

*Confidential*

16th January, 1935.

MEMO DRAFT for -

The Hon. Minister of Industries  
and Commerce

Honey Industry - Marketing

The following is the separate report referred to on page 53. of the above report -

(c) A suggested equitable basis of settlement with G. & E. Marton Ltd. the creditors of the H.F.A.

It may be stated at the outset that the Government is not involved in the failure and liquidation of the H.F.A. although some misunderstanding appears to exist regarding the connection of the H.F.A. and the Export Control Board which was created by legislation and had on the Board a Government representative and also at various periods Directors of the H.F.A., but it is desirable in the national interest and particularly in the interests of the honey industry that some cognisance be taken of the present position by the Government to the extent of becoming a party to an ultimate settlement scheme.

Having in view the fact that the debt due to G. & E. Marton has arisen through over-payments to exporters of honey it may not be reasonable to expect any assistance from the Consolidated Fund. With a view to finalising the present position with the creditors and completing the winding up of the H.F.A., I submit the following proposals -

- (1) That G. & E. Marton Ltd. write off all interest charges accrued on the debt since the date of liquidation. This does not apply to interest payable on advances made in those years which may show a surplus.

- (2) That the Government guarantee to Messrs C. & E. Morton Ltd. the payment of an amount not exceeding £10,000 to bear interest at 2%. This amount to be liquidated by deduction of 1d (one farthing) per lb. on proceeds of all honey exported over a period of say 12 years. This is based on the assumption that exports will not be less than 400 tons per annum. It would be necessary to stimulate sales in United Kingdom and Continent of Europe to maintain this tonnage.
- (3) That the present stocks of honey unsuitable for blending in London be taken over by the Export Control Board and sold through Mortons at best price offering for bulk honey, the difference (loss) between that price and the amount of advances plus all expenses, to be divided equally between the Control Board and Messrs Morton Ltd.
- (4) All honey saleable as packed honey to be taken over by the Board on basis advances made plus agents expenses, if necessary the Government to loan the amount required to clear this stock.

It is quite evident that Messrs Mortons Ltd. will not receive full payment of their debt by the process of liquidation. The reasonable course would be to make the best compromise of the debt now owing and look for the rehabilitation of the industry to recover what loss may result out of the present position. To use their own expression - "It is only from a prosperous industry that payment may be expected".

I suggest that you authorise the calling of a conference of Messrs Butland, Chairman of the Honey Export Control Board, G.D. Cooper, Liquidator of the H.E.A., J. Campbell of the Horticultural Division of the Department of Agriculture, and F. Johnson, Advisory Accountant of the Department of Industries and Commerce, to consider the above proposals and either to approve of them or suggest some alternative scheme. After deliberating on the matter to submit their proposals to you for consideration. It appears desirable if some reasonable proposals can be formulated to submit them by cable to Messrs C & E. Morton Ltd.

Advisory Accountant.

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A

REPORT SUBMITTED TO JOINT MEETING OF DIRECTORS  
AND HONEY CONTROL BOARD

16th December, 1931.

This is a joint meeting of the Directors of the New Zealand Co-op. Honey Producers' Association Ltd. and The Honey Control Board called by me as Chairman of both bodies.

It is my view that the issue with regard to this Association brings in the H.C.B. in that the Board has been committed to the policy followed by the Association and is involved in the settlement of the Association's London liabilities to the extent of protecting the export trade of the industry.

I have taken it on myself to inform Mr. Butland, the Government Representative of the Board, of the full facts of the case so that he will be able to give us the benefit of his considered opinion. I trust that you will agree with what I have done.

Directors will be aware of the position of the Company at our last Annual Balance and the later position as revealed in London Accounts taken out at June 30th and in possession of Directors.

A normal export for '28 and '29 could have allowed us to carry on with our usual advance in spite of the trade slump, but the abnormal export and accompanying slump have been disastrous owing to accumulating charges on the large surplus stocks. Recent sales give promise of an early reduction of these stocks to normal but this will not relieve the present position of the Company's finance.

The position at the end of August, the latest figures available, is that we owe Mertons £12,201 on accounts 1 to 8. This is made up of the deficit we have been carrying forward since 1922 plus a shortage on 1929 of £6938 and Interest less the H.C.B. payment for advertising of £9000. Also we will owe £12,441 for advertising carried forward. This is made up of an over expenditure on 1929 and an amount for which the increased price was provided. This makes a total unsecured debt to Mertons of £24,642.

1929 stocks of honey with accumulated interest and storage charges have now cost us nearly 8d per lb.

