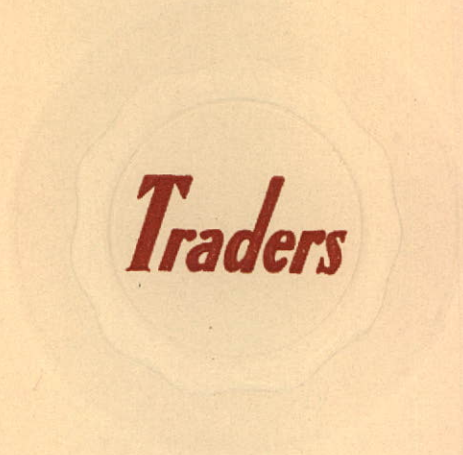


C
Stack



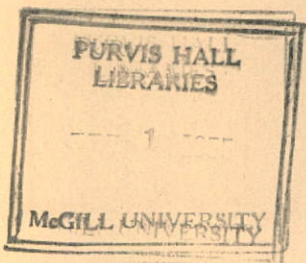
TRADERS FINANCE CORPORATION

Limited

T H I R T Y - F I R S T A N N U A L R E P O R T

31

DECEMBER 31ST, 1951



TRADERS FINANCE CORPORATION LIMITED

DIRECTORS

THE RT. HON. ARTHUR MEIGHEN, Q.C., P.C.

HENRY BORDEN, C.M.G., Q.C.

H. R. MILNER, Q.C.

LT.-COL. HUGH CLARK

COL. M. C. G. MEIGHEN, O.B.E.

J. R. CROFT, O.B.E.

LT.-COL. T. R. O. MEIGHEN, Q.C.

JOHN S. DICKSON

A. E. NAYLOR, O.B.E.

HON. RAY LAWSON, O.B.E., LL.D.

D. H. ROSS

D. E. STEWART

EXECUTIVE OFFICERS

THE RT. HON. ARTHUR MEIGHEN, Q.C., P.C. - - - - - Chairman of the Board

A. E. NAYLOR, O.B.E. - - - - - President and General Manager

J. R. CROFT, O.B.E. - - - - - Vice-President and Assistant General Manager

D. E. STEWART - - - - - Vice-President and Treasurer

D. H. ROSS - - - - - Vice-President

MISS E. M. STRAIN - - - - - Secretary

J. D. MACRAE - - - - - Assistant-Secretary

R. M. WILLMOTT - - - - - Assistant-Treasurer

AUDITOR

A. DOUGLAS DOWNIE, C.A.

BANKERS

BANK OF MONTREAL

TRANSFER AGENT AND REGISTRAR

CANADIAN GENERAL SECURITIES LIMITED

TRUSTEE—COLLATERAL TRUST NOTES

THE ROYAL TRUST COMPANY

TRUSTEE—SINKING FUND DEBENTURES

THE CANADA TRUST COMPANY

SHARES LISTED: TORONTO STOCK EXCHANGE AND MONTREAL CURB EXCHANGE

TRADERS FINANCE CORPORATION LIMITED

Annual Report-1951

TO THE SHAREHOLDERS:

The Consolidated Balance Sheet at December 31, 1951 and the Consolidated Statements of Profit and Loss and Earned Surplus of Traders Finance Corporation Limited and its subsidiary companies are submitted herewith.

The operations of your Company and its subsidiaries continued to increase during 1951 and consolidated net income, before income taxes, exceeded that of any previous year in the companies' history.

CONSOLIDATED NET INCOME

Consolidated net income for the year before income taxes	-	-	-	\$4,499,714
Provision for Dominion and Provincial income taxes	-	-	-	2,215,180
Consolidated net income for the year	-	-	-	<u>2,284,534</u>
Provision for minority interest	-	-	-	79,905
Amount available for dividends and interest on income funding rights	-	-	-	<u>2,204,629</u>
Interest on income funding rights	-	-	-	\$ 17,812
Preferred dividends	-	-	-	136,174
				<u>153,986</u>
Amount available for common dividends	-	-	-	<u>2,050,643</u>
This represents earnings of \$6.23 per share on 329,320 Class "A" and Class "B" common shares issued and outstanding at December 31, 1951.				
Common dividends paid amounted to	-	-	-	<u>657,574</u>
Balance of earnings added to surplus	-	-	-	<u><u>\$1,393,069</u></u>

The amount available for common dividends of \$2,050,643 shows a decrease of \$253,097 from that shown in the 1950 Annual Report. It should be noted, however, that in spite of an improvement of consolidated net income before taxes, the substantial increase in the rate of taxation on such income resulted in the provision for Dominion and Provincial income taxes being increased from \$1,556,300 in 1950 to \$2,215,180 in 1951. This was an increase of \$658,880.

