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# Business Monitor

A publication of the Government Statistical Service

## Report on the Census of Production

### Electronic computers



Department of Industry  
Business Statistics Office

HMSO



#### Special Note for Purchasers

Commencing with the 1971 Census, the Census of Production reports will be numbered in a uniform series embracing all industrial inquiries in the Business Monitor series. These Business Monitors will have a code P (for production) followed first by A (indicating that it is an annual series) or Q (quarterly) or M (monthly); and then by a number indicating the minimum list heading, or sub-division of a minimum list heading, of the Standard Industrial Classification (Revised 1968).

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## Report on the Census of Production 1971

## Electronic computers

Presented by the Secretary of State for Industry  
to Parliament in pursuance of the Statistics of Trade Act 1947  
(10 & 11 Geo.6 Cha.39 sec 7)

Department of Industry  
Business Statistics Office

London: Her Majesty's Stationery Office 1974



- PA1001 Introductory Notes  
 PA101 Coal mining  
 PA102 Stone and slate quarrying and mining  
 PA103 Chalk, clay, sand and gravel extraction  
 PA104 Petroleum and natural gas  
 PA109.1 Metalliferous mining and quarrying  
 PA109.3 Salt and miscellaneous non-metalliferous mining and quarrying  
 PA211 Grain milling  
 PA212 Bread and flour confectionery  
 PA213 Biscuits  
 PA214 Bacon curing, meat and fish products  
 PA215 Milk and milk products  
 PA216 Sugar  
 PA217 Cocoa, chocolate and sugar confectionery  
 PA218 Fruit and vegetable products  
 PA219 Animal and poultry foods  
 PA221 Vegetable and animal oils and fats  
 PA229.1 Margarine  
 PA229.2 Starch and miscellaneous foods  
 PA231 Brewing and malting  
 PA232 Soft drinks  
 PA239.1 Spirit distilling and compounding  
 PA239.2 British wines, cider and perry  
 PA240 Tobacco  
 PA261 Coke ovens and manufactured fuel  
 PA262 Mineral oil refining  
 PA263 Lubricating oils and greases  
 PA271.1 General chemicals (inorganic)  
 PA271.2 General chemicals (organic)  
 PA271.3 Miscellaneous general chemicals  
 PA272 Pharmaceutical chemicals and preparations  
 PA273 Toilet preparations  
 PA274 Paint  
 PA275 Soap and detergents  
 PA276 Synthetic resins and plastics materials and synthetic rubber  
 PA277 Dyestuffs and pigments  
 PA278 Fertilizers  
 PA279.1 Polishes  
 PA279.2 Formulated adhesives, gelatine etc.  
 PA279.3 Explosives, fireworks and matches  
 PA279.4 Formulated pesticides and disinfectants  
 PA279.5 Printing ink  
 PA279.6 Surgical bandages etc.  
 PA279.7 Photographic chemical materials  
 PA311 Iron and steel (general)  
 PA312 Steel tubes  
 PA313 Iron castings  
 PA321 Aluminium and aluminium alloys  
 PA322 Copper, brass and other copper alloys  
 PA323 Other base non-ferrous metals  
 PA331 Agricultural machinery (other than tractors)  
 PA332 Metal-working machine tools  
 PA333 Pumps, valves and compressors  
 PA334 Industrial engines  
 PA335 Textile machinery and accessories  
 PA336 Construction and earth moving equipment  
 PA337 Mechanical handling equipment  
 PA338 Office machinery  
 PA339.1 Mining machinery  
 PA339.2 Printing and bookbinding machinery  
 PA339.3 Refrigerating machinery  
 PA339.4 Space heating, ventilating and air-conditioning equipment  
 PA339.7 Food and drink processing machinery  
 PA339.9 Miscellaneous (non-electrical) machinery  
 PA341 Industrial (including process) plant and steelwork  
 PA342 Ordnance and small arms  
 PA349 Ball and roller bearings  
