

1946

## NEW ZEALAND

## CANTEEN BOARD

REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 1945

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

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A REPORT on the operations of the Canteen Board, together with Trading and Profit and Loss Accounts and Balance-sheet, 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).

Air Commodore Sidney Wallingford, C.B.E., A.D.C.

Lieutenant-Colonel C. J. S. Duff, D.S.O.

Commander (S) H. R. Sleeman, M.B.E.

B. C. Ashwin, Esquire.

R. P. Fraser, Esquire.

Mr. J. H. Slater is Secretary of the Board.

The Secretary of the Canteen 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 service for Navy, Army, and Air Force units in New Zealand and all areas of the Pacific.

It is necessary to reiterate for general information certain facts which have been included in previous reports.

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. Thus all members are assured of having access to available lines.

It has again been possible to keep the administrative expenses figure below 0.40 of the revenue while maintaining the efficiency of the organization.

All calls for service in New Zealand and overseas have been met, although this has entailed much organization, for which there was no precedent to follow.

The availability of ample supplies at low prices from United States sources made it possible to provide an extensive and very much appreciated service overseas. The fact that these supplies were available outside New Zealand afforded considerable relief to local manufacturers, with consequent benefit to the civilian market.

The services provided by the Board for the various units in the Pacific have, with a few minor exceptions, been discontinued following the return of personnel to New Zealand since VJ Day.

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.

The Board's finances are in a sound position, and it is safe to say that cash to equal the profit and loss appropriation balance could be obtained on a forced realization.

Relative to the disposal of trading surpluses, the Defence Canteen 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.

Arrangements are now in hand to give effect to these provisions, and the Canteen Board is supporting a proposal to merge its surplus funds with those of the patriotic interests and have same administered by a body which is fairly representative of those entitled to participate in the distribution thereof.

It is intended that the Canteen service will continue for the benefit of the post-war defence Forces.

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 six years ago.

F. JONES, Minister of Defence.

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## CANTEEN BOARD

## TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1945

<i>Dr.</i>				<i>Cr.</i>			
	Per Cent.	£	s. d.		Per Cent.	£	s. d.
Stock, 1st April, 1944 .. ..		245,741	2 2	Sales .. ..	100·00	1,810,897	7 8
Plus purchases .. ..		1,503,953	4 5				
		1,749,694	6 7				
Less stock, 31st March, 1945 .. ..		311,213	6 5				
Cost price of goods sold	79·43	1,438,481	0 2				
Gross profit, transferred to Profit and Loss Account .. ..	20·57	372,416	7 6				
	100·00	£1,810,897	7 8			£1,810,897	7 8

## PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 1945

<i>Dr.</i>				<i>Cr.</i>			
	Per Cent.	£	s. d.		Per Cent.	£	s. d.
Canteen salaries and wages .. ..	4·54	82,121	19 5	Gross profit .. ..	20·57	372,416	7 6
Canteen freights, cartage, postages, and sundry expenses ..	1·06	19,198	16 4	Interest from investments	0·13	2,409	7 1
Depreciation of assets	0·10	1,777	7 10	Profit on realization of assets .. ..	0·07	1,222	14 0
Administration expenses	0·39	7,084	11 1				
Net profit to Appropriation Account .. ..	14·68	265,865	13 11				
		£376,048	8 7			£376,048	8 7

## PROFIT AND LOSS APPROPRIATION ACCOUNT FOR YEAR ENDED 31ST MARCH, 1945

<i>Dr.</i>				<i>Cr.</i>			
		£	s. d.			£	s. d.
Distribution of profits to defence				Balance, brought forward ..		562,242	4 9
Services .. ..		69,750	17 7	Profit and Loss Account ..		265,865	13 11
Balance .. ..		758,357	1 1				
		£828,107	18 8			£828,107	18 8

## BALANCE-SHEET AS AT 31ST MARCH, 1945

<i>Liabilities</i>				<i>Assets</i>			
		£	s. d.			£	s. d.
Sundry creditors .. ..		128,327	6 8	Plant and equipment, furniture and fittings, less depreciation ..		1,028	10 0
Reserve for power, lighting, and heating .. ..		400	0 0	Stocks on hand and in transit ..		311,213	6 5
Profit and Loss Appropriation Account .. ..		758,357	1 1	Sundry debtors .. ..		84,112	19 0
				Investments: 3 per cent. Government stock, 1955 .. ..		181,144	5 4
				Cash in bank, in hand, and in transit .. ..		308,862	19 7
				Interest accrued .. ..		722	7 5
		£887,084	7 9			£887,084	7 9

J. H. SLATER, Secretary.

I hereby certify that the Trading, Profit and Loss, Appropriation Accounts 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.—J. P. RUTHERFORD, Controller and Auditor-General.

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