It is not possible to forecast realisation figures but it would be reasonable to take this stock in at 63/- (62½ lb.) A realisation at this figure would add to the above debt some £9000. Taking 1929 stocks at the figure stated 1930 and '31 stocks at cost we will be short £24,391.

It would appear therefore that our next Annual Balance will show our financial position to be such that we cannot carry on unless we make reclamation.

In considering whether it is desirable to endeavour to carry on the Company by making reclamation, the question of the best service to Producers must come into account. I think it can be accepted that reclamation is to be avoided if there is an alternative that will remove the immediate liability from the Producers, even if such alternative means the Company going out of existence. Apart altogether from the Company's liabilities, a co-operative company placed in a position of competitor with its members must continue to be embarrassed and will only serve its members usefully in its export activities.

Its continuation for this purpose alone is not necessary with the Honey Export Control Board in existence as the Board could

extend its operations to take over the whole of the export and carry out the present policy with less cost.

It is obvious that some immediate arrangements must be made with Mortons regarding the large amount of money owing by the Company irrespective of what action it is decided to take, as it cannot be expected that they will carry a large unsecured account indefinitely.

A decision of the best course to pursue should be based on -

- (1) An aim to relieve our export of some of the accumulated charges and so help the producer.
- (2) A continuance of our present export arrangements without a break.
- (3) Keeping faith with our Agents and so preserving our good name on the overseas market.

With regard to the latter, apart from the effect on our reputation abroad caused by a failure to act in good faith, it has to be remembered that Mortons who are our only creditors, can, in satisfaction, seize all our assets, call up uncalled capital and take recourse against suppliers. Any action taken, therefore, will require that Mortons be approached with a view to getting as advantageous a settlement as possible.

(sgd) J. Rentoul,

Chairman of Directors E.S.H.F.A.

Chairman of E.S. Honey Control Board.

DOMINION OF NEW ZEALAND

New Zealand Government Offices,

415 Strand,

LONDON, W.C.2

28th November, 1930.

MEMORANDUM for:-

THE RT. HON. THE PRIME MINISTER.

Re attached, I have, as desired, had enquiries made in regard to the marketing of honey on the United Kingdom market, and now submit the following report.

The export of honey from New Zealand commenced a year or two before the War and it usually came forward on consignment to Brokers and Merchant Houses, chiefly in London and Liverpool. In the early days, New Zealand honey had a fight to establish itself in competition with Californian, Jamaican and other honeys, and except in a few instances, it is doubtful whether it ever reached the public as the produce of New Zealand. Certain merchants, too, at one time or another made trial importations, but it was understood in some instances they experienced considerable difficulty and incurred a good deal of expense in seeking outlets amongst retailers.

Most of our old records have been destroyed, but to the best of my Officer's recollection, the New Zealand Bee Keepers Federation were the first seriously to endeavour to exploit the export trade, and they marketed through one channel - the Bristol and Dominions Producers Association. The latter supplied direct both to wholesalers and retailers, and when they went out of existence, the Agency was placed in the hands of Messrs A.J. Mills and Co. by this time the New Zealand Honey Producers Association had been formed out of the old Federation, and they gradually got the bulk of the export, though for some years there were fair quantities shipped outside the Association and consequently difficulties in establishing the market. When the Bristol Association failed, for instance, a good deal of the honey got into the hands of private packers here, and as some of it was not very satisfactory quality, it was not a good advertisement for New Zealand. The "Imperial Bee" brand of the N.Z. B.K.A. was beginning to make its way, however, though difficulties were experienced in regard to the disposal of darker honeys unsuitable for blending. These would be bought by private packers, and a good deal of trouble was taken with a view to avoiding the reputation of the "Imperial Bee" brand suffering.

During the War when all freight was requisitioned by the Government for essential food and war supplies, it was impossible to ship honey, and the Association took over the honey from the producers and made prompt advances against it. After the War during the subsequent slump, the Association devoted its attention once again to establishing a market in the United Kingdom, and undoubtedly was the means of saving the honey industry in the Dominion. The cost of doing this was considerable and as the capital of the Association was only small, they were practically compelled to pledge the Association's credit in order to carry on with the advances, and with the work of marketing in this country.

