

Date.	Amount of Ex- penditure at the End of the Year.	The Mean Ex- penditure on which Interest is payable.	Percentage.	Amount of Interest accrued.
	£	£		£
June, 1873, to June, 1875	78,004	78,004	4	3,120·16
" " to " 1876	98,118	88,061	4	3,522·44
" " to " 1877	117,961	108,039	4	4,321·56
" " to " 1878	128,827	123,394	4	4,935·76
" " to " 1879	141,619	135,223	4	5,408·92
" " to " 1880	144,590	143,104	4	5,724·16
" " to " 1881	151,366	147,978	4	5,919·12
" " to " 1882	162,598	156,982	4	6,279·28
" " to " 1883	164,556	163,577	4	6,543·08
" " to " 1884	173,044	168,800	4	6,752·00
Total accrued interest	52,526·48

Therefore, to the original cost must be added £52,526 9s. 7d. as interest accruing on the capital, thus making the total cost to be £225,670 1s. 3d.

RECEIPTS AND EXPENDITURE.

Since the completion of the first portion of the works in July, 1876, up to the 31st August, 1884, the sales of water from the Waimea-Kumara Water-race, and the expenditure on maintenance have been as follows:—

Date.	Sales of Water.	Expenditure on Maintenance.
	£ s. d.	£ s. d.
August, 1876, to 30th June, 1878	4,213 13 6	2,299 19 8
1st July, 1878, to 30th June, 1879	4,567 0 8	2,000 0 0
1st July, 1879, to 31st March, 1880	3,736 11 9	1,892 0 0
1st April, 1880, to 31st March, 1881	4,453 16 4	3,208 19 1
1st April, 1881, to 31st March, 1882	4,344 8 10	3,483 14 6
1st April, 1882, to 31st March, 1883	5,623 13 4	2,702 15 6
1st April, 1883, to 31st March, 1884	10,414 6 5	3,174 13 4
1st April, 1884, to 31st August, 1884	4,804 8 1	1,160 18 4
Totals	42,157 18 11	19,923 0 5

This shows a profit of £22,234 18s. 6d., but this is considerably diminished by the working of the Kumara Sludge-channel. This channel was completed in March, 1882; and from that date to the 31st August last, the channel fees and expenditure on maintenance have been as follows:—

Date.	Channel Fees.	Cost of Maintenance.
	£ s. d.	£ s. d.
1st April, 1882, to 31st March, 1883	925 13 4	1,703 11 1
1st April, 1883, to 31st March, 1884	2,127 18 3	6,405 10 8
1st April, 1884, to 31st August, 1884	912 14 7	3,421 8 3
Totals	3,966 6 2	11,530 10 0

The working of the sludge-channel, therefore, shows a direct loss of £7,564 3s. 10d., during a period of two years and five months. To take the water-races and sludge-channel conjointly, the sales of water and channel fees amount to £46,124 5s. 1d., and the expenditure on maintenance to £31,453 10s. 5d., leaving a balance in favour of sales of water and channel fees of £14,670 14s. 8d.; but from this amount there is a deduction to be made before arriving at the direct profits. There are bad debts written off the books amounting to £96 5s., and the amount of outstanding accounts on the 31st August last amounted to £2,506 14s. 11d. The outstanding accounts to the amount of £2,000 are considered good, and may be calculated as such in making any statement with reference to the benefits derived by the construction of these works. Therefore, a deduction of £602 19s. 11d. has to be made from the sales of water and channel fees, which leaves £14,067 14s. 9d. direct profit on the undertaking. As accrued interest has been added to the original cost of construction, the amount of direct profits, £14,067 14s. 9d., will have to be deducted from £225,670 1s. 3d., which makes the actual cost of the works to be £211,602 6s. 6d. The profits from this undertaking having extended over a period of seven years and five months, they amount to about £1,897 per annum, or about $\frac{2}{3}$ per cent. on the capital invested.