

1947
NEW ZEALAND

CANTEEN BOARD

REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 1946

Laid on the Table of both Houses of the General Assembly by Leave

A REPORT on the operations of the Canteen Board to date, together with Trading and Profit and Loss Accounts and Balance-sheet for year ended 31st March, 1946, is submitted hereunder.

The following are at present members of the Board, which was established under the Defence Canteen Emergency Regulations 1939 :—

Hon. F. Jones (Chairman).
 Commander (S) H. R. Sleeman, M.B.E.
 Lieutenant-Colonel C. J. S. Duff, D.S.O.
 Air Commodore Sidney Wallingford, C.B.E., A.D.C.
 B. C. Ashwin, Esquire.
 R. P. Fraser, Esquire.
 Mr. H. F. Hartnell is Secretary of the Board.

Mr. J. H. Slater, who was appointed Secretary of the Board in January, 1941, resigned towards the close of the financial year, and this opportunity is taken of placing on record an appreciation of Mr. Slater's untiring efforts in successfully administering the Board's activities under most difficult conditions.

The Secretary of the Board is responsible for giving effect to the Board's policy, including staffing, purchasing, supply, and accounting. These functions are performed by a section of the New Zealand Government Public Service, of which the Secretary is the Officer in Charge.

The Board has continued to provide canteen service for Navy, Army, and Air Force units in New Zealand and in the Pacific.

The following facts, which have been included in previous reports, are reiterated for general information :—

Small units which have not been brought within the scope of the Board's retail organization have the facility of purchasing from bulk stores operated by the Board. Members of all Services are thus assured of having access to available lines.

Low administration expenses have again been maintained, the cost being 0.59 per cent. of revenue.

The availability of large supplies of American goods from the United States Post Exchange in the Pacific enabled the Board to provide an extensive and appreciated service overseas. The fact of these goods being available outside New Zealand afforded considerable relief to local manufacturers, with consequent benefit to the civilian market.

Following the reduction in service personnel since VJ Day, the Board's operations in the Pacific have been discontinued, with the exception of Norfolk Island and Fiji.

The male staff providing the actual selling service in New Zealand has been mainly composed of returned soldiers or men ineligible for service overseas. Following the considerable reduction in turnover, and the general policy of releasing members of W.A.A.C. and W.A.A.F. where possible, male and female staff have been reduced to keep in line with present-day requirements.

Canteen staff serving overseas are employed under full service conditions.

The Board's policy has been to render service, but through the necessity to fix selling-prices at a level which discourages personnel from purchasing goods for resale outside the Services, profits totalling more than £1,000,000 have been earned. In all cases, canteen prices are equal to or lower than those charged in chain stores for similar articles. After making periodical distributions of profits to the Services, an undistributed balance of £869,398 remained at 31st March, 1946.

Official price-lists are frequently revised, and these lists are prominently displayed for the information of canteen patrons.

Close supervision of the operation of wet canteens ensures that a well-conducted service is maintained under pleasant and hygienic conditions.

The Board continues to operate motion-picture programmes in the more isolated camps, despite the small attendance in view of the reduced Service personnel.

Excellent relations are enjoyed between the Board and the commercial community, also with Government Departments.

The disposal of surplus assets has been conducted on commercial lines, and the various items of equipment are realizing satisfactory prices. Where possible, preference has been given to discharged servicemen in disposing of equipment in short supply.

The Canteen Service for the Forces in Japan is operated by a combined Canteen Service for all British Commonwealth Occupation Forces under the auspices of the Australian Army Canteen Service. Large quantities of foodstuffs and miscellaneous canteen requisites, including ice-cream-manufacturing plants, are being shipped from New Zealand by the Board and will be of considerable assistance in providing a first-class service.

In this connection the Canteen Board is acting as buying agents for the Australian Army Canteen Service.

The sales figures shown below indicate the extent of the Board's operations over the war and post-war period, whilst percentages are shown in tabular form for comparative purposes :—

	(1)	(2)	(3)	(4)	(5)	(6)
Year ended 31st March,	Sales.	Net Profit.	Gross Profit.	All Expenditure.	Net Profit.	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
1946 ..	1,151,944	143,071	18·60	7·56	12·42	0·59
	7,989,662	..				
Total net profit ..		1,144,964				
Distributed ..		275,566				
Undistributed ..		869,398				

The whole of the profit disclosed, however, has accrued 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.