 Precision chains and other mechanical engineering  
 PA351 Photographic and document copying equipment  
 PA352 Watches and clocks  
 PA353 Surgical instruments and appliances  
 PA354 Scientific and industrial instruments and systems  
 PA361 Electrical machinery  
 PA362 Insulated wires and cables  
 PA363 Telegraph and telephone apparatus and equipment  
 PA364 Radio and electronic components  
 PA365 Broadcast receiving and sound reproducing equipment  
 PA366 Electronic computers  
 PA367 Radio, radar and electronic capital goods
- PA368 Electrical appliances primarily for domestic use  
 PA369 Miscellaneous electrical goods  
 PA370 Shipbuilding and marine engineering  
 PA380 Wheeled tractor manufacturing  
 PA381 Motor vehicle manufacturing  
 PA382 Motor cycle, tricycle and pedal cycle manufacturing  
 PA383 Manufacturing and repairing aerospace equipment  
 PA384 Locomotives, trams, railway carriages, wagons and track equipment  
 PA390 Engineers' small tools and gauges  
 PA391 Hand tools and implements  
 PA392 Cutlery, spoons, forks and plated tableware etc.  
 PA393 Bolts, nuts, screws, rivets etc.  
 PA394 Wire and wire manufactures  
 PA395 Cans and metal boxes  
 PA396 Jewellery and precious metal  
 PA399.1 Metal furniture  
 PA399.5 Drop forgings etc.  
 PA399.6 Metal hollow-ware  
 PA399.8 Miscellaneous metal manufacture  
 PA411 Production of man-made fibres  
 PA412 Spinning and doubling on the cotton and flax systems  
 PA413 Weaving of cotton, linen and man-made fibres  
 PA414 Woollen and worsted  
 PA415 Jute  
 PA416 Rope, twine and net  
 PA417 Hosiery and other knitted goods  
 PA418 Lace  
 PA419 Carpets  
 PA421 Narrow fabrics  
 PA422.1 Made-up household textiles  
 PA422.2 Canvas goods and sacks etc.  
 PA423 Textile finishing  
 PA429.1 Asbestos  
 PA429.2 Miscellaneous textiles  
 PA431 Leather (tanning and dressing) and fellmongery  
 PA432 Leather goods  
 PA433 Fur  
 PA441 Weatherproof outerwear  
 PA442 Men's and boys' tailored outerwear  
 PA443 Women's and girls' tailored outerwear  
 PA444 Overalls and men's shirts, underwear etc.  
 PA445 Dresses, lingerie, infants' wear etc.  
 PA446 Hats, caps and millinery  
 PA449.1 Corsets and miscellaneous dress industries  
 PA449.2 Gloves  
 PA450 Footwear  
 PA461 Refractory goods  
 Building bricks and non-refractory goods  
 PA462 Pottery  
 PA463 Glass  
 PA464 Cement  
 PA469.1 Abrasives  
 PA469.2 Miscellaneous building materials and mineral products  
 PA471 Timber  
 PA472 Furniture and upholstery  
 PA473 Bedding and soft furnishing  
 PA474 Shop and office fittings  
 PA475 Wooden containers and baskets  
 PA479 Miscellaneous wood and cork manufactures  
 PA481 Paper and board  
 PA482.1 Cardboard boxes, cartons and fibre-board packing cases  
 PA482.2 Packaging products of paper and associated materials  
 PA483 Manufactured stationery  
 PA484.1 Wallcovering  
 PA484.2 Miscellaneous manufactures of paper and board  
 PA486 Printing and publishing of newspapers and periodicals  
 PA489 General printing, publishing etc.  
 PA491 Rubber  
 PA492 Linoleum, plastics floor covering, leathercloth etc.  
 PA493 Brushes and brooms  
 PA494.1 Toys, games and children's carriages  
 PA494.3 Sports equipment  
 PA495 Miscellaneous stationers' goods  
 PA496 Plastics products  
 PA499.1 Musical instruments  
 PA499.2 Miscellaneous manufacturing industries  
 PA601 Gas  
 PA602 Electricity  
 PA603 Water supply  
 PA1002 Summary Tables

The information in this report relates to establishments classified to the Electronic computers industry, minimum list heading 366 in the Standard Industrial Classification (revised 1968). The activities of the industry include:-

