

THE SCOTTISH
INVESTMENT TRUST COMPANY,
Limited,

REPORT BY THE TRUSTEES
TO THE
FIRST ANNUAL MEETING
OF PROPRIETORS.

NOTICE is hereby given that the FIRST ANNUAL MEETING of the PROPRIETORS of this COMPANY will be held in DOWELL'S ROOMS, No. 18 GEORGE STREET, EDINBURGH, on *Saturday, 17th November* 1888, at TWELVE o'Clock Noon, for the purpose of considering this Report. The Transfer Books are closed till after the Meeting.

HOLMES IVORY,
Secretary.

122 GEORGE STREET,
EDINBURGH, *9th November* 1888.

THE SCOTTISH INVESTMENT TRUST COMPANY (LIMITED).

Incorporated under the Companies Acts, 1862 to 1880.

CAPITAL £500,000,

In 50,000 Shares of £10 each, of which 25,000 Shares of £10 each have been subscribed and converted into equal parts of Preferred and Deferred Stock.

Trustees.

J. DICK PEDDIE, Esq., Trustee of the Mercantile Investment & General Trust Company,—*Chairman*.
EGERTON H. CLARKE, Esq. (Messrs Linton, Clarke & Company), London. JAMES MACDONALD, Esq., W.S. (Messrs Auld & Macdonald), Edinburgh.
JOHN GIFFORD, Esq., Banker, 5 Whitehouse Terrace, Edinburgh. THE HON. F. J. MONCREIFF (Messrs Moncreiff & Horsbrugh), Edinburgh.
WILLIAM HOLMS, Esq. (Messrs Wm. Holms & Brothers), Glasgow. R. JAMESON TORRIE, Esq. (Messrs Torrie, Brodie & MacLagan), Edinburgh.

Bankers.

THE COMMERCIAL BANK OF SCOTLAND (LIMITED).

Brokers.

EDINBURGH: MESSRS TORRIE, BRODIE & MACLAGAN, 13 Queen Street.
LONDON: MESSRS LINTON, CLARKE & COMPANY, Bartholomew House, E.C.

Secretary.

HOLMES IVORY, Esq., W.S.

Offices.

122 GEORGE STREET, EDINBURGH.

THE Trustees have the pleasure of presenting to the Proprietors their First Annual Report and Statement of Accounts, made up to the end of the Financial Year, the 1st November 1888.

At the date of the Statutory Meeting, held on 25th November last, the Subscribed Capital of the Company was £53,820. At present the Subscribed Capital is £250,000, in addition to £125,000 of Debenture Stock. The Capital is held by 403 Proprietors, and has been duly invested by the Trustees in the securities mentioned in the accompanying List.

The Trustees have considered it advisable to change some of the Securities during the course of the year, and the Profits from Sales, amounting to £1858, 6s. 11d., have been invested, and carried to Reserve Fund.

The Revenue Account shows a receipt of £13,232, 2s. 11d., which, after deducting Management Expenses, as provided for by the Articles of Association, Interest on Debenture Stock, and on Calls paid in advance, and Law Expenses, leaves the sum of £9600, 8s. 10d. Out of this amount an Interim Dividend, at the rate of 5 per cent. per annum, both on the Preferred and Deferred Stocks to the 1st of May, has already been paid, absorbing £1345, 3s. 8d., leaving £8255, 5s. 2d. for further distribution.

The Shareholders will observe that in connection with the formation expenses a sum of £1750 is charged in addition to the amount provided for in the agreement with Mr PARISH. It should be stated in explanation of this that when the subscribed Capital had reached the amount of £75,000, a proposal was made to the Trustees to take up the remainder of the issue, amounting to £175,000, on condition of the above amount being allowed as a Commission. The Trustees considered that it would be of great advantage to the Company to accept this offer, as they would thereby be enabled at once to get a Stock Exchange quotation, and to issue Debenture Stock. They accordingly did accept it, and the present position of the Company in the market is evidence of the great benefit which the Shareholders have thereby derived.

