Combined Companies.

Year.	Sales.	Gross Profit.	Percentage of Gross Profit on Sales.
	£	£	
1914	1,569,490	305,630	19·47
1918	3,027,278	742,727	24·50
1919	3,028,747	729,061	24·07

Turning to a consideration of *net* profits, in relation to sales, a summary of the figures for the nine companies gives the following results:—

Year.	Sales.	Net Profit.	Percentage of Net Profit on Sales.
	£	£	
1914	1,569,490	85,854	5·5
1918	3,027,278	255,637	8·7
1919	3,028,747	242,721	7·9

Attention must be drawn, however, to the fact that the results of the individual companies show considerable divergence, and in one or two instances very high profits have been made in the years 1918 and 1919. This matter will be discussed in a later section of this report.

The following table shows the figures for each individual company:—

Company.	Year.	Sales.	Net Profit.	Percentage of Net Profit on Sales.
		£	£	
A	1914	43,272	3,702	8·59
	1918	103,074	8,472	8·22
	1919	111,423	14,795	13·28
B	1914	26,265	2,722	10·37
	1918	51,610	7,192	13·94
	1919	62,291	9,716	15·60
C	1914	239,725	14,712	6·13
	1918	449,578	45,207	10·05
	1919	449,509	48,717	10·83
D	1914	943,863	42,306	4·48
	1918	1,748,010	133,691	7·65
	1919	1,720,613	97,327	5·66
E	1914	76,080	6,450	8·47
	1918	159,285	15,608	9·79
	1919	152,064	13,621	8·95
F	1914	47,933	5,174	10·80
	1918	122,091	18,912	15·49
	1919	132,314	22,994	17·37
G	1914	144,413	10,495	7·34
	1918	289,912	21,913	7·56
	1919	298,386	23,153	7·76
H	1914	9,934	1,738*	17·50*
	1918	17,420	2,254	13·00
	1919	28,212	3,302	15·60
I	1914	38,005	2,031	5·34
	1918	86,298	12,388	14·35
	1919	80,987	9,096	11·23

* Loss.

It should be explained that the net profits shown in the foregoing statement differ slightly from the figures ascertained for the purposes of determining the ratio of *net profit to gross capital.* As compared with gross capital (which included loan capital), the net profits were adjusted to cover interest paid on such borrowed capital. Those adjustments were, of course, not made when it was desired to ascertain the ratio of *net profit to sales.*

With reference to the fact that the figures given above relate to sales of both locally manufactured and imported goods, it has been found that no very reliable information can be gathered to show the relative importance of imports and locally manufactured woollen goods. The difficulty arises from the fact that no unit of production can be adopted for comparative purposes. Values as between imported and locally manufactured goods differ greatly. No unit of mill-production could be adopted, and finally no detailed and complete information is available either in regard to quantities imported or manufactured locally. There is, however, no evidence to show that the goods manufactured in the Dominion yield a greater gross or net profit than those described as imported lines. Imports to New Zealand are classified under a number of headings, and even goods which consist wholly of wool are in many instances grouped, in the import statistics, with goods of a very different nature.

It has, however, been found from investigation of the figures of one large company that a little more than half of the sales (in value) were sales of locally produced goods. This company, however, is one which by manufacturing clothing largely adds to the value of its production. It is evident that in normal times the proportion of sales of imported goods would be much higher. This no doubt applies to all companies doing business on these lines.

The following table shows for the several companies the *net* profits and percentages on gross capital for the years 1914, 1918, and 1919:—