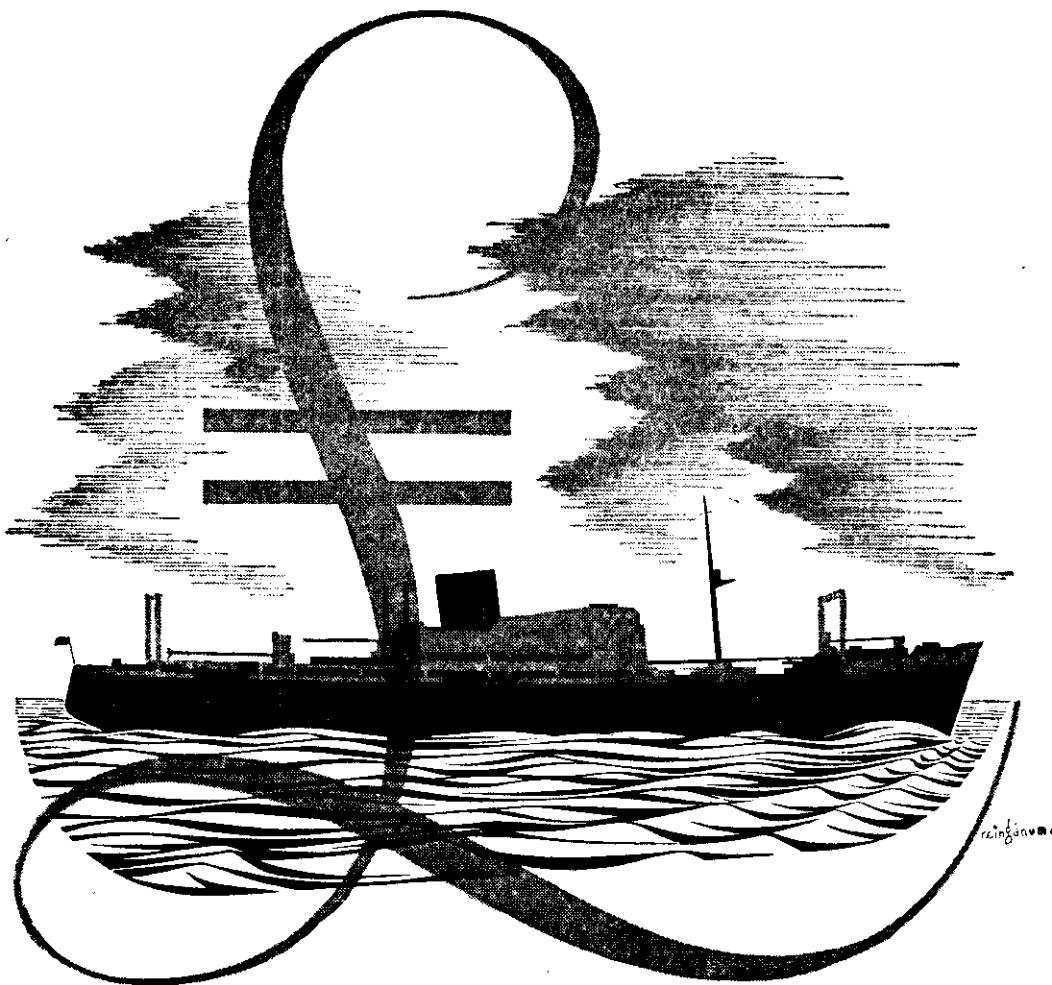


What
happens
to every
pound
we earn



Everybody knows that money needs managing. That's why most of us are interested to hear how other people manage theirs. But, whether you're dealing with hundreds of pounds or with millions, the problems are basically the same; it all comes down to shillings and pence in the end.

Shipping finance is no exception. This is what happens to every £ we earn in the way of freight and passage money.*

We spend on Fuel	...	...	...	...	1s. 11d.
Port Charges come to	...	...	...	...	1s. 6d.
Insurance of ships, crews and cargoes cost	...	...	...	...	10d.
Food, provisions and stores come to	...	...	...	...	1s. 3½d.
Labour and services—which includes, not only wages for the crew, but the costs of cargo handling, ship repairs and general maintenance	...	...	...	...	11s. 3½d.

The original pound has already been reduced to 3s. 2d.—and only the actual operating expenses have been paid so far. We can however at this point take in a small item for miscellaneous income

(from investments and so on). The amount is 7d. That gives us 3s. 9d. in hand—but not for long.

To recover the original cost of our ships we set aside as Depreciation the sum of 2s. 0½d.

... but costs of replacement continue to rise steeply and to make some provision for this we put aside an additional

...	6d.	2s. 6½d.
Taxation takes	...	11½d.
To the Shareholders we pay a dividend of	...	3d.

... and that's it.

Close budgeting indeed!

More than three-quarters of the expenditure goes on actual operating expenses, over a considerable part of which the Lines have virtually no control. There is, in consequence, little room for economies and adjustments. A small increase can possibly be absorbed, but if the shipping service is to continue then any substantial increase in costs (or a continuing small one) can only be met by increased charges for our services. There is no other way to balance the budget.

*(Figures quoted from the accounts of one of the New Zealand Overseas Lines over the six-year period ending September 1956)

Issued in the interests of mutual understanding by

NEW ZEALAND OVERSEAS SHIPPING LINES

SHAW SAVILL & ALBION CO. LTD • THE NEW ZEALAND SHIPPING CO. LTD • PORT LINE LIMITED • BLUE STAR LINE LIMITED