The Trustees recommend that the Balance on Revenue Account be now appropriated by the payment of Dividends of 5 per cent. per annum on the Preferred Stock, and at the rate of 7 per cent. per annum on the Deferred Stock, leaving the sum of £942, 15s. 2d., to be carried forward to next Account. This Balance would have admitted of a payment at the rate of 8 per cent. on the Deferred Stock, but the Trustees have considered it the more expedient course to restrict the Dividend, so as to carry forward a substantial sum.

The Trustees have now resolved to issue the £250,000 of unissued Capital, in 25,000 shares of £10 each.

The present average market price of the Preferred and Deferred Stocks is £112½. The Trustees propose to offer the new Stock rateably to the present Stockholders at 12s. premium per £10 Share, which corresponds to £106 per cent. of Stock, thus, after allowing for deduction of Dividend, giving them a considerable Bonus on the issue. Should any part of the Stock not be taken up by the present holders, the Trustees will thereafter issue it to the public at such terms as may appear to them advisable. These Shares will, when paid up, be divided into equal parts of Preferred and Deferred Stock.

The Accounts do not exhibit a full year's income, owing to the fact that a large proportion of the Capital was not subscribed and invested until during the latter part of the year.

The Securities are lodged in the Deposit Safe in the Offices of the Scottish American Investment Company, George Street, which is believed to be one of the most secure safes in Scotland, and have during the year been examined quarterly by two of the Trustees and the Auditor, who have certified them to be correct. The Trustees have during the year assumed Mr Egerton H. Clarke, of Messrs Linton, Clarke & Company, as a Trustee, and his election falls to be confirmed by the Shareholders.

The Auditor, Mr H. M. HORSBRUGH, C.A., retires at this Meeting, but offers himself for re-election.

Signed on behalf of the Board,

J. DICK PEDDIE,
Chairman.

List of Investments.

FOREIGN BONDS.

Argentine Republic 6% Hard Dollar Bonds	\$7500
Buenos Ayres Govt. 6% Bonds of 1882	£500
Do. do. 1883	£3300
Do. do. 1886	£1200
Do. do. 1888	£2000
Cordova Government 6% Bonds	£5000
Costa Rica Govt. "B" 5% Bonds	£5000
Egyptian Daira Sanieh 5% Bonds	£4000
Egyptian Government Unified Bonds	£1000
Entre Rios Government 6% External Loan,	1886 £1500
Do. do., 1888	£1500
Greek Govt. and Monopoly Bonds	£5000
Hawaiian Govt. 6% Sterling Loan, 1886	£2000
Mexican Government 6% Bonds	£6000
Mexican Government Internal Bonds...	\$37,000
Nicaragua 6% Mortgage Bonds	£1000
Santa Fé Government 6% Bonds	£4500
Santa Fé Government 7% Bonds	£500
Spanish Government 4% Bonds	£5674
Turkish Tribute 4½% Bonds	£2000
Uruguay Unified 5% Loan of 1883	£4400
Uruguay 6% Sterling Loan	£1000
Uruguay 6% Bonds	£2500
Venezuelan Government 3% Bonds	£5000

RAILWAY BONDS, SHARES, &c.

