

CANADA PERMANENT Loan & Savings Company

THIRTY-SECOND ANNUAL REPORT,

DECEMBER 31st, 1886.

Subscribed Capital,	\$3,500,000
Paid-up Capital,	2,300,000
Reserve Fund,	1,180,000
Total Assets,	<u>9,880,000</u>
	<u>9,557,706</u>

Directors:

- EDWARD HOOPER, PRESIDENT.
- S. NORDHEIMER, VICE-PRESIDENT.
- JOSEPH ROBINSON, WM. GOODERHAM,
- A. M. SMITH, HENRY CAWTHRA,
- JUDGE HOYD.

J. HERBERT MASON, MANAGING DIRECTOR.

JONES BROS. & MACKENZIE, SOLICITORS.

Bankers in Canada:

- 1 BANK OF TORONTO, 2 BANK OF COMMERCE,
- 3 MERCHANTS BANK, 4 ~~STANDARD BANK~~ BANK,
- 5 STANDARD BANK.

Bankers in Great Britain:

- THE CITY BANK, LIMITED, LONDON.
- THE BRITISH LINEN COMPANY BANK, EDINBURGH.

OFFICE:

Company's Buildings, Toronto Street, Toronto.

REPORT OF THE DIRECTORS

OF THE

CANADA PERMANENT LOAN AND SAVINGS COMPANY,

FOR THE YEAR 1886.

The Directors have very much satisfaction in presenting to the Stockholders their report of the business of the Company for the year 1886 and the duly Audited Annual Statement.

It was intimated in the preceding Report that the limit of borrowing power on the existing Stock Capital had been reached. As the demand for loans continued and could not be met without additional money, the Board decided to offer to the Shareholders, *pro rata*, a half million dollars of new stock, upon which twenty per cent. has been called up and paid. No premium, beyond a proportionate contribution to the Reserve Fund, was charged the Shareholders, but the shares not taken were disposed of at a profit of \$3,072. This issue enlarges the Subscribed Capital to \$3,500,000, and the Paid-up Capital to \$2,300,000. With these increased funds, and those which they were thus empowered to accept for investment, the Directors have been enabled to supply all approved applications for loans.

The Cash Receipts for the year reach the unprecedentedly large sum of three millions one hundred thousand dollars. Of this amount there were received from investors here and in Great Britain \$1,167,079, and on account of mortgage loans and other securities \$1,751,868. The amount invested during the year was \$1,554,325.

The total assets of the Company exhibit an increase of \$528,054 over last year, and now amount to \$9,301,615, of which \$8,802,484 consist of mortgages on real estate.

Out of the net earnings the Board was able to declare the usual half-yearly dividends of six per cent. each on the Paid-up Stock, as well as to pay the income tax thereon levied by the City of Toronto, amounting to \$4,345, and also to add a further sum of thirty thousand dollars to the Reserve Fund, which now amounts to \$1,180,000. The Contingent Fund of \$100,378 affords an additional safe-guard against any possible, but at present unforeseen, depreciation in securities.

Further enlargement and changes in the Company's building have been found necessary, for which increased rentals are obtained. It is hoped that no considerable expenditure under that head will be again required for many years.

The prevailing low prices of agricultural products has had a depressing effect on the value of farming lands in Ontario, and has prevented the full realization of the prosperity expected from the better harvest and freedom from summer frosts last year in Manitoba. In both Provinces, however, the business of the year has been satisfactory.

The Directors have deemed it advisable to give notice of an application to Parliament for power to open registers of the Company's Debenture Stock in Great Britain and elsewhere, and also to give power to the Company to transact business in all parts of the Dominion.

All which is respectfully submitted,

E. HOOPER,
PRESIDENT.

FINANCIAL STATEMENT

OF

The Canada Permanent Loan and Savings Company,

DECEMBER 31st, 1886.

CASH ACCOUNT FOR THE YEAR 1886.

