

1963—64
VICTORIA

ANNUAL REPORT
OF THE GENERAL MANAGER

OF THE

STATE COAL MINES

INCLUDING

THE STATE COAL MINES BALANCE-SHEET AND
STATEMENT OF ACCOUNTS DULY AUDITED, ETC.,
FOR THE YEAR 1962—63

Presented to both Houses of Parliament in pursuance of Section 93 of the *Coal Mines Act 1958*.

By Authority:

A. C. BROOKS, GOVERNMENT PRINTER, MELBOURNE.

STATE COAL MINES, WONTHAGGI

The Victorian State Coal Mine,
Wonthaggi,
9th September, 1963.

GENTLEMEN,

I have the honour to submit my Report, together with the Balance Sheet, and Statement of Accounts, covering the operations of the State Coal Mines, Wonthaggi, for the year ended 30th June, 1963.

FINANCIAL

	£	s.	d.
Revenue	238,355	7	10
Working Expenses	481,097	1	7
Deficit, excluding Depreciation of Assets	242,741	13	9
Depreciation of Assets	25,306	5	0
Loss for year 1962-63, after making the necessary allowance for depreciation	268,047	18	9

This loss compares with £303,796 3s. 11d. for the year 1961-62.

The Balance Sheet, State of Accounts for the year, and the general statement of working of the mines since their inception, are embodied in the appendices attached.

DEPRECIATION FUND.

Including an amount of £25,306 5s. 0d. charged in the working account for the year, all depreciation accrued up to 30th. June, 1963, has been brought into account.

With the contribution for the year of £23,000 from the working vote, and £2,306 5s. 0d. from interest on Depreciation Fund investments, full provision has been made for the aggregate amount written off the assets up to 30th June, 1963.

DISPOSITION OF OUTPUT

The quantity of coal braced during the year was 50,235 tons. After excluding miners' coal, local consumption, allowances and waste, the tonnage disposed of commercially was 33,092 tons 4 cwt. 2 qrs., as shown hereunder :—

—	Screened			Unscreened			Slack			Total		
	T.	C.	Q.	T.	C.	Q.	T.	C.	Q.	T.	C.	Q.
Sold to Railways Department	14,910	13	0	434	0	0	14,917	8	0	30,262	1	0
Sold to General Public	2,630	9	0	—			199	14	2	2,830	3	2
	17,541	2	0	434	0	0	15,117	2	2	33,092	4	2

LABOUR.

I am pleased to report that there were no stoppages throughout the year due to industrial causes. The mines were in production for 231 days.

The number of employees at 30th. June, 1963, was :—

Miners	Others	Total
119	170	289

At 30th. June, 1962, the number was :—

134	185	319
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There was thus a decrease of 15 miners, and 15 other grades.

Amongst Contract Miners, absenteeism from all causes decreased by approximately 1.28 per cent., being 9.72 per cent., for the year 1962-63, compared with 11.00 per cent., for the year 1961-62.

The nett average daily earnings of contract miners for the year was 104/11.15d., compared with 104/11.53d. per shift for the financial year 1961-62. The average daily wage of other adult employees, working underground, for the last fortnight of the financial year, was 83/10.96d., compared with 82/4.05d., for the corresponding period in the previous year.

Since the granting of Long Service Leave in September, 1951, 253 employees have enjoyed six months leave on full pay.

I am pleased to report that there were no fatal accidents during the year.

INDUSTRIAL.

Consequent upon the increase of 10 per cent in the marginal portion of the wage structure, granted by the Commonwealth Conciliation and Arbitration Commission in April last, the Coal Industry Tribunal awarded all employees in the coal industry increases of 5s., 7s., and 10s. per week, according to the varying amounts of marginal rates. These increases operated from the end of April, 1963.

During the year, those employees coming within the scope of the Mechanics' Awards of the Coal Industry Tribunal, filed a log of claims, for increased wage rates and improved conditions of employment, on employers in the coal mining industry throughout Australia. These claims were heard later in the year by the Coal Industry Tribunal, and orders were issued towards the end of June. These orders had the effect of increasing the wages of all employees, covered by the Mechanics' Award, by weekly amounts of 24s. 6d., 13s., and 5s. according to classification. In addition, the Tribunal increased the value of the meal allowance, payable when overtime is worked, from 4s. to 6s., added the increases, already referred to, to the Attendance Bonus Payment, and altered the rate of accrument for sick leave from one day sick leave for each 25 shifts worked, to one day for each 22 shifts worked.