Argentine Northern Central Railway Extension 1st Mortgage	£2000
Do. do. 5% Govt. Mort. Bonds...	£3000
Atchison, Topeka, & Santa Fé Rd. Coy. Collateral Trust 5% Gold Bonds	\$5000
Bay of Havana Railway 6% Bonds	£4000
Brazil Great Southern Railway Company Limited Preference Shares	350 Shares.
Brazilian Imperial Central Bahia Railway Company Limited	100 "
Buenos Ayres and Valparaiso Trans-andine Railway Company Limited	50 "
Do. do. 7% Per. Deb. Stk.	£1000
Chicago, Milwaukee and St Paul Ry. Coy. 5% Terminal Gold Bonds	\$5000
Do. do. Pref. Shares	50 Shares.
Denver and Rio Grande Rd. Coy. \$100 Pref. Shares	60 "
Entre Rios Central Ry. Extn. 6% Bonds	£3600
Do. do. 6% 1st Mortgage Loan	£500
Georgia Pacific Equipment Trust 6% Bonds	\$15,000
Great Southern of Spain Ry. Coy. Ld. 6% Mort. Deb.	£2900
Havana Railways Company 7% Bonds...	£1000
Illinois Central Railroad Company \$100 Shares	150 Shares.
International and Great Northern Railroad of Texas 6% 2d Mortgage	\$10,000
Leopoldina Ry. 6% £50 obligations	£2000
Louisville and Nashville Railroad Company (New Orleans and Mobile Division) 2d Mortgage 6% Bonds...	\$7000
Manila Ry. Coy., Ld. 6% Debentures	£2000
Manitoba and North-Western Railway of Canada 1st Mortgage 5% Bonds	£1000
Matanzas and Sabanilla Railroad 7% Bonds	£600
Mexican Central Railway Company, Limited 1st Mortgage Bonds	\$30,000
Mexican National Railroad Company 1st Mortgage 6% Bonds	\$15,000

Railway Bonds, Shares, &c.—Continued.

Mexican Ry. Coy., Ld. 1st Pref. Stock	£2600
Do. do. 6% 2d Mortgage Debenture Stock	£2500
Midland Ry. of Uruguay 6% Debenture Stock,	£2500
Minas and Rio Railway Company, Ld.	100 Shares.
Missouri, Kansas and Texas Railway General Mortgage 6% Bonds	\$3000
New York, Lake Erie and Western Railroad 2d Mortgage 6% Bonds	\$10,000
Norfolk and Western Railway 7% Adjustment Mortgage Bonds	\$15,000
Pireus, Athens and Peloponnesus 6% 1st Mortgage Bonds	£4000
Porto Alegre and New Hamburg Railway Company, Ld. 6% Deb. Stock	£1500
Quebrada Railway, Land and Copper Company 6% Debenture Stock	£2000
Recife and São Francisco (Pernambuco) Ry. Coy., Ld. Guaranteed Stock	£1700
St. Joseph and Grand Island Ry. Coy. 6% 1st Mortgage Gold Bonds	\$15,000
St. Paul, Minneapolis and Manitoba Railway Company	70 Shares.
San Antonio and Aransas Pass Railway 6% 1st Mortgage Bonds	\$15,000
San Paulo (Brazilian) Ry. Coy. Ld.	100 Shares.
Santa Fé and Reconquista Railway Company 5% Mortgage Bonds	£5000
Smyrna and Cassaba Railway Company, Limited 7% Preference	40 Shares.
Do. do. Ordinary	50 "
Southern Brazilian Rio Grande do Sul Railway Company, Limited	200 "
Zafra à Huelva Railway (Spain)	100 "

BANKS.

Anglo-Californian Bank, Limited	150 Shares.
Anglo-Egyptian Bank, Limited	250 "
Bank of Australasia	35 "
Bank of British Columbia	75 "
Bank of Egypt	200 "
Bank of Victoria	27 "
Birmingham and Midland Bank, Limited	65 "
Capital and Counties Bank, Limited	30 "
Chartered Mercantile Bank of India, London and China	100 "
Chartered Bank of India, Australia and China	15 "
City Bank, Limited (London)	50 "
Colonial Bank	50 "
Commercial Bank of Australia	80 "
Do. do. Scotland, Limited	10 "
English Bank of Rio de Janeiro, Limited	200 "
Do. do. the River Plate, Limited	100 "
German Bank of London, Limited	100 "
Imperial Bank, Limited...	150 "
International Bank of London, Ld.	150 "
Liverpool Commercial Banking Coy.	50 "
London and Brazilian Bank, Limited	250 "
London and River Plate Bank, Limited...	100 "
London and San Francisco Bank, Ld.	300 "
London and Westminster Bank, Limited	20 "
National Bank of Mexico	200 "
Queens and National Bank, Limited	100 "
Do. do. (new)	21 "
Standard Bank of South Africa, Ld.	50 "
Union Bank of Manchester, Limited	100 "
Do. Scotland, Limited	80 "
Do. Spain & England, Ld.	100 "

INVESTMENT AND FINANCIAL COMPANIES.

