

Preference bonds created in 1856.	Amount paid up to 29th	
June.	£216,190	
Debenture capital issued	1,888,100	
Share capital	3,040,700	
		<u>£5,144,990</u>

To which must be added, balance of preference bonds created, but not yet issued, balance of calls on preference bonds issued	£1,783,810	
Balance of debentures to be issued to Messrs.		
Peto and Company on account of Victoria Bridge	61,300	
Balance of shares, ditto, ditto,	174,950	
		<u>2,020,060</u>
		<u>£7,165,050</u>

Thus making the whole capital, including the cost of the Victoria Bridge and the other works required by the act of 1856—viz., the extensions east of St. Thomas, and west of St. Mary's, and the contributions to the Three Rivers, Ottawa, and Prescott, and Cobourg and Peterborough Railways £7,165,050 in lieu of £12,900,000, the amount of the capital authorised. A detailed statement, showing how this diminution has been effected, will be found at Appendix B.

The shareholders will remember, that the creation of £500,000 of C. Debentures was authorized last year. These debentures are now only held in deposit as security for a part of the liabilities of the Company, as set forth in Appendix C.

These liabilities amount to £681,605, and the sum required as per statement (Appendix D), for additional rolling stock, station, and other accommodation, is £503,622.

The accompanying notice of meeting specifies that the sanction of the shareholders will be asked for an increase of capital to the extent of two millions of pounds. The resolution, however, that will be submitted to the meeting will only ask for authority to issue an amount not exceeding one million and a half debentures. £500,000 of this issue to be in substitution of the C. debentures created last year, which will be cancelled.

The directors recommend that these debentures be created on the following terms, viz., that they rank immediately after the existing debentures of the Company, and bear interest at the rate of 7 per cent, per annum; and that one third be payable in five years, one third in ten years, and one third in fifteen years.

The directors believe that no circumstances are likely to arise which will make the issue of the surplus shares, the amount of which is £1,583,200 necessary; and nothing will be done by them, with reference to this capital, without the sanction of the shareholders given at a general meeting.