As these increases did not operate until 29th. June, 1963, their impact will not be felt until the next financial year.

BORING

No further boring was carried out during this financial year.

The gross reserves of all pits, together with unworked areas near Western Area and Eastern Area, now stand at 6,429,000 tons. A reduction of 65,000 gross tons makes due allowance for mining operations.

WESTERN AREA.

East Section :—Sanatorium parties are still engaged in the extraction of pillars in this section.

West Dip :—Longwall operations are continuing in the Top Seam. Mining, in the Bottom Seam, has been discontinued due to wet and low conditions.

KIRRAK AREA.

Pit room, in this area, had increased slightly, with the result that fifteen (15) contract parties are now accommodated.

Faulting still prevails the workings, and this has had its effect on the output, and cost of operations.

The tonnage won in this area during the financial year, was 32,030 tons.

ELECTRICAL PLANT.

The Power Station, and mine electrical plant, has been maintained in good order, and efficient working condition.

The units generated during the year were 10,986,790 as compared with 11,033,960 in the previous year. The decrease in units generated was due to the mine using less units, which decreased by 20.2 per cent. During the same period the units used by the Town increased by 12.2 per cent.

To meet the increased loading in the Town, two additional outdoor transformer sub-stations were installed.

WORKSHOPS.

The workshops plant has been maintained in good order and condition. The whole of the maintenance work for the power station has been carried out by our own workshop staff, but, due to shortage of tradesmen, it has been necessary to have some of the maintenance work for the mines carried out in the Railways Workshops.

RESCUE STATION.

The Rescue Station has been maintained in an efficient state. Practises have been held weekly throughout the year, and the equipment has been maintained in a satisfactory condition.

The membership, and attendance at weekly training nights, is very good, and every man in the Brigade is fully trained and qualified for rescue work.

GENERAL.

The Award on margins, made by the Coal Industry Tribunal in April, 1963, resulted in additional labour costs of £1,200.

Contributions to the Coal Mine Workers' Pension Fund, and the State Superannuation Fund, totalled £46,900.

Tonnage produced decreased by 5,700 tons due to the work force being reduced by 15 miners. This had its effect on revenue.

Faulting is still prevalent in Kirrak Area which is the major cause in preventing the transfer of the Western Area miners to this pit.

Competition within the fuel industry is still intense, and has retarded sales to consumers, other than the Railways, and some other Public Departments.

Disposal of burnt shale resulted in a revenue return of £2,675 for the year's operations.

Whilst coal production and revenue is less than the previous year, due to the decline in the number of miners, the result of the year's operations has reduced the deficit by £35,000.

In conclusion, I wish to record my appreciation of the assistance given by yourselves during the year, also the loyalty and co-operation of the mine administrative, clerical, and other officials of the staff.

J. BYRNE,
General Manager.

The Victorian Railways Commissioners,
MELBOURNE.

STATE COAL MINES
BALANCE SHEET as at 30th JUNE, 1963.

1962	Nature and Source of Funds Funds provided by the State Treasurer for Capital purposes	1963	1963
		£	£
	Act 2429	100,000	
	Act 2630	150,000	
	Act 4670	60,000	
	Act 4763	44,000	
		354,000	
	Less redeemed from Sinking Fund		354,000
	National Recovery Loan :		
£	24,500 Unemployment relief develop- ment works		24,500
	For Special Purposes :		
	24,678 Act 6345 Section 17, (1b)		21,142
	Reserves :		
	Sinking Fund	354,000	
	Depreciation Fund Interest	104,135	
		458,135	
	Current liabilities :		
	Sundry Creditors—		
	Stores & service	17,023	
	Trust	2,184	
			19,207
	Advances from Consolidated Revenue to meet losses		
	To 30.6.62	4,253,716	
	For year ended 30.6.63	259,738	
		4,513,454	
		£4,781,841	£5,036,438