Common dividends paid to shareholders during 1951 required \$657,574 as against \$552,590 in 1950, an increase of \$104,984. This reflects the advance in the dividend rate from \$1.50 to \$2.00 per annum, payable quarterly, which increase came into effect on October 1, 1950, and the increase in the number of common shares outstanding by the addition during the year of 4,108 Class "A" common shares through conversion of \$83,000 4% Convertible Sinking Fund Debentures.

CONSOLIDATED BALANCE SHEET

Consolidated assets have increased \$17,055,711 during the year from \$100,091,798 at December 31, 1950 to \$117,147,509.

The above increase necessitated the acquisition of additional working funds during the year. The total cost of additional financing has been written off as a charge to Earned Surplus.

Collateral Trust Notes which matured in 1952 to date of this report have been renewed or replaced by other Notes.

The balance of earnings for the year 1951 was added to Earned Surplus which now stands at \$8,317,769.

SUBSIDIARY COMPANIES

Trans Canada Credit Corporation Limited

This is a wholly owned subsidiary whose principal business is the making of personal and other loans to the public. It is transacting a profitable volume of business and has Branch Offices located in most of the large cities in Canada.

Canadian General Insurance Company

Toronto General Insurance Company

These subsidiaries are multiple line companies, writing automobile, fire, and miscellaneous casualty insurance (Contractors Bonds, Contractors Liability Bonds, General Liability, Fidelity and Surety Bonds, Forgery Insurance, Inland Transportation Insurance, etc.). Their Head Offices are in Toronto and Branch Offices are maintained at Saint John, Montreal, Toronto, Winnipeg and Vancouver.

Since the acquisition of these companies by "Traders", in 1939, the volume of insurance premiums written has steadily increased. Combined premiums earned, less reinsurance, for the thirteen years totalled \$33,582,846, the overall loss ratio being 42.28%.

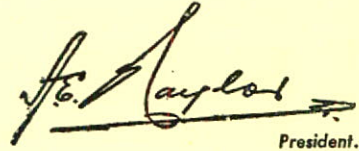
GENERAL

Traders Finance Corporation Limited operates forty-four Branch Offices in Canada from Cape Breton to Vancouver Island.

The effective services and continued co-operation of all employees are sincerely appreciated by the Directors and Officers.

SUBMITTED ON BEHALF OF THE BOARD.

Toronto, Canada
March 5, 1952.



J. C. Taylor
President.

TRADERS FINANCE CORPORATION LIMITED

AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 1951

Income from operations	-	-	-	-	-	-	-	-	\$11,404,885	
Income from interest and dividends	-	-	-	-	-	-	-	-	330,851	
Profit realized on securities sold	-	-	-	-	-	-	-	-	114,141	\$11,849,877
Interest on loans and funded debt	-	-	-	-	-	-	-	-	3,194,290	
General and administrative expense	-	-	-	-	-	-	-	-	3,738,828	
Directors' and executive officers' salaries	-	-	-	-	-	-	-	-	201,584	
Directors' fees	-	-	-	-	-	-	-	-	5,905	
Legal fees	-	-	-	-	-	-	-	-	6,135	
Depreciation — buildings and equipment	-	-	-	-	-	-	-	-	203,421	7,350,163
Profit for year before provision for income taxes	-	-	-	-	-	-	-	-	-	4,499,714
Provision for income taxes	-	-	-	-	-	-	-	-	-	2,215,180
										2,284,534
Less: Provision for minority interest	-	-	-	-	-	-	-	-	-	79,905
Net profit for year	-	-	-	-	-	-	-	-	-	<u>\$2,204,629</u>

CONSOLIDATED EARNED SURPLUS

DECEMBER 31, 1951

(after providing for minority interest)