*Manufacturing digital, analogue and hybrid electronic computers and related equipment, including peripheral equipment for computing systems and data transmission equipment. Tele-communication links and computers and peripheral equipment not separable from industrial control systems are excluded.*

**In interpreting the data in the tables it is essential to bear in mind the notes and definitions which commence on page (iii).**



Table No	Title	Page
	Section I - Estimates for all United Kingdom establishments in the industry	
1	Input and output, 1970 and 1971 - Establishments classified to the industry	PA366 3
2	Capital expenditure and stocks, 1970 and 1971 - Establishments classified to the industry	PA366 4
3	Analysis of establishments by size, 1971 - Establishments classified to the industry	PA366 5
4	Percentage analysis of employees by full and part time employment and sex, 1971 - Establishments classified to the industry	PA366 6
5	Regional distribution of employment, net capital expenditure and net output, 1971 - Establishments classified to the industry	PA366 7
	Section II - Analysis of returns received	
6	Percentage analysis of twelve-month periods covered by returns from establishments employing 25 or more persons, 1971	PA366 8

TABLE 1

## Input and output, 1970 and 1971

All United Kingdom establishments classified to the industry (a)

	Unit	1970	1971
Enterprises	Number	75 <sup>R</sup>	86
Establishments	"	84 <sup>R</sup>	95
Sales of goods produced and work done	£'000	149,568	172,648
Services rendered to other organisations (b)	"	936	3,165
Goods merchanted or factored	"	5,570	9,239
Canteen takings	"	336	298
<b>Total sales and work done</b>	"	156,410	185,350
Increase during the year, work in progress and goods on hand for sale	"	12,776	736
<b>Gross output</b>	"	169,185	186,086
Cost of purchases	"	97,134	99,710
Increase during the year, stocks of materials, stores and fuel	"	5,323	1,041
Payments to other organisations			
for work done on materials given out	"	11,185	11,068
for transport by road	"	146	225
for transport by rail, water, air and Post Office parcel services	"	140	74
<b>Total costs</b>	"	103,282	110,036
<b>Net output</b>	"	65,903	76,050
Total employment (including working proprietors) (c)	Thousands	22.9	23.5
<b>Net output per head</b>	£	2,872	3,236

(a) For 1971, estimates for establishments not making satisfactory returns and for establishments employing less than 25 persons, accounted for 19 per cent of the total figures in which they were incorporated: of this unsatisfactory returns accounted for 16 per cent. For 1970 the comparable figures were 4 per cent and 1 per cent respectively.

(b) Amounts charged for hiring out plant, machinery or other goods, for providing transport, or for any technical or other services rendered.

(c) Average number of persons employed during the year.



TABLE 2

PA366 4

## Capital expenditure and stocks, 1970 and 1971

All United Kingdom establishments classified to the industry (a)

£'000

	1970	1971	
<b>Capital expenditure (b)</b>			
New building work	2,781		3,229
Land and existing buildings			
Acquisitions	} - 34(c)		472
Disposals			
Plant and machinery			
Acquisitions	5,725		4,224
Disposals	49		230
Vehicles			
Acquisitions	268		232
Disposals	72		46
<b>Total net capital expenditure (c)</b>	<b>8,620</b>		<b>7,881</b>
Increase in stocks and work in progress, 1970 and 1971 and value of stocks and work in progress at end of 1971	Increase	Increase	Value at end of year
Materials, stores and fuel	5,323	1,041	12,121
Work in progress	11,670	2,144	44,387
Goods on hand for sale	1,106	- 1,408	4,608
<b>Total</b>	<b>18,099</b>	<b>1,777</b>	<b>61,115</b>

(a) Including estimates for establishments not making satisfactory returns and for establishments employing less than 25 persons.

(b) Capital expenditure in respect of manufacturing establishments where production had not commenced before the end of the year, is included.

(c) Acquisitions less disposals.