A. W. GEUER,
Comptroller of Accounts,
11/11/1963

R. W. GILLARD,
Auditor General,
12/11/1963

1962	Disposal of Funds	1963	1963
		£	£
	Expenditure on :		
	Works Machinery and Plant as per Balance Sheet at 30.6.62 ...	310,810	
	Expended during current year ...	7,292	
		318,102	
	Less depreciation written off during current year ...	25,306	
		292,796	
	Spare plant	2,622	
	Discount & Expenses on loans ...	641	
		296,059	
	Funds for special purposes held by State Treasurer		
	Coal Mine Depreciation Fund (Investment)	50,000	
	Coal Mine Depreciation Fund (Cash)	34,462	
		84,462	
	State Coal Mine Deposits Account	484	
	Salaries & Wages Suspense Account	4,687	
		89,633	
	Current Assets		
	Coal on Hand	2,972	
	Stores & Material	22,163	
	Securities held in trust	1,700	
	Sundry Debtors—		
	Coal	13,813	
	Other revenue	5,665	
	Other	8,281	
		27,759	
	Cash on hand or in transit	2,225	
		56,819	
	Accumulated loss :		
	To 30.6.62	4,325,879	
	For year ended 30.6.63	268,048	
		4,593,927	
		4,325,880	£4,781,841
		£4,781,841	£5,036,438

J. BYRNE,
General Manager, State Coal Mines,
14/11/1963.

STATE COAL MINES
WORKING ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1963.

1963	£	s.	d.	1963	£	s.	d.
June 30. To Working Expenses	481,097	1	7	June 30. By Sale of Coal	154,720	6	5
				Sundry Receipts	83,635	1	5
				Balance carried to Profit & Loss Account ...	242,741	13	9
					<u>481,097</u>	<u>1</u>	<u>7</u>
					<u>481,097</u>	<u>1</u>	<u>7</u>

N.B.—The Revenue shown in the Working Account above includes proceeds from the sale of coal to the Railways Department at prices determined by that Department.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1963.

1963	£	s.	d.	1963	£	s.	d.
June 30. To balance transferred from Working Account ...	242,741	13	9	June 30. By balance (Loss for the year)	268,047	18	9
Depreciation	25,306	5	0				
					<u>268,047</u>	<u>18</u>	<u>9</u>
					<u>268,047</u>	<u>18</u>	<u>9</u>

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STATE COAL MINES

RECONCILIATION as at 30th JUNE, 1963, BETWEEN THE ACCUMULATED WORKING LOSS ON THE MINE BASIS, AND THE TOTAL OF THE ADVANCES FROM CONSOLIDATED REVENUE.

	£	s.	d.		£	s.	d.
Accumulated Profit and Loss Account as per Balance Sheet—				Advances from Consolidated Revenue as per Balance Sheet ...	4,513,454	9	11
Loss	4,593,927	13	3	Depreciation charged to Profit and Loss Account, but not charged to Consolidated Revenue	190,039	14	4
Net accumulated profit to 30th June, 1931 not credited to Consolidated Revenue	95,688	18	6				
Outstanding Debtors at 30th June, 1963 (including Coal, Cash on hand, and in Transit)	38,632	5	4				
Outstanding Creditors at 30th June, 1963	14,369	0	5				
	24,263	4	11				
<i>Less—</i>							
Outstanding Debtors at 30th June, 1931 ...	11,992	17	5				
Outstanding creditors at 30th June, 1931 ...	1,607	5	6				
	10,385	11	11				
	13,877	13	0				
	<u>£4,703,494</u>	<u>4</u>	<u>3</u>		<u>£4,703,494</u>	<u>4</u>	<u>3</u>

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STATE COAL MINES
CAPITAL STATEMENT AS AT 30th JUNE, 1963.