American Mortgage Coy. of Scotland, Ld.	400 Shares.
Anglo-American Land, Mortgage, and Agency Company, Limited ...	200 "
Argentine Cedula Bonds, series "B." ...	\$15,000
Assets Realisation Company, Limited ...	500 Shares.
Australasian Mort. and Agency Coy., Ld.	700 "
Do. do. (new)	140 "
Australian Mortgage, Land and Finance Company, Limited ...	100 "
Buenos Ayres Harbour Works 6% Bonds	£2000
Colorado Mortgage and Investment Company of London, Limited ...	500 Shares.
Debenture Corporation, Limited ...	650 "
Dundee Mortgage and Trust Investment Company, Limited, ordinary shares ...	700 "
Edinburgh American Land Mortgage Company, Limited ...	740 "
General Assets Purchase Coy., Limited General and Commercial Investment Trust Company, Limited, Def. Stock	£3000
International Financial Society, Limited Mercantile Investment and General Trust Company, Limited, Def. Stock	£2000
National Discount Company, Limited	250 Shares.
North of Scotland Canadian Mortgage Company, Limited ...	400 "
Oregon Mortgage Company, Limited ...	1000 "
Otago, and Southland Invest. Coy., Ld.	525 "
Queensland Investment and Land Mortgage Company, Limited ...	200 "
Railway Debenture Trust Coy., Limited Realisation and Debenture Corporation of Scotland, Limited ...	250 "
River Plate Trust Loan and Agency Company, Limited "A" shares ...	370 "
Do. do. (New) "	33 "
Scottish American Investment Coy., Ld.	1000 "
Do. do. Mortgage do...	810 "
Scottish Trust and Loan of Ceylon, Ld.	200 "
South Australian Land Mortgage and Agency Company, Limited ...	300 "
Trustees', Executors' and Securities' Insurance Corporation, Limited ...	300 "
United States Mortgage Company of Scotland, Limited ...	845 "
Do. do. (new)	445 "
Western and Hawaiian Investment Coy., Limited ...	250 "

INSURANCE.

Indemnity Mutual Marine Assur. Coy.	60 Shares.
Scottish Union and National Insurance Company, "A" New Issue ...	160 "
Standard Life Assurance Company ...	10 "

COAL AND GAS.

Alliance and Dublin Consumers' Gas Coy.	200 Shares.
Arniston Coal Company, Limited ...	50 "
Buenos Ayres (New) Gas Company, Ld.	60 "
Cairnstable Gas Coal Company, Limited	50 "
Fife Coal Company, Limited ...	30 "
Lochore and Capeldrae Coal Coy., Ld., Pref.	20 "
Monte Video Gas Company, Limited ...	50 "
Partick, Hillhead and Maryhill Gas Company, Limited ...	246 "
San Paulo Gas Company, Limited ...	125 "

TEA.

Darjeeling Company, Limited ...	50 Shares.
Jorehaut Tea Company, Limited ...	20 "
Lebong Tea Company, Limited ...	100 "
Luckimpore Tea Company of Assam, Ld.	250 "
Scottish Assam Tea Company, Limited	250 "

TELEGRAPHS AND TELEPHONES.

Brazilian Submarine Telegraph Coy., Ld.	200 Shares.
Cuba Submarine Telegraph Coy., Ld. ...	120 "

Indo-European Telegraph Coy., Limited	25 Shares.
Lancashire and Cheshire Telephone Coy., Ld.	250 "
Reuter's Telegram Company, Limited	100 "
Submarine Telegraph Company, Limited	300 "
United Telephone Company, Limited ...	100 "

SHIPPING.