TABLE 3

## Analysis of establishments by size, 1971

All United Kingdom establishments classified to the industry (a)

Size group (b)	Estab-lishments	Enter-prises (c)	Total employment (b)	Employees		Wages and salaries		Wages and salaries per head		Total sales and work done (e)	Gross output	Net output	Net output per head	Capital expenditure (net) (f)	Total stocks and work in progress at end of year
				Operatives	Others (d)	Operatives	Others (d)	Operatives	Others (d)						
	Number	Number	Number	Number	Number	£'000	£'000	£	£	£'000	£'000	£'000	£	£'000	£'000
1-10	26	26	194	749	444	869	890	1,160	2,005	8,329	8,554	2,745	2,154	1,303	3,691
11-24	33	33	530												
25-49	5	5	183												
50-99	5	5	367	419	593	580	1,166	1,384	1,966	7,673	8,093	3,239	3,201	398	3,330
100-199	7	7	1,012												
200-299	4	4	866	518	348	667	708	1,287	2,034	5,392	5,911	2,885	3,331	27	2,415
300-499	6	6	2,195	742	1,453	908	2,565	1,223	1,765	19,124	17,395	5,984	2,726	631	4,205
500 and over	9	4	18,134	9,220	8,914	11,391	15,718	1,235	1,763	144,832	146,134	61,198	3,375	5,521	47,473
<b>Total</b>	95	86	23,481	11,648	11,752	14,415	21,046	1,238	1,791	185,350	186,086	76,050	3,236	7,881	61,115

(a) Including estimates for establishments not making satisfactory returns and for establishments employing less than 25 persons.

(b) Average number employed during the year (including working proprietors) by the establishment.

(c) Some enterprises control establishments in more than one size group: the sum of the figures for the size groups will therefore exceed the total for the industry.

(d) Administrative, technical and clerical employees.

(e) Including sales of goods merchanted or factored, canteen takings and services rendered to other organisations (amounts charged for hiring out plant, machinery or other goods, for providing transport, or for any technical or other services rendered).

(f) Acquisitions less disposals.



TABLE 4

PA366

Percentage analysis of employees, by full and part time employment and sex, 1971 (a)  
All United Kingdom establishments classified to the industry

Sex	Full time	Part time	All employees
	per cent	per cent	per cent
Male	74		74
Female	24	2	26
	98	2	100

Source: Department of Employment

(a) The percentages relate to the numbers employed (excluding working proprietors) at mid-June, 1971.

PA366 7

TABLE 5

Regional distribution of employment, net capital expenditure and net output, 1971  
All United Kingdom establishments classified to the industry

Area	Average number employed (a)		Net capital expenditure (b)		Net output and employment in the region of establishments with more than 80 per cent of their employment in the region (c)		
	Thousands	per cent of United Kingdom	£'000	per cent of United Kingdom	Estimated net output	Average number employed as a percentage of total average number employed in the industry in the region	Net output as percentage of total of the industry in the United Kingdom
Standard Regions of England							
North	*	*	*	*	*	*	*
Yorkshire and Humberside	-	-	-	-	-	-	-
East Midlands	*	*	*	*	*	*	*
East Anglia	-	-	-	-	-	-	-
South East	10.4	44.4	5,056	64.2	40,052	90.1	52.7
South West	*	*	*	*	*	*	*
West Midlands	*	*	*	*	*	*	*
North West	*	*	*	*	*	*	*
England	18.7	79.4	7,265	92.2	50,850	93.2	66.9
Wales	-	-	-	-	-	-	-
Scotland	*	*	*	*	*	*	*
Great Britain	*	*	*	*	*	*	*
Northern Ireland	*	*	*	*	*	*	*
Unallocated (d)	-	-	-	-	15,176	-	20.0
United Kingdom	23.5	100.0	7,881	100.0	76,050		100.0

(a) Including working proprietors.

(b) New building work plus acquisitions less disposals of land and existing buildings, plant and machinery and vehicles.

(c) Where a census return covered addresses in two or more regions an estimate was made of the net output attributable to the region only where more than 80 per cent of the establishment's employees were located in the region. The estimate was made by assuming that net output at each address covered by a return was proportionate to employment at the address. The establishment's residual net output was included in unallocated net output.

(d) Includes estimates of net output for establishments not making satisfactory returns and establishments employing less than 25 employees, and unallocated net output of establishments covering addresses in two or more regions.