Receipts				Expenditure					
	£	s.	d.	£	s.	d.	£	s.	d.
Loan Funds provided under Act 2429 ...	100,000	0	0				9,940	15	9
Loan Funds provided under Act 2630 ...	150,000	0	0				49	5	0
Loan Funds provided under Act 4670 ...	60,000	0	0				5,668	3	0
Loan Funds provided under Act 4763 ...	44,000	0	0	354,000	0	0	20,924	7	2
Funds provided from Unemployment Relief Fund ...							1,299	3	0 CR.
Funds provided in the State Coal Mines Depreciation Fund ...				24,500	0	0	39,726	18	1
				1,285,247	14	4	217,785	3	2
				1,663,747	14	4			
<i>Less :</i> Depreciation and Flotation Expenses written off—									
Depreciation ...	1,285,247	14	4						
Flotation Expenses ...	601	8	2	1,285,849	2	6			
				£377,898	11	10			
							292,795	9	2
							640	16	5
							34,462	6	3
							50,000	0	0
							84,462	6	3
							£377,898	11	10

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11/11/1963

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J. BYRNE,
General Manager, State Coal Mines,
14/11/1963.

GENERAL COMPARATIVE STATEMENT FROM THE COMMENCEMENT OF THE MINE TO THE 30th JUNE, 1963.

1 Year	2 Capital Raised	3 Capital Expended	4 Coal Raised	5 Revenue Receipts (h)	6 Revenue Expenditure	7 Surplus	8 Deficit	9 10 Depreciation		11 Sinking Fund	12 Wages Paid	13 Interest Paid on Capital	14 Average Number of Employees	15 Miners' Net Average Earnings per Shift	16 Estimated Coal Reserves
								Amount Written Off the Value of the Assets and Charged to Profit and Loss	Net Surplus Profits Interest and Other Contribut's. to the S.C.M. Depreciat'n. Fund						
	£	£	Tons	£	£	£	£	£	£	£	£	£		s. d.	Million Ton
1909-10 ...	36,000	35,906	41,274	24,861	46,695	...	21,834	...	...	...	37,112	...	900	14 4-00	20
1910-11 ...	141,000	95,730	396,042	171,766	160,459	11,307	...	5,745	8,525	7,050	145,407	2,468	946	13 1-00	20
1911-12 ...	161,605 ^a	167,701	470,261	198,762	207,579	...	8,817	10,709	5,965	7,942	175,274	4,303	1,191	13 8-00	26
1912-13 ...	203,866	203,956	462,559	213,174	205,980	7,194	...	25,546	10,697	9,000	145,419	6,107	939	13 5-51	28
1913-14 ...	225,141	220,316	510,490	239,298	237,599	1,699	...	25,000	26,665	9,578	158,812	6,332	1,011	13 11-49	28
1914-15 ...	250,000	241,356	567,057	268,105	256,629	11,476	...	33,000	47,716	10,800	178,086	8,436	1,130	13 11-64	28
1915-16 ...	250,000	241,084	452,798	246,000	243,224	2,776	...	30,954	34,566	10,760	159,027	8,804	1,015	14 6-16	28
1916-17 ...	250,000	240,816	372,007	242,918	263,548	...	20,630	25,000	5,075	...	197,694	8,803	1,161	16 2-10	19
1917-18 ...	250,000	240,653	382,867	294,538	289,379	5,159	...	25,000	29,317	...	228,506	8,804	1,226	17 7-56	16
1918-19 ...	250,000	240,239	343,318	285,099	293,510	...	8,411	27,000	18,099	177	242,530	8,804	1,255	17 10-01	16
1919-20 ...	250,000	240,225	424,985	426,405 ^c	405,343	21,062	...	30,000	51,738	6,236	322,516	8,804	1,390	20 5-19	15
1920-21 ...	250,000	240,218	368,239	426,659	423,818	2,841	...	32,000	17,810	6,236	319,224	8,804	1,193	24 3-64	15
1921-22 ...	250,000	240,033	504,165	567,404	549,017	18,387	...	36,000	71,650	12,472	420,633	8,804	1,554	26 2-64	18
1922-23 ...	250,000	240,033	424,126	461,978	467,290	...	5,312	30,000	23,516	...	362,464	8,804	1,566	25 7-30	19
1923-24 ...	250,000	240,033	499,010	559,758	555,803	3,955 ^b	...	30,000	34,577	6,236	446,786	8,956	1,596	25 10-20	21
1924-25 ...	250,000	250,000	405,695	500,232	499,964	268 ^d	...	30,000	31,956	6,236	429,254	9,148	1,688	26 11-30	17
1925-26 ...	250,000	250,000	495,864	540,295	539,754	541 ^e	...	34,000	35,585	6,236	474,861	9,667	1,821	27 2-91	16½
1926-27 ...	250,000	250,000	612,269	687,365	678,591	8,774	...	56,000	41,345	12,472	479,195	9,671	1,540	26 6-03	15¾
1927-28 ...	250,000	250,000	596,032	735,750	720,697	15,053	...	55,000	76,221	...	490,950	9,674	1,543	27 11-56	16¼
1928-29 ...	250,000	250,000	635,103	812,969	782,394	30,575	...	55,000	49,157	6,180	498,961	3,820	1,615	17 3-75	15¼
1929-30 ...	250,000	250,000	662,159	849,808	773,603	76,205 ^f	...	35,000	135,094	6,428	546,111	3,572	1,776	23 0-73	14½
1930-31 ...	250,000	250,000	565,444	558,781	580,106	...	21,325	30,000	27,284	6,685	447,551	3,315	1,774	24 9-85	14
1931-32 ...	250,000	250,000	526,278	421,233	509,347	...	88,114	30,000	5,056	6,952	376,728	3,048	1,668	24 9-98	13¼
1932-33 ...	250,000	250,000	320,675	225,536	315,390	...	89,854	30,000	5,425	7,230	210,857	2,770	1,328 ^g	20 6-00	13
1933-34 ...	250,000	250,000	316,526	211,339	288,473	...	77,134	10,000 ⁱ	5,425	7,520	204,407	2,480	1,330 ^g	20 9-00	12½

