Shareholders. I have much pleasure, gentlemen, in moving the adoption of the Report.”

The motion was seconded by the Vice-President, who referred at length to the items in the Report, and carried unanimously.

Moved by Mr. V. Cronyn, seconded by Mr. John Beattie:—

“The Shareholders of the Huron and Erie Loan and Savings Company desire to record their high appreciation of the valuable services rendered the Company during the past eight years by the President, Mr. Wm. Saunders, and, referring to the intimation he has just given, that his duty to the public, in the important and honorable position he has been called upon by the Government of the country to fill, will not permit his again accepting at the hands of his co-Directors the Presidency of the Company, while congratulating the country upon having secured, as Director of the Government Experimental Farms, the services of one who has proved himself so able and conscientious in every walk of life, the Shareholders cannot but regard his vacation of the Presidency with the deepest regret; nevertheless, it is some satisfaction to know that, at least for the current year, his invaluable experience and sound judgment will still be available by the Company, and that some months, at least, must elapse before his permanent withdrawal from London to his new sphere of duty can take place, and in token of their appreciation of his supervision of the Company during the past year, the Shareholders beg his acceptance of the sum of \$1000, payment of which is hereby authorized from the funds of the Company.” Carried unanimously.

The Manager, briefly for himself and his officers, expressed his unfeigned regret that Mr. Saunders should be resigning the Presidency.

The retiring Directors were all re-elected, Messrs. G. F. Jewell and W. M. Moore re-elected Auditors, and hearty votes of thanks having been passed to the President, Directors, Manager and Officers, the meeting adjourned.

At a subsequent meeting of the Board Mr. W. P. R. Street was elected President, and Mr. Wm. Saunders, Vice-President.