BALANCE-SHEET OF THE STATE COAL-MINES FOR THE YEAR ENDING 31ST MARCH, 1906.

The Hon. the Minister of Mines. Audit Office, 23rd August, 1906.

"THE Coal-mines Act, 1905," in section 108 of the provisions for State coal-mines, requires that, with respect to *each coal-mine* worked by the Minister, he shall cause a balance-sheet to be prepared, together with a statement of accounts, and such balance-sheet and statement of accounts to be submitted to the Audit Office for audit. There should accordingly be submitted two balance-sheets, one for the Point Elizabeth Mine and one for the Seddonville Mine. The balance-sheet submitted, being one balance-sheet for the two mines, does not comply with the statutory requirement, and cannot be audited or certificated as doing so.

J. K. WARBURTON,
Controller and Auditor-General.

Hon. the Minister of Mines, Wellington.

IN reply to the memorandum of the Controller and Auditor-General on the State coal-mines balance-sheet, I have to say that the balance-sheet and statements have been audited and found correct. The balance-sheet fully complies with all the requirements of "The State Coal-mines Act, 1905," section 108, with respect to each coal-mine.

In accordance with subsection (*d*) of section 108, the balance-sheet has been submitted to the Audit Office for audit, but the Controller and Auditor-General objects to certify on a question as to the form, which cannot be overcome. There is no alternative, therefore, but that the balance-sheet as submitted be presented to Parliament.

P. HEYES,
Inspecting Accountant.

3rd September, 1906.

REMARKS ON THE STATE COAL-MINES ACCOUNTS.

THE capital outlay on the Port Elizabeth Colliery is ... ... £38,026 6s. 11d.

The capital outlay on the Seddonville Colliery is ... ... £31,672 9s. 10d.

On the General Profit and Loss Account—that is, the result of operations of both mines conjointly—the net profits are ... ... £14,647 10s. 4d.

The Point Elizabeth Colliery Profit and Loss Account shows net profits ... £21,313 14s. 11d.

The Seddonville Profit and Loss Account shows a loss ... ... £3,838 19s. 1d.

The net profits realised on Point Elizabeth Colliery over all expenses equals 3s. 2·5d. per ton on the coal sold.

The net profit realised on the entire operations of both mines over all expenses equals 1s. 1·2d. per ton on the coal sold.

The sales realised an average return—

On the coal from Point Elizabeth Colliery, of ... ... 18s. 4·9d. per ton.

On the coal from Seddonville Colliery, of ... ... 14s. 9·5d. per ton.

LOUIS H. EILERS,
Accountant.

12th July, 1906.

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