Balance, January 1, 1951	-	-	-	-	-	-	-	-	-	\$7,143,051
Deduct: Underwriting expense	-	-	-	-	-	-	-	-	\$211,988	
Transferred to reserve for investments	-	-	-	-	-	-	-	-	12,988	
									224,976	
Less: Adjustment arising from changes in shareholdings in subsidiary companies	-	-	-	-	-	-	-	-	6,625	218,351
										6,924,700
Net profit for year	-	-	-	-	-	-	-	-	2,204,629	
Less: Interest on income funding rights	-	-	-	-	-	-	-	\$ 17,812		
Dividends on 4½% cumulative redeemable preferred shares	-	-	-	-	-	-	-	136,174	153,986	
Net profit for year available for common shares	-	-	-	-	-	-	-	-	2,050,643	
Dividends on common shares	-	-	-	-	-	-	-	-	657,574	
Added to surplus	-	-	-	-	-	-	-	-	-	1,393,069
Balance, December 31, 1951	-	-	-	-	-	-	-	-	-	<u>\$8,317,769</u>

TRADERS FINANCE C
AND SUBSIDIA
CONSOLIDATED BALANCE

ASSETS

Cash on hand and in banks	-	-	-	-	-	-	-	-	-	-	-	-	\$13,882,529
Investment in bonds and stocks—at cost	-	-	-	-	-	-	-	-	-	-	-	\$6,719,185	
(Market value \$6,506,549)													
Interest accrued	-	-	-	-	-	-	-	-	-	-	43,673		6,762,858
Notes receivable and lien obligations—secured,													
after full provision for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-	92,963,661
Loans, mortgages, advances and accounts receivable,													
after full provision for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-	2,983,311
Land, buildings and equipment—at cost	-	-	-	-	-	-	-	-	-	-	893,189		
Less: Reserve for depreciation	-	-	-	-	-	-	-	-	-	-	338,039		555,150

Approved on behalf of the Board

A. E. NAYLOR, Director
 ARTHUR MEIGHEN, Director

\$117,147,509

Toronto, Canada, February 27, 1952.

This is the balance sheet referred to in my report to the Shareholders

CORPORATION LIMITED

RY COMPANIES

HEET—DECEMBER 31, 1951

LIABILITIES

Bank borrowings represented by collateral trust notes, Series "C"—secured	-	-	-	-	-	-	-	\$ 9,700,000
Accounts payable and accrued charges	-	-	-	-	-	-	-	\$ 776,840
Interest accrued on funded debt	-	-	-	-	-	-	-	641,288
Dividends payable	-	-	-	-	-	-	-	226,978
Provision for income taxes	-	-	-	-	-	-	-	1,356,710
Dealers' credit balances	-	-	-	-	-	-	-	3,868,518
								<u>6,870,334</u>
Reserve for insurance claims	-	-	-	-	-	-	-	1,702,698
Reserve for unearned income	-	-	-	-	-	-	-	6,355,257
Reserve for guarantee bonds	-	-	-	-	-	-	-	\$115,268
Reserve for contingent reinsurance	-	-	-	-	-	-	-	200,000
Reserve for investments	-	-	-	-	-	-	-	95,000
								<u>410,268</u>
								8,468,223
Collateral trust notes—secured	-	-	-	-	-	-	-	64,611,775
Sinking fund debentures	-	-	-	-	-	-	-	12,500,800
Minority interest of shareholders in the capital and surplus of subsidiary companies	-	-	-	-	-	-	-	758,020

Capital

Authorized:

35,000 4½% cumulative redeemable preferred shares
—par value \$100 each, callable at \$104.

480,000 Class "A" common shares—no par value

120,000 Class "B" common shares—no par value

Issued and outstanding:

35,000 4½% cumulative redeemable preferred shares - - \$3,500,000

4,856 shares held in subsidiary companies - - - - 485,600

30,144 3,014,400

209,320 Class "A" common shares - - - - 2,426,188

120,000 Class "B" common shares - - - - 480,000

5,920,588

Earned surplus - - - - - 8,317,769

Total capital and surplus - - - - - 14,238,357

\$117,147,509

ated February 27, 1952.



Chartered Accountant.

AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TRADERS FINANCE CORPORATION LIMITED

I have examined the consolidated balance sheet of Traders Finance Corporation Limited and subsidiary companies as at December 31, 1951, and the statements of consolidated profit and loss and earned surplus for the year ended on that date, and have obtained all the information and explanations I have required.

The examination was carried out in conjunction with the Companies' internal auditor. Substantial tests were made of the correctness of the accounts at the head offices and branch offices of the Companies and the accounting methods were reviewed, but all of the transactions were not audited in detail.

In my opinion, the accompanying consolidated balance sheet, with supplementary notes thereto, and the statements of consolidated profit and loss and earned surplus, are properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, on a consolidated basis, as at December 31, 1951, and the results of the operations for the year ended on that date, according to the best of my information and the explanations given to me and as shown by the books.



Chartered Accountant.

Toronto, Canada,
February 27, 1952.

NOTES TO THE CONSOLIDATED BALANCE SHEET OF

TRADERS FINANCE CORPORATION LIMITED

AND SUBSIDIARY COMPANIES

DECEMBER 31, 1951

1. Collateral trust notes.

Series "A" 3¼% due Feb. 1, 1954	-	-	-	-	-	-	\$ 5,000,000
Series "B" 2½% due Aug. 1, 1952	-	-	-	-	\$3,000,000		
" Sept. 1, 1953	-	-	-	-	3,300,000		
" Sept. 1, 1955	-	-	-	-	<u>3,400,000</u>	9,700,000	
Series "D" 3½% due Apr. 1, 1959	-	-	-	-	-	7,500,000	
Series "F" 3½% due Dec. 15, 1964	-	-	-	-	-	6,500,000	
Series "G" 3⅛% due May 1, 1955	-	-	-	-	-	3,000,000	
Series "H" 3½% due May 1, 1965	-	-	-	-	-	5,000,000	
Series "I" 3¼% due June 15, 1957	-	-	-	-	-	5,000,000	
Series "J" 2¾% due May 15, 1952	-	-	-	-	1,000,000		
3½% due Feb. 15, 1952	-	-	-	-	1,500,000		
" Jan. 20, 1952	-	-	-	-	2,000,000		
" Mar. 1, 1952	-	-	-	-	250,000		
" May 15, 1952	-	-	-	-	<u>1,000,000</u>	5,750,000	
Series "K" 3¾% due Mar. 1, 1963	-	-	-	-	-	6,000,000	
Series "L" 3⅝% due Mar. 1, 1958	-	-	-	-	-	3,750,000	
Series "M" 3¼% due Apr. 25, 1952	-	-	-	-	900,000		
3½% " May 15, 1952	-	-	-	-	1,000,000		
3½% " June 1, 1952	-	-	-	-	1,145,000		
4% " June 1, 1956	-	-	-	-	<u>455,000</u>	3,500,000	
Series "N" — due Jan. 16, 1952	-	-	-	-	2,000,000		
— " July 16, 1952	-	-	-	-	<u>2,000,000</u>	4,000,000	
						<u>64,700,000</u>	
Deduct: Unamortized discount	-	-	-	-	-		88,225
Per balance sheet	-	-	-	-	-		<u>\$64,611,775</u>

2. Sinking fund debentures.

Series "A" and "B"							
Authorized:	\$4,000,000						
Issued							
Series "A" 3¼% due Jan. 2, 1958	-	-	-	\$2,000,000			
Less: Purchased and cancelled	-	-	-	<u>150,000</u>	\$1,850,000		
Series "B" 4% due May 1, 1963	-	-	-	2,000,000			
Less: Purchased and cancelled	-	-	-	<u>150,000</u>	1,850,000		
							Carried Forward \$3,700,000

NOTES TO THE CONSOLIDATED BALANCE SHEET OF

TRADERS FINANCE CORPORATION LIMITED
AND SUBSIDIARY COMPANIES

DECEMBER 31, 1951

2. Sinking fund debentures (Continued)

Brought Forward \$ 3,700,000

4% Convertible due Jan. 15, 1965			
<i>Issued</i> - - - - -		\$4,000,000	
Less: Converted into Class "A" common shares		5,000	
Purchased and cancelled - - -		<u>100,000</u>	3,895,000
4% Convertible due Apr. 1, 1966			
<i>Issued</i> - - - - -		3,000,000	
Less: Purchased and cancelled - - -		<u>75,000</u>	2,925,000
4½% due Oct. 1, 1967 - carrying stock purchase warrants			
<i>Issued</i> - - - - -		- - - - -	<u>2,000,000</u>
			12,520,000
Deduct: Series "A" debentures held in subsidiary company - - - - -		- - - - -	<u>19,200</u>
Per balance sheet - - - - -		- - - - -	<u><u>\$12,500,800</u></u>