British and Burmese Steam Navigation Company, Limited ...	20 Shares.
British India Steam Navig. Coy., Ld. ...	20 "
Irrawaddy Flotilla Company, Limited	5 "
La Platense Flotilla Company, Limited	50 "
Orient Steam Navigation Company, Ld.	250 "
Pacific Steam Navigation Company, Ld.	100 "
Union Steam Ship Coy. of New Zealand, Limited ...	200 "

MISCELLANEOUS.

Anglo-Argentine Tramways Coy., Ld.	500 "
Arnott & Company, Limited ...	200 "
Assam Railways and Trading Company, Limited and Reduced, Pre. Pref. ...	100 "
Barrett's Brewery and Bottling Coy., Ld., Birkenhead Brewery Company, Limited	200 "
Brown Bayley's Steelworks, Limited, 5% Debentures ...	£1900
Broxburn Oil Company, Limited ...	50 Shares.
Brunner Mond and Company, Limited	100 "
Charles Cammell & Company, Limited	20 "
Compagnie Générale des Asphaltes de France ...	100 "
Crosses and Winkworth, Limited ...	60 "
Curamalan Land Company, 1st Mortg.	£3000
Denver Mansions Company, Limited	100 Shares.
Distillers' Company, Limited ...	360 "
Dunville and Company, Limited ...	100 "
Eley Brothers, Limited ...	50 "
Fore Street Warehouse Company, Ld.	50 "
Foster, Porter and Company, Limited	150 "
General Hydraulic Power Company, Ld.	200 "
Greenwood and Batley, Limited, Pref.	50 "
Highland Distilleries Coy., Limited ...	300 "
Hotchkiss Ordnance Coy., Ld., Pref. ...	100 "
Do. do. 5% Debentures	£1000
Improved Wood Pavement Coy. Ld. ...	30 Shares.
India Rubber, Gutta Percha and Telegraph Works Company, Limited ...	100 "
John Brown & Company, Limited ...	30 "
John Crossley & Sons, Limited ...	150 "
Kimberley Waterworks Company, Ld.	200 "
Lawes Chemical Manure Company, Ld.	50 "
Linoleum Manufacturing Company, Ld.	50 "
Lion Brewery Company, Ordinary, £20 each, £17 paid ...	20 "
Lion Brewery Company, New Ordinary, £10 each, £6 paid ...	50 "
Maxim-Nordenfelt Guns and Ammunition Company, Limited ...	160 "
New Explosives Company, Limited ...	150 "
New Westminster Brewery Coy., Ld. ...	150 "
New York Breweries Coy, Ld., 6% Deb.	£3000
Nobel Dynamite Trust Company, Ld. ...	250 Shares.
Perry & Coy., Ld., £10 each fully paid	105 "
Do. do., £10 each, £5 paid	10 "
Phospho-Guano Company, Limited ...	100 "
Price's Patent Candle Company, Limited	50 "
Railway Equipment Coy. of Minnesota	125 "
Rio Tinto Company, Limited, 2d Mortgage Debenture 5% Bonds ...	£1000
Runcorn Soap and Alkali Company, Ld.	100 Shares.
Spiers & Pond, Limited ...	250 "
Swan Land and Cattle Company 6% Debenture Bond ...	£750
Telegraph Construction and Maintenance Company, Limited ...	70 Shares.
United States Rolling Stock Collateral 5% Bonds ...	£2000

We, the undersigned, have examined the foregoing Securities of the Company, and find them to be correct.

Dated this, the 2d day of November, 1888.

JOHN GIFFORD,
JAMES MACDONALD, } Trustees.
H. M. HORSBRUGH, C.A., Auditor.

The Scottish Investment

Trust Company, Limited.

REVENUE ACCOUNT from 27th JULY

1887 to 1st NOVEMBER 1888.

