

MARKETING OF HONEY.

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POSITION OF COMPANY.

SALE OF PAST SEASON'S OUTPUT

VALUATIONS NOT REALISED.

[BY TELEGRAPH.—OWN CORRESPONDENT.]

HAMILTON, Tuesday.

The annual meeting of the New Zealand Co-operative Honey Producers' Association, Limited, was held in Hamilton to-day. Mr. T. E. Clark, chairman of directors, presided over an attendance of about 50 shareholders.

The directors in their annual report stated that although the final accounts for the 1924 business showed a loss of £400 0s 6d, the actual trading resulted in a small profit, the deficiency was accounted for by the loss of £1043 18s made in the sale of the supplies business which was included in that year's accounts. Stocks at December 31, 1924, taken in at 6½d per lb., showed a credit of £4439 3s 7d. This credit on realisation was reduced by £2472 17s 9d as shown in the final 1924 export market trading account—at December 31, 1925, the £400 0s 6d loss being the difference between the net profit of £2072 17s 3d shown in the general revenue and trading account, 1924, and the debit balance of £2472 17s 9d.

Quantities of Honey Sold.

The bulk and packed sales for 1924 were:—Bulk. 445,642½lb.; packed, 652,037½lb. Sales of 1924 honey were completed last October leaving the market clear for 1925 honey, although

various quantities of 1925 honey had been sold from June onward. At December 31, 1925, 410,412lb. of 1925 honey had been disposed of, leaving a considerably larger quantity of honey in hand than at December, 1924, owing to the big increase in the quantity shipped in 1925 as compared with previous year's. Final returns for 1925 had been delayed. Bulk stocks of 1925 honey had been taken into account at 6d per lb. The local market account showed a profit of £1443 3s. 4d. The association's deficit had been increased to £16,867 3s. 8d.

During the year business had been extended in Europe, and trade was being developed in Egypt and India. Advances varied from 1½d per lb. to 5 1-3d per lb, according to the grade. Payments made to suppliers totalled £36,383 11s 6d. The shareholders had increased from 1044 to 1083 during the year, while the subscribed capital had increased from £18,120 to £18,966. The paid capital had increased from £8555 to £9489.

Report by Company's Auditors.

The auditors wrote drawing attention to the fact that the total liabilities of the company as shown by the balance-sheet, other than capital, exceeded the assets by £7377 18s 6d, so that it was obvious that further losses of capital could not continue without jeopardising the position of the company. In their report to the shareholders in May, 1923, the auditors said they made reference to the fact that the financial position of the company was very largely dependent on the realisation of the stocks at adequate prices, that is to say, advances made to shareholders plus expenses should not exceed a figure that could be realised on the sale of stocks. In the interests of all concerned, the auditors strongly urged a conservative policy in this matter.

The managing director, Mr. J. Rentoul, explained that immediately following the war, the company had three years' supply to sell, and it was not until 1924 that a total season's supply could be entirely cleared. The trouble in the past was that the honey in stock had been valued at prices which on sale were not realised. The difficulty with the honey business was that advances were made to suppliers on honey that was not sold until 20 months later, and it was very hard to estimate what prices the produce would realise so far ahead.

A. Shareholder's Questions.

Mr. J. S. Cotterall, Te Aroha, questioned the managing-director and the directors for nearly two hours. All the questions put were answered candidly.

Mr. Cotterell: Is it not a fact that the whole of the paid-up capital has been lost?

The Chairman: It has been spent.

Mr. Cotterell: Has not £7000 uncalled capital been lost?

The Chairman: It has been pledged.

Mr. Cotterell: I have invested £60 in this company. Has that sum been lost?

The Chairman: It has been spent in advertising and goodwill. The money is as intact as our goodwill.

Mr. Cotterell: If the association went into liquidation, could it pay 20s in the pound?

The Chairman: That would depend on what the assets would realise.

Mr. Cotterell: It also depends on the uncalled capital?

The Chairman: That is so.

Mr. Cotterell: How much, Mr. Chairman, did you receive from the association toward the expenses of your recent trip to England?

The Chairman: £300.

Mr. Cotterell: How much does the association owe Mills and Company?

Mr. Rentoul: We owe them £11,000. Last year we owed them £16,000.

In answer to further questions put by Mr. Cotterell, Mr. Rentoul said that debentures issued to a bank were supported by the directors' personal guarantees. Interest was paid on shares last year because, on the prices allowed as the value of stocks, there was a profit of £2472 17s 9d.

Mr. J. S. Cotterell, Shaftsbury, moved an amendment expressing lack of confidence in the directors, but there was no seconder.

The motion was carried without dissent.

Mr. Clark said the association had been almost bankrupt for seven years, but it had made some progress. It had started without capital, and had had to seek financial assistance from the bank. The liability to the bank had been reduced from £12,000 to £5000, and the liability to the association's London agents had been reduced from £16,000 to £11,000 in 18 months. Mr. Clark said he had faith in the concern and had invested further money in it.

Messrs. R. Gibb and J. Rentoul were re-elected directors.