Finance was expensive, however, and the Association's carrying charges, storage, etc. must have been heavy, and in consequence, shippers through the Association had to pay proportionately heavy costs. When the shipping situation eased again, therefore

...



outside shippers found that they could export more cheaply than the Association, and with the gradual improvement of the reputation and price of the New Zealand article, this no doubt proved an irresistible attraction in some instances. While these shippers were perfectly willing to take advantage of the facilities offered by the Association during the difficult times referred to (their only means of salvation after the strain was over; but in so doing, it is submitted, they were not shouldering their portion of the financial burden undertaken by the Association in helping the whole industry through the crisis. They were leaving the Association's supporters to bear the whole burden but they reaped the advantage of the improvement in prices brought about by the Association's efforts. The general run of producers stuck to the Association, however, and at a later date its valuable work was recognised by the Government making them a grant for advertising on the condition that the Association should itself spend a similar sum.

Up to 1921 New Zealand was not able to obtain a price equal - grade - to Californian honey on this market, though considerable quantities went to the United States from New Zealand. The imposition of a duty by the Government of the U.S.A. in 1921, however, put an end to that trade, rendering it still more necessary for the export market in the United Kingdom to be developed to the fullest extent. The Association continued its good work and by 1924 it represented from 90 to 95 per cent of all the honey producers of the Dominion. They were not clear of their debts but their "Imperial Bee" brand was becoming well known on the United Kingdom market. We have on our file a market report of the 26th January, 1924, in which the following quotations were given -

New Zealand	42/6	to	85/-
Californian	50/-	to	75/-
Jamaican	42/-	to	65/-
Cuban	42/-	to	60/-

This shows that the New Zealand product was making headway and the advantage was shared by all shippers alike - both supporters and non-supporters of the Association.

Experiences like those already referred to no doubt caused the producers seriously to think, and it was becoming evident that in fairness to all concerned, it was absolutely necessary to establish some sort of control. Only in that way could those who reaped the advantage of the Association's activities be compelled to pay their just portion of the expenses entailed. When it came to the vote, therefore, the producers were practically unanimous in deciding for control of export and marketing through the one channel. The Act was passed, and came into force on the 23rd December, 1924, and since then New Zealand honey has greatly improved its position relative to competing descriptions, Californian and West Indian honeys have declined and New Zealand has advanced, and this in spite of the serious trade depression under which this country in common with the rest of the world, has been suffering for the last eighteen months.

Current quotations are as follows -

New Zealand	65/-	to	87/6d
Californian	39/-	to	48/-
Canadian	45/-	to	60/-
Australian	40/-	to	60/-
Jamaican	24/-	to	40/-
Cuban	26/-	to	35/-

and comparing these with the earlier ones given, it will be seen that while competing honeys generally have lost anything from 12/- to 25/- per cwt., New Zealand has improved its position.



In this connection it will be interesting to quote the following paragraph which appears in the report issued by the United States Department of Agriculture - No.296 dated 15th September of the current year - in reference to the prices obtained by United States producers. It reads -

"In spite of the general crop shortage of honey this season, demand is extremely quiet and prices in some sections are the lowest since before the World War".

The report states that White Honey is selling at 5 cents per lb.

The quotations given above are wholesale figures and it must be emphasised that except in the case of New Zealand, it is the return wholesale that must be the basis of the producers' remuneration. The Dominion producer is in a much more favourable position, seeing that his interest in the honey does not end with the wholesaler (except in regard to that small proportion which is sold in bulk) but is carried right through to the consumer, i.e. his organisation covers the whole trade.

It is sometimes urged that there is too much difference between the retail price and the price netted by the producer, but against this it has to be recognised that cost of packing, bottling, carriage, etc. is heavy and advertising is also a costly business.

The New Zealand producer is sure of realising the best possible price with a given retail figure - whereas the difference between retail and wholesale prices in the case of other honeys goes to the middleman and retailer. The difference is very much greater in the case of other honeys, as will be seen by reference to the following extracts from the current price lists of two well known London Stores -

Civil Service Supply Association.

New Zealand "Imperial Bee"	1-lb glass 1/4 <sup>hd</sup>
" " "Stag" brand	Georgian Bowls 1/10 <sup>d</sup> .
Jamaica	14 oz. jars 1/4 <sup>hd</sup>
Canadian "Bee Kist"	15 oz. tins 1/1 <sup>hd</sup>
" (Society's Pack	11 oz. monopet 1/-
	3 lb. jar 2/10 <sup>hd</sup> .

Haymarket Store

New Zealand "Imperial Bee"	1 lb glass 1/4 <sup>hd</sup>
Tasmanian	1 lb " 1/8
West Indian	2 lb " 1/10 <sup>d</sup>
Choice Jamaica	1 lb " 1/6
Canadian	1 lb " 1/3
Californian	1 lb " 1/9

It comes to this, therefore, that providing the net return to the producer can be maintained on a satisfactory basis, the policy of control and of selling through the one channel is justifiable; indeed from this standpoint it is essential, if the price of New Zealand honey is not to sink to the level of Californian and other honeys.

