

COMPANY MEETINGS

UNION DISCOUNT COMPANY OF LONDON.

SATISFACTORY RESULTS.

BRITISH FINANCIAL STABILITY.

PROSPECTS OF RETURN TO GOLD STANDARD.

The SIXTY-SEVENTH ORDINARY GENERAL MEETING of the Union Discount Company of London, Limited, was held yesterday at the Cannon-street Hotel, London, E.C.

Mr. LAURENCE CURRIE presided.

The SECRETARY (Mr. W. B. Hobbs) having read the notice convening the meeting and the report of the auditors,

The CHAIRMAN said:—I presume, ladies and gentlemen, that you will, as usual, take the report as read.

You will see from its contents that the results of the year with which it deals have been satisfactory.

During the whole of 1924 the Bank rate remained at 4 per cent. There was an average difference of about 15s. 9d. per cent. between the three months' bill rate and the Bank rate in the first half of the year, but this was reduced to about 6s. per cent. in the second half. The change was doubtless due to the apprehension of a rise in the Bank rate, and it is probable that the steps taken to make the rate more effective averted the danger of an advance in the official minimum, which no one wanted, and which would probably have hindered a revival in trade, so ardently desired. There have been some evidences of improving trade during the past few months, and a further improvement may be anticipated during the present year. The prospects are certainly brighter than they were a year ago.

IMPROVED EUROPEAN CONDITIONS.

Apart from the more stable political conditions in this country, there are evidences of a steady, if slow, improvement in the general position in Europe. The German mark has been stabilized and the Dawes Report accepted. If there is still much to be done, we may at least feel that in no country is the outlook worse to-day than it was a year ago, while in our own country, and in certain others, it is distinctly better.

Perhaps the surest indication of this improvement is to be found in the rise in value of the British sovereign. In January, 1924, the dollar exchange was quoted as low as 4.20, to-day the rate is 4.78½.

We are apparently to revert to an effective gold standard at the end of this year. I think that there will be general satisfaction if this desirable result can be attained without a serious dislocation to our finance and trade, for there could be no stronger proof of British financial soundness.

MR. NORMAN'S VISIT TO THE UNITED STATES.

Reference has been made in the Press, both in this country and in the United States, to the recent visit of the Governor of the Bank of England to America, and I think we may fairly consider this visit as evidence that the Bank of England are fully alive to the necessity in the changed conditions of the present day of protecting their reserve by other methods than the time-honoured one of raising the Bank rate.

While we all hope that the return to the pre-war system will be effected without any untoward consequences, it would be idle to pretend that there is not a certain amount of anxiety as to what may happen when the embargo on the export of gold is removed. To discount houses frequent changes in the value of money are especially disconcerting, and rapid rises in the Bank rate would make it increasingly difficult to earn satisfactory profits.

FINANCIAL POSITION.

Turning now to the balance-sheet, you will observe that the gross profits amount to £943,120 17s. 1d., and the provision for rebate is £423,484 18s. 5d. The directors have thought it desirable again to strengthen the reserve fund by allocating to it a further £50,000. With the addition made after the recent issue of new shares the reserve will now stand, if you adopt the report, at £1,475,000. The paid-up capital is £1,125,000, making a total capital and reserve of £2,600,000.

The directors further propose an addition of £10,000 to the premises account, which will bring that account down to £140,000, and also an addition of £10,000 to the provident fund, which will raise the latter fund to a total of nearly £200,000. It is probable that the annual interest of this fund will now be sufficient to meet all likely requirements and make further allocations to it unnecessary.

After making these allocations and also ample provision for contingencies, the directors propose to pay on the old shares a dividend of 15 per cent., less income-tax, for the final half-year of 1924, together with a bonus of 5s. per share, free of income-tax. The new shares will receive a similar dividend calculated for a period of three months and a bonus of 1s. 3d. per share. They will also receive an additional amount representing interest on instalments up to September 30. The amount carried forward is increased to a total of £201,486 7s.

"EVERY PROSPECT OF CONTINUOUS PROGRESS."

Surveying the figures set forth in the balance-sheet, I think that the shareholders may feel confident that they have a good investment and one that shows every prospect of continuous progress.

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of continuous progress.

You are aware that an increase of capital of 50,000 shares was authorized some months after the last annual meeting of shareholders and that the capital authorized is now 250,000 shares of £10 each. In conformity with this authority an issue of 25,000 new shares was made in July at a premium of £7 per share. This issue was offered to shareholders then on the register and was freely taken up. The whole amount has been issued and will rank *pari passu* with the previously existing shares as from January 1, 1925. The premium on the new shares was placed to the reserve fund, which, as I have already stated, now amounts to £1,475,000. The issue of the remaining authorized 25,000 shares has been left over to such time as it may seem desirable to provide additional funds for the purposes of the company's business. It is hardly necessary for me to point out that, in addition to increasing materially the resources of the company, the recent issue has provided a very tangible bonus to the shareholders, since the new shares, for which they paid £12, are to-day worth over £18.

PRESENTATION PORTRAIT OF MR. WILLIAM BRAND.

There is one other matter of a more personal nature on which I should like to say a word. Our senior colleague, Mr. William Brand, will this year complete his 40th year as a director of the Union Discount Company. His co-directors thought that his long connexion with the company ought in some way to be recognized, and they accordingly invited him to sit for his portrait. Mr. De Laszlo has painted an excellent likeness, which was presented to Mr. Brand, and a replica now adorns our board room. I feel sure you will agree that it is fitting we should have on our walls a permanent record of one who was mainly instrumental in founding the company. We have already, as you know, a portrait of Mr. Nugent, who for so many years guided its destinies. Future generations will, I am confident, gaze at these pictures with unflinching interest and admiration for the two men who built up this company on such solid and enduring foundations.

TRIBUTE TO STAFF.

I cannot conclude without expressing, on behalf of my colleagues on the board and of myself, our warmest appreciation of the work both of the management and of the staff. It was no easy matter to succeed Mr. Nugent, but Mr. Wyse has achieved that difficult task. The shareholders can see the result of his labours in the figures of the balance-sheet, but only the members of the board can realize how strenuous these labours have been. He has, as you know, very able assistants in Mr. Langley, Mr. Foucar, Mr. Whelen, Mr. Ellen, and Mr. Hobbs. To them also, and to all the members of the staff, I should like to tender our appreciation of their work. I will now formally move the adoption of the report and accounts.

The report and statement of accounts were unanimously adopted, and the retiring directors and auditors re-elected.