

35. Each coal-mine's accounts must be shown separately?—That is, the expenditure on the coal-mine. When you come to assets like depots, office furniture, and sundry debtors, I do not see how you can possibly distinguish them and place them under the two separate headings.

36. You have seen the Profit and Loss Account and balance-sheet as submitted. Have you seen the books?—No.

37. Then, can you say whether a separate account is kept in the books for each mine?—I could not refer to the books at all, not having seen them; but in order to bring out the Profit and Loss Account as it is brought out here they would have to have separate accounts, I should think. I hardly think it possible to bring out separate accounts like these unless there were separate accounts in the books.

38. Are you aware that there are not separate accounts in the books, but that they are arbitrarily divided afterwards?—No.

39. Would that be proper accountancy?—No, I should not think so. The proper entries should be made in the books showing the separate expenses.

40. Now, if hulks were bought for one mine, should they be debited to that mine?—If they were exclusively for the coal from one mine, that should be done.

41. Would it be right to keep a General Hulks Account and to charge them for one year to one mine and use them for the other?—No; the charge should be in proportion to the use they were put to for each mine.

42. Have you seen the evidence that was given before the Mines Committee last year on this matter?—No.

43. Some hulks were bought, and the Department had in the books a Hulk Account—a general one. This is evidence given by Mr. Heyes himself: “Q. How does it appear in the statement of the general Profit and Loss as a charge against the Seddonville Colliery?—A. Because the hulks were used entirely for the coal from that mine for this year.” Then the question was asked, “If they are charged against the Seddonville Colliery, must they not appear as a credit in the balance-sheet?” and he answered, “But suppose they are used also for Point Elizabeth next year?” Then there was this question: “There is no charge for them in the Point Elizabeth balance-sheet?” and he answered, “The reason for that is that they are in the nature of a store, and if you engaged a store for Seddonville coal, and paid rent for it, it would be a charge to the Seddonville Colliery. As it has been used solely for the Seddonville coal it is charged to the Seddonville Mine Profit and Loss Account.” Then the question was put, “Has not the Seddonville Mine a right to get this asset put against it?” and the answer was, “No; it is not a part of the mine. It is just in the nature of a store. It is a general property available for each mine as occasion requires.” Do you think that is correct?—If a hulk is used one year for one mine and another year for the other mine, you can hardly chop and change your Capital Account from year to year, but you can keep your working-expenses distinct.

44. But the whole cost of the hulk was paid for out of the one mine?—They are paid for out of the general fund.

*Mr. Heyes:* They are paid for out of the State Coal-mines Account.

45. *Mr. J. Allen.*] Suppose they are kept as a store, and they are used for both mines, how are you going to decide the fair amount to charge to Profit and Loss Account on each mine unless you keep separate accounts?—I should expect a record to be kept of the coal passed in and out of the hulk during the year, and should take out the total working-expenses of the hulk and charge them in proportion to the use each mine had made of the hulk.

46. You do not know whether such a separate account was kept?—No, I cannot say.

47. You see the Profit and Loss Account: there are quite a number of items there—separate accounts for each mine?—Yes.

48. Do you know whether separate accounts of those were kept in the books of the Department?—No, I cannot say.

49. Would you think it right to make an arbitrary division of those at the end of the year, having no separate account in the books?—In every case where separate profit and loss accounts are required for different departments of a business, that is the only way in which it can be done.

50. Do you think it is a satisfactory way of doing things?—Records, of course, are kept from month to month of the time taken, or the material used, or whatever it might be, and then the calculation is made at the end of a year or six months in proportion to the use that the plant has been put to by the different departments.

51. If you were directed by Parliament to keep a separate account for each coal-mine, would not you think it right that a separate account should be kept of, for instance, furniture bought for one mine?—Yes, I should keep everything as distinct as possible from day to day. I should keep the accounts distinct, but with regard to the general items, such as salary for manager, or postages, or anything like that, which would entail bare clerical work to divide, I should apportion those at the end of the year.

52. Do you not think you could keep telegrams and postages separate?—I think I should divide them monthly.

53. How about repairs and maintenance?—They ought to be kept distinct at the time.

54. Marine freights: are those kept separate?—I should think they would be.

55. Hulks Working Account?—That I should divide perhaps monthly, for I should get the records monthly and base the charge to each mine on the tonnage that passed through.

56. Now, about the unexpended capital. You are aware, of course, that certain capital was raised, a portion of which has been expended, a part on each mine, and there is another portion that is unallocated?—Yes.

57. Well, now, some one has to pay the interest on that unallotted balance. If you were directed by law to keep a separate account for each mine, how would you allocate the interest on