RECEIPTS.		\$	c.	EXPENDITURE.		\$	c.
Balance, January 1st, 1886		37,550	28	Loans on Real Estate	\$1,502,236	02	
Mortgages and other Securities		1,751,868	91	Loans on other Securities	36,494	50	
Deposits		730,646	15				1,538,730
Debentures		436,432	91	Municipal Debentures purchased			15,595
New Stock		153,072	00	Deposits repaid			575,743
Rentals		4,742	39	Debentures repaid			248,062
				Interest on Deposits, Debentures, &c.			231,959
				Dividends on Capital Stock			263,994
				Municipal Tax on Dividends			4,345
				Disbursements chargeable to Mortgagors			68,336
				Repayments for and on account of Mortgagors			5,441
				Commission to Agents and Appraisers			20,234
				Inspection and Travelling Expenses			1,294
				Cost of Management			44,187
				Enlargement of Company's Building			13,996
				Legal Expenses			274
				Exchange			444
				Balance			81,663
							35
		\$3,114,312	64				\$3,114,312
							64

PROFIT AND LOSS.

52nd Dividend	\$132,000	Net Profits, after providing for Interest on Deposits and Debentures, Cost of Management, &c., &c.	\$295,273
53rd Dividend	132,000	Additional Premium on New Stock sold	3,072
Municipal Tax on Dividend	4,345		
Reserve Fund, addition thereto.	30,000		
	\$298,345		\$298,345

ABSTRACT OF ASSETS AND LIABILITIES.

LIABILITIES TO THE PUBLIC.		\$	c.	ASSETS.		\$	c.
Deposits	\$1,109,536	40		Mortgages upon Real Estate	\$8,802,484	71	
Interest on Deposits due and accrued	118,020	15		Mortgages upon other Securities	96,590	04	
Sterling Debentures	3,859,952	77					8,899,074
Currency Debentures	457,926	00		Municipal Debentures			209,475
Interest on Debentures due and accrued	33,449	51		Company's Building			109,831
Sundry Accounts	10,340	05		Accrued Rentals			1,970
			5,589,224	Cash on hand	203	40	80
				Cash in banks	81,459	95	35
							81,663
							35
							\$9,301,615
							74
							74
							\$9,301,615
							74

J. HERBERT MASON, *Manager.*

We, the undersigned, beg to report that we have made the usual thorough examination of the Books of the CANADA PERMANENT LOAN AND SAVINGS COMPANY, for the year ending 31st December, 1886, and hereby certify that the above Statements are strictly correct, and in accordance with the same.

TORONTO, 2nd February, 1887.

J. E. BERKELEY SMITH, }
JOHN HAGUE, F.S.S., } *Auditors.*

Proceedings of the Thirty-Second Annual Meeting.

The Thirty-second Annual Meeting was held in the Company's Building on the 9th February, 1887, at 12 o'clock

noon.

The Managing Director, at the request of the President, read the Directors' Report and the Financial Statement.

In moving the adoption of the Report,—

The President said: Gentlemen,—Before asking you to adopt the Report I wish to say a few words. I certainly feel very much pleased to meet you on the present occasion, and to have the privilege of laying before you such a statement as has just been read. It is evident that such results could not be obtained unless the organization of the Company was thorough and complete. The Report, I think, is one of the best we ever had to lay before you, and Shareholders should not forget that, in addition to the large dividend, they also received a bonus of about fifty thousand dollars by the issue of new stock at one-half the premium it is now readily saleable at. Notwithstanding the disturbed state of the money market our Agents in Great Britain have renewed a large portion of the Debentures as they became due, and renewed them at a lower rate of interest. They have also sent us a considerable amount of new money, also at a low rate of interest. This shows that the great confidence the institution has so long enjoyed in Canada is also felt in the Old Country. And, when you reflect that the large sums that have been received from various sources have been all well invested, it shows that our staff of Inspectors and Valuers have not been asleep; that they have been very active, and have sent us in good applications for loans, that we have been perfectly satisfied with, sufficient to take every dollar as we received it. It is a very pleasant state of affairs, and shows the good working organization of the staff. I am also glad to say that money has been coming in from borrowers in Ontario and also in Manitoba in a very satisfactory manner, and every thing looks fair and promising for the future.

