

APPENDIX No. 1

General.

| | | | |
|--|---------|---|---|
| Rent of central switch-room and offices or interest on cost of site and building | 206 | 0 | 0 |
| Rent of 4 branch switch-rooms at £20 | 80 | 0 | 0 |
| Post office royalty, 10 per cent on £11,444 | 1,144 | 8 | 0 |
| Local assessments | 527 | 0 | 0 |
| Corporation establishment charges | 200 | 0 | 0 |
| Stationery, printing, stamps, office sundries | 100 | 0 | 0 |
| Light, heat, water, cleaning, insurance | 200 | 0 | 0 |
| Way-leaves and roof repairs at 4s. 6d. per line per annum | 478 | 8 | 0 |
| Repairs and shifts at 5s. 6d. per line per annum | 582 | 8 | 0 |
| Interest at 3 per cent on £38,480 | 1,154 | 8 | 0 |
| Sinking fund at 3 per cent on £38,480. This, with interest on accumulations at 2½ per cent, will pay off the whole capital in 25 years | 1,154 | 8 | 0 |
| Depreciation and renewal fund, 2½ per cent on £38,480—3 per cent, with interest on accumulations at 2½ per cent would renew the whole system in 25 years. But the old material taken out would be worth at least ½ per cent, so that 2½ per cent will renew the whole system in 25 years | 962 | 0 | 0 |
| Income tax | 100 | 0 | 0 |
| Commission on public telephone receipts | 52 | 0 | 0 |
| Contingencies | 250 | 0 | 0 |
| | | | |
| | £9,981 | 0 | 0 |
| Add on account of lines partly constructed:— | | | |
| Interest at 3 per cent on £4,800 | 144 | 0 | 0 |
| Sinking fund at 3 per cent on £4,800 | 144 | 0 | 0 |
| | | | |
| | £10,269 | 0 | 0 |
| Net revenue | £1,200 | | |

The committee have decided that it is desirable to adopt the 2,000 line exchange and have obtained from Mr. Bennett an estimate for its construction.

The committee also report that they have interviewed Mr. Bennett with regard to the terms upon which he would act as engineer for the construction of the municipal telephone system, and have ascertained that he would undertake the duty at a commission (in which will be merged Mr. Bennett's charge of £52 10s. for his preliminary report) of five per cent on the actual cost of the works, limited to the sum of £41,392. Such commission will amount to a sum of £2,069 12s. if the total of the estimate is expended.

The following is a copy of Mr. Bennett's report and estimate:—

(COPY.)

'BRIGHTON.

'SCHEME AND ESTIMATE FOR A METALLIC CIRCUIT TELEPHONE EXCHANGE IN THE BRIGHTON TELEPHONE AREA OF 2,000 COMPLETED SUBSCRIBERS, WITH THE NECESSARY JUNCTION, PUBLIC TELEPHONE AND SPARE LINES.

'To give effect to a scheme for 2,000 subscribers, it is necessary to provide a margin of public telephone and junction lines, and, also, in order to avoid reopening