Percentage analysis of twelve-month periods covered by returns received from United Kingdom establishments employing 25 or more persons, 1971

Accounting year ended	Percentage of total returns received	Percentage of total number employed
	per cent	per cent
1971 April (a)	3.2	1.6
May	0.0	0.0
June	3.2	1.6
July	0.0	0.0
August	0.0	0.0
September	25.8	68.9
October	0.0	0.0
November	0.0	0.0
December	58.1	24.8
1972 January	0.0	0.0
February	0.0	0.0
March (b)	9.7	3.1
	100.0	100.0

(a) From 6th April.

(b) Including returns made for twelve-month period ended 1st to 5th April 1972.

## Notes

These notes give the main information needed for interpreting the figures in the industry reports, (more detailed information about the census is given in a separate booklet—"Introductory Notes", Part PA1001 of the Report on the Census of Production for 1971).

### GENERAL INFORMATION

#### Changes compared with 1970

The questions asked in the 1971 census were the same as those in the 1970 census with one main exception: for 1971 establishments were asked to include in capital expenditure, expenditure on units that were not in production in the year of return; for 1970 this expenditure was collected in a separate inquiry. This change of method of collection does not affect the results for 1970 and 1971 because capital expenditure for units not yet in production is included in the aggregates for both years.

#### Industrial classification

The Annual Censuses of Production are conducted on the Business Statistics Office's Production Register. Normally establishments on the Register are classified to industries on the basis of major activity in conformity with the third edition of the Standard Industrial Classification (Revised 1968). Normally an establishment was classified to an industry if its sales of the principal products of that industry accounted for a greater proportion of its total sales than in its sales of the principal products of any other industry; classification is generally based on an establishment's returns to the quarterly production inquiry. Where this was not possible—for example where a quarterly production inquiry had not then been introduced—the classification of an establishment reflects its return to the Census of Production, 1968. Establishments for which information was not available either from the quarterly inquiries or the 1968 Census were classified on the basis of the description of the business given by the establishments to the Business Statistics Office, for instance, in the course of registration.

#### Coverage

Detailed census returns were generally sought only from establishments employing on average 25 or more persons, but in some industries where firms employing less than 25 persons account for a relatively high proportion of total employment and output the exemption limit was lowered to 11. Census returns were also sent to establishments whose employment was not known to the Business Statistics Office at the time of dispatch.

### TERMS USED IN THE CENSUS REPORT

#### Average number employed

Establishments were required to state the number of persons on the payroll (i.e. whose national insurance cards were held by them) on the average during the year of return, whether full time or part time employees. Separate figures were required for (a) administrative, technical and clerical employees and (b) all other employees (operatives). Averages could be calculated from figures relating to the last week of each calendar month. Establishments were also required to state the number of working proprietors where appropriate and these are included in total employment figures. Outworkers (i.e. persons employed by establishments who worked in their own homes etc. on materials supplied by the establishments) are excluded.

The figures include persons engaged on merchanting or factoring and canteen workers where particulars in respect of these activities could not be excluded from the return.

#### Working Proprietors

These include all persons regarded as "self employed" for national insurance purposes and members of their families who worked in the business without receiving a fixed wage or salary; but such persons who worked less than half the normal number of working hours are excluded. Directors working in the business but not in receipt of a definite wage, salary or commission are included under this heading: directors paid by fee only are not included.

#### Employees

Administrative, technical and clerical employees include managing and other directors in receipt of a definite wage, salary or commission, managers, superintendents and works foremen; research, experimental development, technical and design

employees (other than operatives); draughtsmen and tracers; editorial staff, staff reporters, canvassers, competition and advertising staff; travellers; and office (including works office) employees.

Operatives include all other classes of employees, that is, broadly speaking, all manual wage earners. They include those employed in and about the factory or works; operatives employed in power houses, transport work (including roundsmen), stores, warehouses, shops and canteens; inspectors, viewiers and similar workers; maintenance workers, and cleaners. Operators engaged in outside work of erecting, fitting etc. are also included, but out-workers are excluded.