Dr.		
To Management Expenses, as per Article No. 103 of Association, viz.:—One-Half of 1 per Cent.		
on Share Capital and Debenture Capital, subscribed and paid (£375,000),	£1,875	0 0
„ Interest paid:—		
On £125,000 Debenture Stock, from 27th June to 1st November 1888,		
at 4 per Cent., less Tax, £43, 8s. 11d.,	£1,696	2 7
On Calls paid in advance,	26	7 1
		<hr/>
		1,722 9 8
„ Law Expenses,		34 4 5
„ Balance. Net Revenue,		9,600 8 10
		<hr/>
		£13,232 2 11

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By Dividends and Coupons received,	£13,063 0 7
„ Interest on Temporary Investments, etc.,	127 9 10
„ Transfer Fees,	41 12 6
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	£13,232 2 11

APPROPRIATION OF

NET REVENUE.

To Interim Dividend at 5 per Cent. on Capital Subscribed, paid 2d May 1888, less Tax, £38, 11s.,	£1,345	3 8
„ Dividend to be paid, at 5 per Cent., on £125,000 Preferred Stock, for six months to 1st November 1888, less Tax, £78, 2s. 6d.,	3,046	17 6
„ Proposed Dividend at 7 per Cent. on £125,000 Deferred Stock, for same period, less Tax, £109, 7s. 6d.,	4,265	12 6
		<hr/>
		£8,657 13 8
„ Balance proposed to be carried forward,	942	15 2
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		£9,600 8 10

By Balance from Revenue Account,	£9,600	8 10
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		£9,600 8 10

BALANCE SHEET as

at 1st NOVEMBER 1888.

To Nominal Capital 50,000 Shares of £10 each,	£500,000	0 0
Of which have been issued 25,000, representing £250,000, now converted into—		
5 per Cent. Preferred Stock,	£125,000	0 0
Deferred Stock,	125,000	0 0
		<hr/>
		£250,000 0 0
„ Four per Cent. Debenture Stock—Amount authorised, £250,000—of which there has been issued,	125,000	0 0
„ Reserve Fund, Balance of Profit on Sale of Investments,	1,858	6 11
„ Sundry Creditors,	1,699	16 7
„ Unclaimed Dividends,	7	3 6
„ Balance on Revenue Account,	£9,600	8 10
Deduct.—Interim Dividend paid 2d May 1888, less Tax,	1,345	3 8
		<hr/>
		8,255 5 2
		<hr/>
		£386,820 12 2

By Investments at Cost Price,	£375,817	10 1
„ Formation Expenses, and Expenses of Issue of Stock,	5,433	1 0
One per Cent. on Subscribed Share Capital in terms of Memorandum of Association (£250,000),	£2,500	0 0
Additional Cost of this Issue, as explained in the Report,	1,750	0 0
Commission on Debenture Stock issued (£125,000),	1,183	1 0
		<hr/>
		£5,433 1 0
„ Safe, etc.,		75 16 1
„ Sundry Debtors,		417 13 1
Being Coupons payable 1st November 1888, lying with Bankers for Collection, etc.		
„ Cash:—		
In Bank,	£5,012	9 0
On Hand,	64	2 11
		<hr/>
		5,076 11 11
		<hr/>
		£386,820 12 2

J. DICK PEDDIE, *Chairman.*
HOLMES IVORY, *Secretary.*

EDINBURGH, 9th November 1888.—I have examined the Books of THE SCOTTISH INVESTMENT TRUST COMPANY, reference to the Statement in the Trustees' Report regarding the expense of issuing the Stock, I beg to report that, in the Books on the 1st inst. I have also to report that I have quarterly examined the security writs of the Investments,

LIMITED, for the period from 27th July 1887 to the 1st inst., with the relative vouchers and instructions, and under my opinion, the foregoing Balance Sheet is a full and fair Statement of the position of the Company, as appearing in and that I have found these to be in order.

H. M. HORSBRUGH, C.A., *Auditor.*