

FORTY-FOURTH REPORT

OF

THE DIRECTORS

OF THE

Melbourne Tramway & Omnibus Co. LIMITED.

To be presented to the Shareholders at the Annual Meeting to be held at the Board Room, National Trustees Building, 121 Queen Street, Melbourne, on Tuesday, 21st August, 1917, at 2 p.m.

Your Directors present herewith the duly audited Balance Sheet and Profit and Loss Account for the year ended 30th June.

The Assets not taken over by the Tramway Board have nearly all been realised, and the accounts for same closed by transferring balances to the Special Reserve Account.

The only income has been for interest earned by moneys placed on Fixed Deposit. No credit has been taken for the interest at 5% which will eventually be paid by the Tramway Board on the Arbitration Award, as the amount is uncertain.

The Arbitrator, His Honor Mr. Justice Cussen, gave his Award at £335,000 early in January. The intention of the Act, that the amount awarded should be paid within three months, has been defeated by an appeal by the Tramway Board to the State Full Court on certain law points which were raised before the Arbitrator. The Full Court heard the appeal in March, and by a majority remitted the Award back to the Arbitrator for reconsideration on the ground that a wrong method of valuation had been adopted. Against this decision your Directors have obtained leave to appeal to the Privy Council.

The Tramway Board began an action against the Company in November, 1916 for alleged default on some of the covenants in the leases for repair and renewal of the Lines and Machinery, fixing the claim at £250,000. The claim was increased in March, 1917, to about £367,000, but although particulars in detail were demanded they have not yet been supplied sufficiently to enable the Company to prepare its defence. As the Engineering advisers of the Board have been investigating the state of the track, &c., for eighteen months, your Directors deem this delay most unreasonable. They believe the claim of the Board is entirely unwarranted by the facts, and that they will be able to establish this position.

The many intricate questions arising during the Arbitration and the appeals thereon, and with reference to the claims of the Tramway Board, have had the constant attention of your Directors.

Though the Directors deeply regret the delay, they feel that with such large amounts at stake they must in the interests of the Shareholders pursue these matters to the final arbitrament of the Courts, unless some fair and reasonable settlement can be arrived at with the Tramway Board. A conference between the parties for this purpose has so far been unsuccessful. Pending a final decision, your Directors are unable to make a distribution as return of Capital.

The Income Tax paid during this year, based on the profits of the preceding year, when the Tramway lines were being worked by the Company, was £11,106 16s., but a refund was obtained from the Federal Tax Commissioner of £3,367 12s. 8d. for overcharge on the Tax paid for the year 1915/16.

The amount charged to Land Tax includes £774 1s. 8d. paid for Federal Land Tax on properties held by the Company at noon on 30th June, 1916, although nearly all of them were taken over by the Tramway Board only twelve hours later. The Directors were advised that no appeal against this manifestly inequitable charge would be successful.

The amount carried to a Special Reserve last year was intended to provide for the remaining expenses of Taxation and realisation and for possible litigation, and the balance at debit of Profit and Loss Account for this year has been taken from that Reserve.

In accordance with the Articles, Mr. W. G. Sprigg and Mr. D. Hunter retire from office as Directors, and offer themselves for re-election.

The retiring Auditors, Mr. John Bishop and Mr. S. J. Warnock, have given notice that they seek re-election.

H. A. WILCOX, SECRETARY.

W. G. SPRIGG, CHAIRMAN OF DIRECTORS.

The Melbourne Tramway & Omnibus Company LIMITED.

PROFIT AND LOSS ACCOUNT.

Dr. Year ending 30th June, 1917. Cr.

EXPENDITURE.	INCOME.
Income Tax £7,739 3 4	Interest on Investments £11,312 19 2
Land Tax 774 1 8	Transfer Fees 11 7 0
Law Charges 3,728 15 11	Balance (Transferred from Special Reserve Account) 4,671 6 4
Salaries of Staff and Directors and Auditors' Fees 3,253 6 6	
Rent 187 5 8	
Office Expenses, Melbourne and London ... 114 11 5	
Miscellaneous Charges 198 8 0	
£15,995 12 6	£15,995 12 6

STATEMENT OF

The Melbourne Tramway & Omnibus Company Limited

For the 30th Day of June, 1917.

I, WILLIAM GARDINER SPRIGG, CHAIRMAN OF DIRECTORS OF THE MELBOURNE TRAMWAY AND OMNIBUS COMPANY LIMITED, do solemnly and sincerely declare :—

That the Liability of the Members is Limited.

That the Capital of the Company is £2,000,000, divided into 2,000,000 Shares of One Pound each, of which Ten Shillings per Share on 800,000 Shares, amounting in all to £400,000, is actually paid up in money.