The Board recently allocated £1,200 to be forwarded to Japan to assist in providing Christmas amenities for the New Zealand Occupation Forces.

The ultimate disposal of funds has not yet been finalized. In this connection the following extract from Defence Canteen Emergency Regulations 1939, under which the Board was established provide :—

After such provision has been made as the Board thinks proper for liabilities, whether accrued or contingent, for reserves, and for future activities of the Board, the profits arising from the operations of the Board shall be disposed of in such manner as the Board, with the approval of the Minister, thinks fit, by way of grant to regimental funds or in any other manner for the benefit of members, past and present, of the military Forces serving or enrolled for service during the present war (including the Naval, Army, and Air Forces of the Crown), and their dependants.

Out of revenue the Board meets all expenses of operation, including staff salaries, cost of rations and quarters, sea freight, railages, and incidental expenses.

The Board's finances are in a sound position, and it is safe to say that cash equal to the profit and loss appropriation balance could be obtained on a forced realization. Cash balances in excess of the Board's trading requirements are periodically invested in Government securities.

The service is continuing to deal with the requirements of the interim Forces besides being available to servicemen on furlough, and is making a considerable contribution in the effort to provide adequate canteen stocks for the British Commonwealth Occupation Forces in Japan.

This opportunity is taken to express thanks to the Canteen staff and to those in the Service Departments whose co-operation has, in no small measure, contributed to the success of the service since the establishment of the Board over seven years ago.

F. JONES, Minister of Defence, Chairman.

CANTEEN BOARD

TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1946

<i>Dr.</i>	<i>Per Cent.</i>	£	s.	d.	<i>Cr.</i>	<i>Per Cent.</i>	£	s.	d.
Stock, 1st April, 1945 ..	..	311,213	6	5	Gross sales ..	.. 100.00	1,151,944	7	8
Plus purchases ..	..	740,323	16	3					
		1,051,537	2	8					
Less stock, 31st March, 1946 ..	..	113,928	6	4					
Cost price of goods sold ..	81.40	937,608	16	4					
Gross profit, transferred to Profit and Loss Account ..	18.60	214,335	11	4					
		£1,151,944	7	8			£1,151,944	7	8

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1946

<i>Dr.</i>	<i>Per Cent.</i>	£	s.	d.	<i>Cr.</i>	<i>Per Cent.</i>	£	s.	d.
Canteen salaries and wages ..	5.76	66,440	12	1	Gross profit transferred from Trading Account ..	18.60	214,335	11	4
Canteen freights, cartage, postages, and sundry expenses ..	1.20	13,896	4	11	Interest from investments ..	1.09	12,627	3	10
Depreciation of assets ..	0.01	200	0	0	Profit on realization of assets ..	0.29	3,448	11	0
Administrative expenses ..	0.59	6,803	4	2					
Net profit to Appropriation Account ..	12.42	143,071	5	0					
		£230,411	6	2			£230,411	6	2

PROFIT AND LOSS APPROPRIATION ACCOUNT

<i>Dr.</i>	£	s.	d.	<i>Cr.</i>	£	s.	d.
Distribution of profits to defence Services ..	32,029	9	1	Balance, brought forward ..	758,357	1	1
Balance, forward to next year ..	869,398	17	0	Net profit from Profit and Loss Account ..	143,071	5	0
	£901,428	6	1		£901,428	6	1

BALANCE-SHEET AS AT 31ST MARCH, 1946

<i>Liabilities</i>	£	s.	d.	<i>Assets</i>	£	s.	d.
Sundry creditors ..	57,934	17	5	Plant, equipment, furniture, and fittings, less depreciation ..	684	10	0
Profit and Loss Appropriation Account ..	869,398	17	0	Stocks on hand and in transit ..	113,928	6	4
				Sundry debtors ..	42,763	10	10
				Investments: New Zealand Government stocks ..	508,868	1	7
				Cash at bank, in hand, and in transit ..	257,761	14	5
				Interest accrued ..	3,327	11	3
	£927,333	14	5		£927,333	14	5

H. F. HARTNELL, Secretary.

I hereby certify that the Trading Account, Profit and Loss Account, Appropriation Account, and the Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—T. TREAHY, Deputy Controller and Auditor-General.

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