

It is pleasing to report that these overseas services are being successfully concluded in a most economical manner.

The male staff, which provides the actual selling service in New Zealand, is mainly composed of returned soldiers or men ineligible for service overseas. Members of the W.A.A.C. and W.A.A.F are employed in a number of situations and have demonstrated their suitability for this class of work.

Full service conditions apply to personnel who serve in the Canteen Board's organization overseas.

The Board's policy has been primarily to render service, but from the published accounts it will be noted that net profits in excess of £1,000,000 have been earned.

This position arises through the necessity to fix selling-prices at a level which discourages personnel from purchasing goods for resale outside the service.

Notwithstanding this, canteen prices are in most cases equal to or lower than those charged in chain stores for similar articles.

Official price-lists are prominently displayed for the information of canteen patrons.

Close supervision of wet canteens ensures that a well-conducted service is rendered in the most hygienic surroundings.

Modern projection and sound-equipment ensures that motion-picture programmes procured are screened to best advantage.

The Board continues to enjoy the best of relations with the commercial community and Government Departments.

The sales figures shown below indicate the expansion of the Board's organization, while percentages to revenue are shown in tabular form for comparative purposes:—

Year ended 31st March,	(1) Sales.	(2) Net Profit.	(3) Gross Profit.	(4) All Expenditure.	(5) Net Profit.	(6) Administration Expenses included in Expenses.
	£	£	Per Cent.	Per Cent.	Per Cent.	Per Cent.
1940 ..	85,626	11,608	26·88	13·32	13·56	3·83
1941 ..	338,623	51,066	29·08	14·00	15·08	1·97
1942 ..	574,739	87,739	26·67	11·40	15·27	0·95
1943 ..	1,742,871	278,514	21·99	6·01	15·98	0·40
1944 ..	2,284,962	307,101	18·69	5·32	13·37	0·36
1945 ..	1,810,897	265,865	20·57	6·09	14·68	0·39
	6,837,718	..				
Total net profit ..		1,001,893				
Distributed ..		243,537				
Undistributed ..		758,356				

The whole of the profit disclosed, however, accrues for the benefit of service personnel, and the undistributed portion provides the Board with working capital which enables it to operate without assistance from Government or other sources.

No portion of canteen profits is paid to Government or other funds.

Profits distributed by the Board are allocated by the respective branches of the Service for use as regimental, institute, or ship's funds, as the case may be.

Out of revenue the Board meets all expenses of operation, including staff salaries, cost of rations and quarters, sea freight, railages, &c., but excluding the rent of canteen buildings, which are provided by the Service concerned.