balance-sheets, you have got to cut that balance-sheet up into three distinct sheets. In my opinion, the weakness of the "tag" is this: It says that two balance-sheets are wanted. Now, it is an impossibility to put the accounts into two balance-sheets. If you produce one balance-sheet for each of the mines, what becomes of the balance-sheet of the Department? What becomes of the Capital Account? What becomes of items that do not pertain at all to either one mine or the other? Therefore two balance-sheets are out of the question altogether. Two balance-sheets cannot possibly show the accounts. I think, consequently, that it is exceedingly weak of the Audit Office to simply say that according to their reading two balance-sheets are wanted. I say the accounts cannot be shown in two balance-sheets. If you cut the balance-sheet up you must have three.

188. You consider that all the details as to the financial position and the financial results of the working of each mine are shown clearly and separately and distinctly here in this balance-sheet?—Most decidedly. I am familiar with coal-mine accounts; therefore I can see that that comprises the whole of the accounts in the ledger. And I think they are properly shown and simply shown—in the same way as I should show them myself.

189. You know that where there are branches of a concern there are definite accounts for the definite expenditure that applies to the different branches, but there are some accounts that are general accounts—general over the whole of the operations?—Yes.

190. Is it usual, where there are those general-expenses accounts, to keep them in one account until the end of the year, and then allocate them proportionately to the different branches in the proportions in which, in the judgment of those in charge of the accounts, they should be allocated?—That is the actual business mode in which accounts are conducted, as far as I know. I see a very large number of accounts—perhaps as many as any accountant in the City of Wellington—and that is the usual business mode of dealing with them. Take Expenses Account. It is one account at the end of the year, amounting to, say, £5,000. Well, it has to be cut up between the various departments of the business. There are things that you cannot possibly allocate exactly. You must take a percentage according to the turnover and according to the expense that the thing is run at.

191. And that is better done at the end of the year?—It can only be done at the end of the year. You find out by a reasonable mode what these percentages are and charge accordingly. That is the only way in which it can be done, as far as I can see.

Mr. HEYES re-examined. (No. 6.)

Mr. Heyes: Those are all the witnesses I shall call, sir. I should like to make a few remarks on what has come out. They are these: The accounts have been audited by the Audit Inspector. All the accounts in the ledger have been carefully gone through and every figure has been checked, and they have all been ticked off. I can show the original manuscript balance-sheet with the Audit Inspector's ticks on it for every item in separate accounts that is in this balance-sheet. He has found every item correct, and they are all ticked off as being correct. The only question at issue is the certificate, and the only ground on which the certificate is refused is that the form of the balance-sheet does not comply with the Act. I called the witnesses with a view to supporting me in my contention that the balance-sheet does fully and faithfully and in the most complete manner comply with the provisions of the Act. As far as the details of the accounts are concerned, those have been all audited and found correct in every figure and every item, and there is an account for every one of those items in the balance-sheet, distinct and separate, for each mine, except the general-expenses accounts which have been referred to. I have the particulars of those general-expenses accounts. They are, management and office salaries account, rents account, interest account, travelling-expenses account, printing and stationery account, the insurance accounts (not at the mine), and stamps and telegrams account. Those are the only accounts—and they are small—which are kept in one account and then allocated at the close of the year in the proportions that I and the accountant consider fair and reasonable. Such accounts as repairs and maintenance of buildings and machinery, railway haulage, compensation for accidents, marine freights, railway freights, and marine insurance—all those accounts are definite accounts. For these there are separate accounts for each mine. There are separate accounts for each mine for all the definite and actual expenditure incurred in connection with that mine which can be definitely ascertained at the time the expenditure is made. There are only a few general accounts where the expenditure for the mines is kept together and allocated at the close of the year, and I think the evidence supports that practice as being the proper commercial practice, universally followed.

192. *Mr. J. Allen.*] Is that list of general accounts the same as it was last year?—Yes. They are just the same general accounts as they were last year, but they are not in the same proportion as they were last year, because the circumstances have changed. For instance, there is a separate manager now for each mine. It was pointed out in one of the questions that the furniture, for instance, connected with the Seddonville Mine is charged to that mine account separately.

193. Was that so last year?—Yes. Any expenditure that can be said to belong to a particular mine is charged to an account, distinct and separate in the ledger, for that mine. There is a distinct account for each mine for all the expenditure that can be definitely ascertained.

194. As I understood Mr. Biss on the question of general accounts, he said that he would, as far as he could, allocate to each mine at the time the expenditure took place, and if there was any balance that he could not allocate he would put that to general account. Do you see any difficulty in doing that?—That is what is done. All the other witnesses confirm what has been done in the ledger. Mr. Biss would allocate this general expenditure at the end of each month, instead of at the end of each year. That is the only difference between him and the other witnesses. I have had thirty years' experience in dealing with this class of accounts in connection with concerns where they have had a large number of branches, and I am satisfied these accounts can be better adjusted at the end of the year than at the end of each month.