3. Capital stock—common.

	Class "A"		Class "B"	
	Shares	Amount	Shares	Amount
Issued and outstanding January 1, 1951	205,212	\$ 2,343,188	120,000	\$480,000
Conversion of 4% sinking fund debentures				
—due April 1, 1964 - - - - -	<u>4,108</u>	<u>83,000</u>		
Issued and outstanding Dec. 31, 1951 -	<u><u>209,320</u></u>	<u><u>\$ 2,426,188</u></u>	<u><u>120,000</u></u>	<u><u>\$480,000</u></u>

4. Income funding rights.

There are outstanding 13,653 Series "A" and 6,171 Series "B" income funding rights with a total aggregate face value of \$507,286. Non-cumulative interest at the rate of \$1.00 per annum per right is payable out of the net profits of each fiscal year or to the extent that such profits are available before payment of dividend on the 4½% cumulative redeemable preferred shares. In the event of liquidation, the income funding rights rank after the 4½% cumulative redeemable preferred shares but in priority to the Class "A" and Class "B" common shares.

TRADERS FINANCE CORPORATION LIMITED

HEAD OFFICE—50 KING STREET WEST—TORONTO

BRANCH OFFICES

PRINCE EDWARD ISLAND

CHARLOTTETOWN

NOVA SCOTIA

SYDNEY
NEW GLASGOW
HALIFAX

NEW BRUNSWICK

MONCTON
SAINT JOHN
CAMPBELLTON
WOODSTOCK

QUEBEC

RIMOUSKI
QUEBEC
CHICOUTIMI
THREE RIVERS
SHERBROOKE
GRANBY
MONTREAL
MONT LAURIER
VAL D'OR

ONTARIO

OTTAWA
CORNWALL
BELLEVILLE
TORONTO
HAMILTON

ONTARIO

KITCHENER
OWEN SOUND
TIMMINS
SUDBURY
LONDON
WINDSOR
PORT ARTHUR

MANITOBA

WINNIPEG
BRANDON

SASKATCHEWAN

REGINA
MOOSE JAW
SASKATOON
PRINCE ALBERT

ALBERTA

LETHBRIDGE
CALGARY
RED DEER
EDMONTON
PEACE RIVER
GRANDE PRAIRIE

BRITISH COLUMBIA

PENTICTON
VANCOUVER
VICTORIA

THE OLDEST ALL-CANADIAN NATIONAL FINANCE COMPANY

S U B S I D I A R Y C O M P A N I E S

•
CANADIAN GENERAL INSURANCE COMPANY

TORONTO GENERAL INSURANCE COMPANY

HEAD OFFICE—85 RICHMOND STREET WEST—TORONTO

BRANCH OFFICES

SAINT JOHN TORONTO
MONTREAL WINNIPEG
VANCOUVER

•
TRANS CANADA CREDIT CORPORATION LIMITED

HEAD OFFICE—44 KING STREET WEST—TORONTO

BRANCH OFFICES

PRINCE EDWARD ISLAND
CHARLOTTETOWN

NOVA SCOTIA
HALIFAX

NEW BRUNSWICK
SAINT JOHN
FREDERICTON

QUEBEC
QUEBEC
THREE RIVERS
SHERBROOKE
GRANBY
MONTREAL

ONTARIO
OTTAWA
CORNWALL
BELLEVILLE
TORONTO
HAMILTON
KITCHENER
OWEN SOUND

ONTARIO
SUDBURY
LONDON
WINDSOR
PORT ARTHUR

MANITOBA
WINNIPEG
BRANDON

SASKATCHEWAN
REGINA
MOOSE JAW
SASKATOON
PRINCE ALBERT

ALBERTA
LETHBRIDGE
CALGARY
RED DEER
EDMONTON

BRITISH COLUMBIA
PENTICTON
VANCOUVER
VICTORIA

