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# Business Monitor

A publication of the Government Statistical Service

## Report on the Census of Production

### Electrical appliances primarily for domestic use



ISO

**Business Statistics Office**  
Department of Industry

PA368

# Business Monitor

A publication of the Government Statistical Service

## Report on the Census of Production 1971

## Electrical appliances primarily for domestic use

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

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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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List of Industry Reports, etc.

- 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 Electric appliances primarily for domestic use industry, minimum list heading 368 in the Standard Industrial Classification (revised 1968). The activities of the industry include:-

*Manufacturing electric vacuum cleaners, washing machines, refrigerators (including non-electric refrigerators), deep freeze units, food mixers, hair clippers and dry shavers, cookers, radiators, toasters, irons and other domestic type electric appliances. The manufacture of refrigerating machinery and commercial refrigerating equipment is 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	PA368 3
2	Capital expenditure and stocks, 1970 and 1971 - Establishments classified to the industry	PA368 4
3	Analysis of establishments by size, 1971 - Establishments classified to the industry	PA368 5
4	Percentage analysis of employees by full and part time employment and sex, 1971 - Establishments classified to the industry	PA368 6
5	Regional distribution of employment, net capital expenditure and net output, 1971 - Establishments classified to the industry	PA368 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	PA368 8

TABLE 1

Input and output, 1970 and 1971

All United Kingdom establishments classified to the industry (a)

	Unit	1970	1971
Enterprises	Number	268	270
Establishments	"	295	304
Sales of goods produced and work done	£'000	287,646	340,540
Services rendered to other organisations (b)	"	1,922	1,998
Goods merchanted or factored	"	14,913	18,946
Canteen takings	"	973	995
<b>Total sales and work done</b>	"	<b>305,454</b>	<b>362,479</b>
Increase during the year, goods on hand for sale	"	6,279	- 3,014
Increase during the year, work in progress	"	313	- 661
<b>Gross output</b>	"	<b>312,046</b>	<b>358,804</b>
Cost of purchases	"	173,057	191,802
Increase during the year, stocks of materials, stores and fuel	"	2,416	- 1,989
Payments to other organisations for work done on materials given out	"	3,450	3,620
for transport by road	"	2,962	3,168
for transport by rail, water, air and Post Office parcel services	"	992	666
<b>Total costs</b>	"	<b>178,045</b>	<b>201,245</b>
<b>Net output</b>	"	<b>134,001</b>	<b>157,558</b>
Total employment (including working proprietors) (c)	Thousands	65.0	65.6
<b>Net output per head</b>	£	<b>2,061</b>	<b>2,402</b>

(a) For 1971, estimates for establishments not making satisfactory returns and for establishments employing less than 25 persons, accounted for 10 per cent of the total figures in which they were incorporated: of this unsatisfactory returns accounted for 7 per cent. For 1970 the comparable figures were 11 per cent and 8 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.

## Capital expenditure and stocks, 1970 and 1971

All United Kingdom establishments classified to the industry (a)

	1970	1971
Capital expenditure (b)	£'000	£'000
New building work	4,373	2,732
Land and existing buildings		
Acquisitions	175	236
Disposals	1,296	726
Plant and machinery		
Acquisitions	6,223	8,272
Disposals	436	586
Vehicles		
Acquisitions	1,098	1,011
Disposals	327	425
<b>Total net capital expenditure (c)</b>	<b>9,810</b>	<b>10,513</b>
Stocks and work in progress at end of year (d)		
Materials, stores and fuel	31,302	32,115
Work in progress	14,909	15,313
Goods on hand for sale	24,731	19,511
<b>Total stocks</b>	<b>70,942</b>	<b>66,939</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.
- (d) The stock changes in Table 1, based on opening and closing values returned by firms, may be different from those obtained from end-year values. The differences are attributable to variation in valuation by firms between the years and to differences in respondents, and in total employment.

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	115	115	527	3,728	1,111	3,250	1,708	872	1,537	21,480	21,581	8,978	1,762	1,130	3,826
11-24	63	63	1,128												
25-49	23	23	824												
50-99	37	36	2,617												
100-199	17	16	2,662	2,039	615	2,011	932	986	1,515	15,879	15,840	7,507	2,820	189	1,861
200-299	9	9	2,110	1,528	581	1,714	945	1,122	1,627	11,189	10,990	4,923	2,333	242	2,431
300-749	20	17	10,543	7,288	3,254	7,665	4,500	1,052	1,383	54,695	54,391	22,273	2,113	1,414	12,307
750-999	4	4	3,707	2,771	936	3,413	1,576	1,232	1,684	25,730	25,626	9,287	2,505	634	5,976
1,000-2,499	10	7	17,360	12,474	4,884	14,902	7,380	1,195	1,511	85,299	84,240	36,231	2,087	1,346	17,237
2,500 and over	6	4	24,129	17,797	6,332	22,625	10,560	1,271	1,668	148,208	146,136	68,358	2,833	5,558	23,301
<b>Total</b>	304	270	65,607	47,625	17,713	55,580	27,601	1,167	1,558	362,479	358,804	157,558	2,402	10,513	66,939

(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

PA368 6

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	63	-	63
Female	31	6	37
	94	6	100

Source: Department of Employment

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

PA368 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 £'000	Average number employed as a percentage of total average number employed in the region	Net output as percentage of total of the industry in the United Kingdom
Standard Regions of England							
North	*	*	*	*	*	*	*
Yorkshire and Humberside	3.9	6.0	1,030	9.8	*	*	*
East Midlands	*	*	*	*	*	*	*
East Anglia	3.4	5.3	*	*	*	*	*
South East	18.8	28.6	3,375	32.1	38,061	69.6	24.2
South West	*	*	*	*	*	*	*
West Midlands	10.5	16.0	399	3.8	21,955	91.7	13.9
North West	8.3	12.7	526	5.0	10,054	69.2	6.4
England:	50.3	76.8	6,791	64.6	83,566	71.1	53.1
Wales	*	*	*	*	*	*	*
Scotland	7.6	11.6	1,377	13.1	19,185	81.1	12.2
Great Britain	*	*	*	*	*	*	*
Northern Ireland	*	*	*	*	*	*	*
Unallocated (d)	-	-	-	-	41,713	-	26.4
United Kingdom	65.6	100.0	10,513	100.0	157,558		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.

TABLE 6

PA368

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)	2.9	1.3
May	2.9	0.2
June	0.9	0.1
July	2.9	2.1
August	0.9	0.1
September	11.4	6.5
October	0.9	0.1
November	0.9	0.3
December	37.2	45.1
1972 January	6.7	1.1
February	6.7	2.3
March (b)	25.7	40.8
	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, viewers 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 merchanding 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 merchanding 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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