The Vice-President, Mr. NORDHEIMER, in seconding the Resolution said: It cannot be otherwise than gratifying to everyone connected with the Institution to see another year added so successfully to the many that we have enjoyed since the Company's organization. The President having alluded to the most interesting points of the Report, leaves me really very little to add; but I cannot help drawing your attention to the fact of the marked increase in the Company's Assets and the large proportions its business has assumed. It is evident that to use safely and profitably the sum of over nine millions of dollars is not an easy task, and is one of great care and responsibility for the Board as well as for the Managing Director. You will be pleased to notice that that task they have felt certain they fully able to perform. Having paid the largest dividend of any similar Institution in the country, twelve per cent., and adding such a considerable sum to the rest as thirty thousand dollars; having also a Contingent Fund of over a hundred thousand dollars, which, as the Report states, is more than is ever likely to be called for, the result is one of which we all may be proud. It is certainly very satisfactory to know that this very large sum is invested on the security of mortgages, not one of which is accepted or any loan granted, without the thorough investigation and satisfaction of the Managing Director and the Board. After the money is advanced, it will be satisfactory to know that not only the Managing Director keeps his closest watch upon the loans but he is also assisted by an able staff of bookkeepers and inspectors, mostly trained under his own supervision, and their services are certainly, in every respect, most satisfactory. I may say in conclusion, that the Company has had thirty-two years of uninterrupted success, and under the supervision of the same able Manager, who was the chief inaugurator of the Institution. I can safely add that we may look forward to its continuance with confidence.

The Resolution was unanimously adopted.

It was moved by JOHN CARTER, Esq., and seconded by M. O'DONNELL, Esq.,

That the thanks of this meeting be given to the President, Vice-President, and Directors, for the care and attention they have given to the Company's business during the past year, and that the same sum be voted to them as compensation as was voted last year.—Carried.

It was moved by HERBERT MORTIMER, Esq., seconded by C. HOOPER, Esq.,

That the thanks of the Shareholders are due, and are hereby presented to the Managing Director, Assistant Manager, and Staff of the Office, to the Solicitors and Appraisers, and to the Agents of the Company, for their services in the successful management of the Company during the past year.—Carried.

In moving the Resolution, Mr. Mortimer called attention to the fact that since the addition during the past year of thirty thousand dollars to the Reserve Fund, it now amounts to over fifty-one per cent. upon the paid-up Capital Stock, and that including the Contingent Fund there is an actual Rest of nearly fifty-six per cent.

The Managing Director said:

GENTLEMEN,—I have great pleasure in rising for the thirty-second time to thank you for this annual expression of confidence and satisfaction with our management of your Company. I can assure you that it is a great pleasure to us when the Statement comes out at the end of the year, and we find that we have got something to the good after paying our large dividend. I know it has been said that the Canada Permanent would have to fall into line with other Companies and pay a lesser rate. Whatever we may suppose that the Canada Permanent would have to do in the future, all I have to say is that in the past we have been able to pay it, and to pile up a Rest that is proportionately, as well as in amount, larger than any other similar financial institution in the country. All this, gentlemen, has not been done, as you may easily imagine, without a great deal of care, labour and thought on the part of those who have had charge of your Company. Its management would have been a much easier task if our Shareholders were content with the dividends that are paid elsewhere, but I am afraid that they have been educated up to such a pitch that it would be difficult to satisfy them with a lesser rate of dividend. Of course, if the time comes that the business of the Company does not yield it, we shall have to face that difficulty, but I hope and believe that time is a long way off. I do not know that anybody could take up the financial statements of several other Companies, and predicate upon anything that appears in them, that the Canada Permanent ought to pay at least two per cent. more than they do. We have the same materials to work upon as many of them which have proportionately as large Reserve Funds as we, and some of them have a great deal more borrowed capital, which as you know is one of the sources of profit to a loaning Institution. Whether the Shareholders realize the full significance of that fact, and that it has continued for the long period of thirty-two years, I am not aware; but I do know that it would be a very much easier task to come down here with an eight, nine or ten per cent. dividend, and find everybody satisfied, than it is with twelve per cent. and thirty thousand dollars added to the Rest. I thank you, Mr. President and gentlemen, not only on my own behalf, but on behalf of those not present, named in the Resolution. Where everybody has done his best, it would be invidious to particularise. The Assistant Manager and Head Office Staff, the Inspectors and Appraisers, the Agents in Britain and Manitoba, have all done well. They are all actuated by one spirit and by one purpose, to do the best possible for the Stockholders, and to keep up the record of the Canada Permanent.

Mr. CLARKE JONES returned thanks on behalf of himself and partners, the Company's Solicitors, and expressed his pleasure that the Shareholders should include them in the Resolution.

A vote of thanks was passed to the Auditors, who were re-appointed.

The election of Directors was then held, and Messrs. S. Nordheimer, Joseph Robinson, J. Herbert Mason and Judge Boyd were unanimously re-elected, after which the meeting adjourned.

At a subsequent meeting of the Board E. Hooper, Esq., was re-elected President, and Samuel Nordheimer, Esq., Vice-President.