#### Capital expenditure

Capital expenditure during the year in respect of manufacturing units where production had not started before the end of the year is included in the figures for both 1970 and 1971.

#### (a) New building work

This represents the cost incurred during the year of new building and other constructional work (including office buildings, canteens and the like used in connection with the business covered by the return, but not dwelling houses for employees). The value is that charged to capital account during the year of return; it includes expenditure on new buildings or on the extension or reconstruction of old buildings, the value of works of a capital nature carried out by the establishment's own staff and the cost of any newly constructed buildings purchased. Figures shown include any legal charges, stamp duties, agents' commissions, etc.

#### (b) Land and existing buildings

The items shown are the capital cost of freeholds purchased and the capital cost of premium payable for leaseholds acquired (excluding the value of any assets acquired in taking over an existing business), and the amounts receivable for any freeholds or leaseholds disposed of. The value is that charged to capital account during the year of return.

#### (c) Plant, machinery and vehicles

The items shown are the value of plant and machinery and of vehicles acquired, both new and second-hand, and the amount received for items disposed of during year. The value of plant and machinery acquired includes plant, etc., which firms produced for their own use in connection with the business covered by the return. The value of plant, etc., acquired is the expenditure charged to capital account during the year of return less any discounts received, but including the cost of transport and installation. No deduction is made for depreciation, amortization or obsolescence. The proceeds of items disposed of during the year exclude amounts written off for items scrapped.

#### Enterprise

The term enterprise is used in this report to mean one or more establishments under common ownership or control. An enterprise normally consists of a single establishment, more than one establishment owned by the same firm, or a number of establishments owned by a parent company and its subsidiary companies. Information about the relationship between constituent companies of enterprises was obtained mainly from published sources such as the Stock Exchange Year Book supplemented by information from company reports and information supplied by establishments. The information available is not complete but covers the largest and most important groups of industrial establishments and is believed sufficient to provide a worthwhile basis for analysis.

#### Establishment

The definition of an establishment in 1970 and 1971 was that of the Standard Industrial Classification (Revised 1968): "the smallest unit which can provide the information normally required for an economic census, for example, employment, expenses, turnover, capital formation". Sometimes activities which are conducted as a single business are carried on at a number of addresses, termed local units. Where the activities of such a business are closely integrated, and detailed census information is not available for each unit, it is treated as a multi-unit establishment and a single return accepted. Separate figures are obtained, however, of employment and net capital expenditure at each unit.



#### Gross output

Gross output measures the total value of production (including work done) by establishments during the year. It is calculated as follows:—

Value of sales and work done  
Plus/Less: Increase/decrease in value of stocks of goods on hand for sale  
Plus/Less: Increase/decrease in value of work in progress  
= Gross output.

#### Net output

Net output represents the value added to materials by the process of production (including the margin on selling any merchanted or factored goods). It is calculated as follows:—

Gross output  
Less: Purchases adjusted for change in value of stocks of fuel and raw materials  
Less: Payments for work given to other establishments  
Less: Payments for transport  
Less: Net amount of any duties, subsidies, allowances and levies payable  
= Net output.

#### Net output per person employed

The figures of net output per person employed are derived by dividing the net output by the average number of persons employed (full time and part time) on all activities covered by the returns, including operatives, administrative, technical and clerical employees and working proprietors, but excluding outworkers.

#### Purchases

Purchases include the cost of materials and components bought for use in production; of fuel and electricity for all purposes; of packaging materials including the cost of returnable cases and containers when first purchased; of workshop materials, office materials and materials for repairs to establishment's own buildings, plants and vehicles when carried out by their own work people included in the returns; of consumable tools; and of parts for machinery purchased during the year as replacements. Water charges are also included. In general, purchases of goods for merchenting or factoring and canteen supplies are included. Materials supplied by customers for processing are excluded, as are all purchases charged to capital account.