That the number of Shares issued is 960,000, the whole of which are contributing.

That calls to the amount of Ten Shillings per Share have been made on 800,000 Shares under which the sum of £400,000 has been actually and *bona-fide* received in money.

That the Assets and Liabilities of the Company on the 30th June, 1917, were as follows :—

BALANCE SHEET

30th June, 1917.

ASSETS.	LIABILITIES.
Loans on Fixed Deposits at Face Value ... £275,000 0 0	Capital—Nominal—£2,000,000
Unrealised Assets—	Subscribed ... £960,000 0 0
Freehold Properties at Book Values on basis adopted previously ... £2,411 4 4	Uncalled ... 480,000 0 0
Rails and Materials ... 2,013 15 8	£480,000 0 0
4,425 0 0	(Of which £400,000 was actually paid up in money)
Debts due to Company other than on Fixed Deposit—	Reserve Accounts—
Tramway Board for Arbitration Award ... 335,000 0 0	General ... 77,877 10 5
Balance for Property sold 3,049 4 0	Special ... 70,755 2 0
Interest on Deposits ... 4,739 18 11	148,632 12 5
Refund of Income Tax, 1915-16 ... 3,367 12 8	(Invested in Fixed Deposits)
Sundry Debtors ... 139 6 3	Unclaimed Dividends ... 454 19 10
346,296 1 10	Sundry Creditors ... 2,321 17 1
Bank of Victoria Current Account ... 5,656 8 2	
Cash in hand ... 31 19 4	
£631,409 9 4	£631,409 9 4

That there is no Reserve Fund.—That the amounts represented in the Reserve Accounts were on 30th June held in Fixed Deposits.

That the following are the Names, Addresses, and Occupations of the persons who are the Directors of the Company at the Date of the Statement:—

WILLIAM G. SPRIGG, ESQ., Accountant, Melbourne.
SIR JOHN GRICE, Merchant, Melbourne.
DAVID HUNTER, ESQ., Merchant, Melbourne.

I, WILLIAM GARDINER SPRIGG, of Melbourne, do solemnly and sincerely declare that I am the Chairman of Directors of THE MELBOURNE TRAMWAY AND OMNIBUS COMPANY LIMITED, and that the above Statement is, to the best of my knowledge and belief, true in every particular, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of an Act of the Parliament of Victoria rendering persons making a false declaration punishable for wilful and corrupt perjury.

W. G. SPRIGG,

Declared at Melbourne, in the State of Victoria, this 9th day of August, 1917.

Before me, JAMES ORMOND, J.P.

AUDITORS' REPORT.

We report that we have examined the Books and Vouchers of expenditure for the year ended 30th June, 1917, and, that so far as we are in a position to form an opinion, the accompanying Balance Sheet is properly drawn up and exhibits a true and correct view of the Company's affairs according to the best of our information, and the explanations given to us and as shown by the books of the Company; also that we have obtained from the officers of the Company all the information and explanations we have required.

The Stock and Plant have been accepted on the Certificate of the Acting Manager.

MELBOURNE, 10th August, 1917.

JOHN BISHOP, F.C.P.A. }
S. J. WARNOCK, F.C.P.A. } AUDITORS.

DIRECTORS' CERTIFICATE.

We, JOHN GRICE and DAVID HUNTER, of Melbourne, two of the Directors of THE MELBOURNE TRAMWAY AND OMNIBUS COMPANY LIMITED, hereby certify, on behalf of the Board, that in our opinion the Balance Sheet is drawn up so as to exhibit a correct view of the state of the Company's affairs.

MELBOURNE, 9th August, 1917.

JOHN GRICE, }
DAVID HUNTER, } DIRECTORS.

Melbourne Tramway & Omnibus Co.

LIMITED

FORTY-FOURTH REPORT AND BALANCE SHEET

30th June, 1917.

NOTICE IS HEREBY GIVEN that the ANNUAL MEETING of the Shareholders of this Company will be held at the Board Room, National Trustees Building, 121 Queen Street, Melbourne, on Tuesday, the 21st day of August, 1917, at 2 p.m.

BUSINESS :

To consider the Accounts, Balance Sheet, Report, and any other business that may be brought forward by the Directors.

To elect two Directors in place of W. G. SPRIGG, Esq., and D. HUNTER, Esq., who are eligible and offer themselves for re-election.

To elect two Auditors and fix their remuneration. MR. JOHN BISHOP and MR. S. J. WARNOCK, the retiring Auditors, are eligible, and offer themselves for re-election.

By order of the Board,

H. A. WILCOX,

Secretary.

MELBOURNE, 10th August, 1917.