

establishment of any regular connections. They strongly commend the matter to the consideration of their successors, being convinced that the territory referred to will, under proper arrangements, ultimately contribute to the business of this line, to which it geographically belongs.

In the statements attached, it will be found that the net revenue for the year amounting to \$42,844.95, has been chiefly appropriated to works of restoration and reconstruction in anticipation of the services of like nature to be provided by new capital. A further sum of \$60,000 (being a temporary loan made to the Company by the Government on the security of the act of last session, has been devoted to similar services; and expended as stated in Engineer's Report, under the supervision and to the approval of the Inspector of Railways. By these means the works of the Company have not only been maintained in a condition of safety, but have been much improved in character, whilst the future expenditure of capital on the restoration of the whole line, will be diminished by a like amount.

The Directors are gratified in announcing that by the co-operation of the London Committee, the temporary loan above referred to, together with previous advances made by the Government to the Company, representing a total debt of £24,909 10s. 4d, stg. was repaid in full on the 24th December last, as required by the order in Council.

This and all other conditions necessary to be fulfilled in order to the Company's availing of the advantages of the act of last session, have been fully and exactly complied with, so that the Company, as at present constituted, has now secured in permanence whatever privileges or concessions were conditionally granted by that act.

The Auditors' report affords satisfactory evidence of the accuracy with which the accounts of the Company have been kept, and of the exactness of the annual statements herewith submitted.

The Directors, in view of the many difficulties which have been surmounted, and the many pressing embarrassments which have been removed during the past year, feel warranted in congratulating the proprietary upon the improved condition of the Company's affairs:—with the floating liabilities liquidated, the works restored to effi-