

Management has been more than correspondingly diminished; thus showing that the policy of the Directors to maintain and improve the works and properties of the Line has been carefully pursued.

In addition, however, to the outlay on maintenance of existing works, as embodied in ordinary working expenses, the Directors have again found it necessary to meet the increased development of the Traffic by an extension of their Rolling Stock and works. Thus 24 new Platform Cars have been added to that class of Stock, and the Station accommodations of the Line have been extended by the erection of new Freight and Grain Houses, the establishment of new Stations, the extension of the Wharves on Lake Simcoe, and other works detailed in Appendix M.

The expenditure upon these and other services, embodied in Appendix L, has amounted to \$31,988 07, as against \$30,627 14 in 1863.

* The total revenue expenditure on all services, embodying every charge against the income of the year [see Account No. 1] has amounted to \$276,132 44, (£56,739 10s. 10d. stg.), as against \$250,614 60, (£51,496 3s. stg.), in 1863, being at the rate of 59·09 per cent. of gross earnings in 1864, as in relation to 61·63 per cent. in 1863, and showing a reduction in the charges on the past year equivalent to 2·54 per cent.

3. The net revenue of the year applicable to dividends has amounted to \$191,133 71, (£39,274 1s. stg.), as against \$155,991 95, (£32,053 2s. 10d. stg.), in 1863, showing an increase in favour of 1864 of \$35,141 76, (£7,220 18s. 2d. stg.), or at the rate of 8·16 per cent.

4. The results of the year's working having thus shown a surplus over its full dividend liability amounting to \$35,234 91, (£7,240 1s. stg.), augmented by interest upon the Reserve Fund to \$38,916 52, (£7,996 10s. 11d. stg.), the Directors have been enabled, in addition to the payment of the accruing interest dividends on both classes of the Company's Bonds, to make an appropriation sufficient to the payment of an extra dividend of 3 per cent. upon the Second Preference Bonds, and to carry forward \$33,834 89 (£6,952 7s. 5d. stg.) to the credit of the Reserve Fund.

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