1934-35	...	250,000	250,000	384,778	245,556	335,474	...	89,918	10,000 ^m	5,421	7,820	246,972	2,180	1,100 ^g	20 5.55	13
1935-36	...	250,000	250,000	366,002	231,024	317,906	...	86,882	10,000	5,409	8,133	249,227	1,867	1,150 ^g	21 5.72	10½
1936-37	...	250,000	250,000	247,451	164,610	298,146	...	133,536	10,000	5,037	8,459	214,182	1,541	1,140 ^g	21 4.53 ^j	10½
1937-38	...	250,000	250,000	270,575	195,524	349,401	...	153,877	10,000	4,063	8,797	247,034	1,203	1,326 ^g	21 11.65 ^k	9½
1938-39	...	274,500	273,354	260,831	203,881	328,128	...	124,247	10,000	1,342	9,149	228,354	851	1,317 ^g	22 5.92	9½
1939-40	...	334,500	298,410	220,587	196,210	282,591	...	86,381	10,000	1	9,515	212,771	485	1,352 ^g	23 2.29	9
1940-41	...	334,500	323,462	280,570	270,734	392,282	...	121,548	10,000	...	2,615	308,954	105	1,201 ^g	25 10.41	8½
1941-42	...	378,500	339,663	282,551	343,486	456,744	...	113,258	17,706	5,000	5,706	346,470	2,294	1,129 ^g	29 9.68	6½
1942-43	...	378,500	344,117	259,592	410,867	487,701	...	76,834	17,706	16,000	4,560	369,205	3,440	1,069 ^g	31 9.90	6½
1943-44	...	378,500	345,673	234,871	389,806	472,692	...	82,886	20,000	15,316	4,719	347,648	3,281	1,032 ^g	33 1.69	6½
1944-45	...	378,500	346,110	228,431	395,522	474,119	...	78,597	20,353	20,291	4,884	358,460	3,116	989 ^g	33 10.72	9
1945-46	...	378,500	346,609	191,880	322,061	417,736	...	95,675	20,517	20,517	5,055	306,433	2,944	871 ^g	34 3.35	9
1946-47	...	378,500	346,806	161,431	275,472	367,915	...	92,443	20,978	20,978	5,232	277,544	2,768	764 ^g	34 3.54	8½
1947-48	...	378,500	347,030	165,827	298,871	430,589	...	131,718	21,275	21,275	5,416	332,727	2,584	776 ^g	40 3.77	8½
1948-49	...	378,500	360,748	140,000	349,418	460,795	...	111,377	21,638	21,638	5,605	351,266	2,395	714 ^g	47 9.22	8½
1949-50	...	378,500	373,672	128,333	362,856	447,059	...	84,203	16,837	16,837	5,801	334,529	2,199	733 ^g	52 3.86	8½
1950-51	...	378,500	376,324	121,640	389,128	512,922	...	123,794	16,775	16,775	6,004	385,970	1,996	720 ^g	55 11.71	8½
1951-52	...	378,500	378,500	132,205	554,221	684,702	...	130,481	21,789	21,789	6,214	534,089	1,786	762 ^g	69 0.10	8
1952-53	...	378,500	378,500	140,348	749,189	886,473	...	137,284	21,225	21,225	6,432	692,571	1,568	833 ^g	76 1.74	7½
1953-54	...	378,500	378,500	133,111	752,989	896,828	...	143,839	23,652	23,652	6,657	693,961	1,343	758 ^g	77 2.01	7½
1954-55	...	378,500	378,500	126,081	750,599	827,148	...	76,549	23,762	23,762	6,890	637,379	1,110	676 ^g	81 7.12	7½
1955-56	...	378,500	378,500	105,972	592,803	763,187	...	170,384	24,975	24,975	7,131	591,939	869	639 ^g	87 7.53	7
1956-57	...	378,500	378,500	105,971	509,615	806,844	...	297,229	24,975	24,975	7,381	606,950	619	582 ^g	92 10.65	7
1957-58	...	387,500	378,500	98,481	463,171	769,210	...	306,039	24,975	24,975	7,639	567,540	361	529 ^g	94 1.14	6½
1958-59	...	378,500	378,500	89,091	412,871	649,955	...	237,084	24,975	24,975	2,671	475,248	94	411 ^g	93 10.31	6½
1959-60	...	378,500	378,500	80,969	374,820	610,574	...	235,754	24,975	24,975	...	440,418	...	393 ^g	99 5.05	6½
1960-61	...	378,500	378,500	73,636	349,916	625,957	...	276,041	25,111	25,111	...	451,334	...	354 ^g	99 9.00	6½
1961-62	...	378,500	378,500	55,942	261,687	562,920	...	301,633	25,163	25,163	...	422,224	...	319 ^g	104 11.53	6½
1962-63	...	378,500	378,500	50,235	240,261	506,403	...	265,742	25,306	25,306	...	373,920	...	289 ^g	104 11.15	6½
				16,492,635	21,227,201	25,716,593	217,272	4,706,664	1,285,622	1,285,247	310,911	19,303,683	207,197			
Less Depreciation Fund Interest.				104,535	...	...	...	104,535	...	...	...	...	...
				21,122,666	25,716,593	25,716,593	257,272	4,811,199								
					Deficit to date.		4,593,927	...								
							4,811,199	4,811,199								