The values shown include any duty paid (less rebate, etc.) but exclude trade discounts allowed. The cost of transport is included only if included in the cost of materials as invoiced; amounts paid to transport organisations, including an establishment's own separate transport organisations for delivery of materials and fuel are, therefore, excluded. Materials purchased overseas are included at the c.i.f. cost plus any duty payable if the cost of transport from the docks was not included in the invoiced price, but at their full delivery cost if invoiced "carriage paid home". Materials and fuel transferred from another department of the establishment not covered by the same return are included at the estimated selling value recorded by the other department.

#### Sales

Sales are in respect of goods made by the business covered by the return, goods made for it by outworkers or by other establishments from materials given out to them (sometimes described as goods made on commission) and waste products. Any machinery or other capital items produced for use in the business covered by the return are included, the value being that adopted in the establishment's asset accounts. Goods sold without being subjected to any manufacturing process (i.e. merchanted or factored) and canteen takings are included. The value shown for sales is the net selling value, defined as the amount charged to customers whether on an ex-works or delivered basis excluding any trade discounts, agents' commissions, allowances for returnable cases, purchase tax, etc.; the net amount charged for packaging materials is included. Goods charged on a delivered basis to customers overseas are included at the f.o.b. value.

Goods produced in one establishment and transferred to another establishment of the same firm not covered by the return were treated as sales by the producing establishment and valued as far as possible as if they had been sold to an independent purchaser. Goods transferred to wholesale or retail selling organisations for which separate accounts were kept were valued on the same basis.

To the extent that sales of finished products of one establishment constitute the materials purchased by another, total figures of the value of sales (and of materials and fuel purchased) include an element of duplication. In some industries, e.g. motor vehicle manufacturing, and woollen and worsted, this duplication is substantial; and aggregates of the figures for a number of industries contain significantly greater amounts of duplication. For work done on commission, sub-contract work, etc., the value shown is the total amount charged for the work, including the value of any materials bought and used in such work.

#### Services rendered

This represents the amounts charged for hiring out plant, machinery and other goods, providing transport, or for any technical or other services rendered to other organisations. It includes amounts credited for similar services rendered to other establishments of the same enterprise not covered by the return.

#### Standard Industrial Classification

Industry classification is based on the Standard Industrial Classification (Revised 1968). It is published by HM Stationery Office together with a separate index in the form of an alphabetical list of industries.

#### Stocks and work in progress

Values are given of stocks of goods on hand for sale, and of materials and fuel, at the end of the year of return, including any stocks of goods held for merchenting or factoring. Values of the change during the year are also shown. The values include duty in the case of dutiable goods held out of bond.

The value of work in progress at the end of, and the change during, the year are also usually shown. This excludes any progress payments made to sub-contractors, and no deduction is made on account of progress payments received.

#### Transport payments

These represent the total amount paid or credited during the year for both outwards transport of finished goods sold and inwards transport of materials and fuel purchased. They include payment to other establishments, and to any separate transport organisation of the same establishment not covered by the return, but exclude the value of transport services provided by the business covered by the return. The items included are payments for hired cartage and for inwards and outwards carriage by all forms of inland transport, i.e. railways, road haulage, canals, coastwise shipping, air, etc. Payments made for sea and air freight on goods sold to customers overseas and on materials and fuel purchased from overseas suppliers are excluded.

#### Wages and salaries

These are amounts paid during the year to operatives and to administrative, technical and clerical employees. Payments to working proprietors, whether called salaries or not, are excluded. The values shown include all overtime payments, bonuses and commissions, whether paid regularly or not, and no deduction is made for income tax, insurances, contributory pensions, etc. The value of any payments in kind, travelling expenses, lodging allowances, etc. and employers' contributions to national insurances and pension schemes is excluded.

#### Work given out

The figures shown represent the total amount paid for work done by other establishments (whether part of the same enterprise or not) on materials supplied to them. They do not include payments to individual outworkers or payments for business and other services.

#### SYMBOLS USED

The following symbols are used throughout the report:

- .. not available
- nil or less than half the final digit shown
- \* figures cannot be shown owing to the risk of disclosing information about individual enterprises
- R revised

#### ROUNDING OF FIGURES

Figures in the tables have, where necessary, been rounded to the nearest final digit; there may be an apparent slight discrepancy between the sum of the constituent items and the total shown.



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