

Canteen services are now being provided for those establishments where sufficient patronage exists to meet expenses or where remoteness or other considerations justify a service irrespective of the revenue to be derived. Except in the latter instance, where circumstances do not warrant full-scale canteen services, unit canteens carry on in their stead, these being able to draw supplies from the Board's bulk stores and so permit the men concerned to enjoy the same range of supplies and prices as those obtaining in fully operative canteens.

Notwithstanding the greatly reduced sales and the small profit margins, it is gratifying to observe from the accounts that a net profit of £62,000 has resulted from the past year's operations, thereby increasing the accumulated fund to £918,000.

The Board has carefully husbanded its resources, having particular regard to its obligations as expressed in the following extract from the regulations under which the Board is established :—

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 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.

Consequently, apart from the sum of approximately £289,000 allocated between the three Services from time to time in the past eight years, the remaining profits have been conserved to fulfil the requirements of the above regulation.

The figures appearing in the table which follows clearly indicate the trend of operations over the war and post-war periods, and the percentages for the present year compare favourably with those of previous years :—

| Year ended<br>31st March, | (1)<br>Sales. | (2)<br>Net Profit. | (3)<br>Gross Profit. | (4)<br>All<br>Expenditure. | (5)<br>Net Profit. | (6)<br>Administration<br>Expenses<br>included<br>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                                                          |
| 1947 ..                   | 393,732       | 62,157             | 23·25                | 13·62                      | 15·79              | 1·28                                                          |
|                           | 8,383,394     | ..                 |                      |                            |                    |                                                               |
| Total net profit ..       |               | 1,207,121          |                      |                            |                    |                                                               |
| Distributed ..            |               | 288,756            |                      |                            |                    |                                                               |
| Undistributed ..          |               | 918,365            |                      |                            |                    |                                                               |

I desire to express appreciation of the loyal services of the staff of the Canteen Board. Without their co-operation the satisfactory results of the year could not have been achieved.

F. JONES, Minister of Defence, Chairman.