(a) £7,050 repaid from Sinking Fund.

(b) Inclusive of a subsidy of £35,625 (of which the sum of £1,040 14s. 0d. was repaid in 1927-28, and the balance in 1928-29) made to the Mine by the Railway Department and exclusive of which there was a loss in working of £31,670.

(c) Including £25,382 to adjust short payments to the Mine in former years.

(d) Inclusive of a subsidy of £80,000 (of which the sum of £37,267 15s. 10d. was repaid in 1926-27, and the balance in 1927-28), made to the Mine by the Railways Department and exclusive of which there was a loss in working of £79,732, including £37,000 spent towards rehabilitating McBride Tunnel.

(e) Inclusive of a subsidy of £25,000 (repaid in 1928-29) made to the Mine by the Railway Department and exclusive of which there was a loss in working of £24,459.

(f) Exclusive of £50,000 appropriated to Consolidated Revenue by Act No. 3838, see Annual Report 1929-30.

(g) Prior to the 30th June, 1932, the number shown is the average number of employees for the year. Since that date the number given is the number of persons employed on the last day of the financial year.

(h) Includes interest earned on Depreciation Fund investments.

(j) To 15th May, 1937. Shift rates in lieu of contract rates operative at all pits (excluding Western Area) as from 17th May, 1937, in accordance with State Coal Mine Tribunal Award No. 37.

(k) Contract rates from 25th October, 1937, to 25th June, 1938. Shiftwork rates operative (excluding Western Area) until 24th October, 1937, average net earnings per shift for year, 20s. 9.37d.

(l) Includes £275 depreciation on Stores on hand.

(m) Includes £100 depreciation on Stores on hand.