As a matter of fact, the system of marketing adopted by New Zealand has been taken as the ideal by other countries, and Australia has tried to adopt a similar method. In the case of Canada, Ontario - the greatest exporter - market through one channel on the London market to the extent of perhaps 95 per cent. Occasionally attempts are made by shippers outside the Ontario Honey Producers Assn. to market in this country, and a case of this was recently mentioned to my officers. In that instance, a shipper had himself travelled over from Canada and had personally made attempts to get offers for his produce from grocers and others in this country. The result was unatis-

factory, and the last the Agents heard of him was that he was endeavouring to dispose of it at a lower price than he could have obtained through themselves. This last factor is an important one, for it must be recognised that honey will not sell itself. Shippers would find themselves under the necessity of maintaining some organization in this country to look after their interest and this, of course, would have to be paid for. Then again, under present conditions, the Association is able to make the most favourable contract for freight with the Shipping Lines; individual shippers could scarcely hope to obtain the same terms.

As an illustration of the necessity of making arrangements for private sale, I subjoin extracts from the periodical reports of one of the Mining Lane Brokers regarding the sales of honey at the Drug Auctions so far held during the current year -

16th January, 1930 - Quiet. 1342 Packages offered & 29 sold. Jamaica  
 polish to good pale set 45/- & 53/-  
 St. Lucia brown amber 39/-.

20th March, 1930 - In slow demand, 1091 packages offered and 3 sold.  
 Jamaica brown amber 37/6d

22nd May, 1930. No demand. 1257 Packages offered and withdrawn.

24th July, 1930. No demand. 1339 packages offered and withdrawn.

25th September, 1930. Quiet. 685 Packages offered and 16 sold.  
 Jamaica polish amber. 39/- & 40/-.

From this it will be seen that the great bulk of the honey is eventually sold by private treaty. Under these circumstances, it is difficult to see how market conditions would be improved by allowing free selling as compared with putting the whole of the honey through the one channel.

Amongst the criticism occasionally noted in the New Zealand Press appears the suggestion that the Government should appoint the Presidents of the Chambers of Commerce to go into the question of the marketing of honey through the Control Board and the Honey Producers Association. Seeing that the interests of the various merchant firms comprising the Chambers of Commerce lie in the direction of doing for themselves and getting their profit on the work now undertaken by the Association (in the way of exporting) naturally they would report unfavourably. Were they concerned with the marketing at this end, I feel sure their views would be entirely different, and they would agree as to the advisability, or even the necessity, of the distribution being concentrated through one channel and that as strong as possible.

REPORT SUBMITTED TO JOINT MEETING OF H.C.B. AND DIRECTORS  
OF N.Z. CO-OP. HONEY PRODUCERS' ASSN. LTD.

16th December, 1931.

Figures compiled from the English accounts indicate the valuable work of the Honey Producers' Association to the industry and the necessity of finding some means to carry on this work.

The Honey Producers' Balance Sheet discloses a debit of £12,201-0-0. to Messrs. C. & E. Mortons and there is a further debit to advertising due to Mortons of £12,441 which after its annual balance will place the Company in a position where it cannot carry on. Unless some proposal is immediately made to C. & E. Morton Ltd, it seems certain that they, in order to protect themselves, would have to seize the assets of the Honey Producers' Association. This would cause them to dispose of the heavy stocks they are holding at a sacrifice in order to liquidate their debt. Such a course would depress the English market and practically ruin the industry in New Zealand for a very considerable time. The breaking of prices in England would be very serious and a recovery could not be hoped for, for many years, consequently the goodwill which attaches to New Zealand Honey on the English market would be lost unless the present premium over other Honeys can be maintained.

The seriousness of the position from the producers' point of view in such circumstances is obvious and in my opinion steps should be taken immediately to avoid such a contingency. At the same time I feel that the Board is compelled to take into consideration the fact that C. & E. Morton accepted the agency for New Zealand Honey in good faith and every protection possible must be afforded them.

I suggest that before the annual balance of the Honey Producers' Association takes place, C. & E. Morton should have the whole position placed before them. In order to maintain the standing of New Zealand Honey in Empire markets a funding of this debt be negotiated under a plan which will involve Mortons being given a five year arrangement with the Control Board to handle honey as at present, and during that time to recoup themselves by arrangement with the Control Board of an amount to be arranged, say, not exceeding 1d per lb. and at the same time not to increase the price of Honey to the consumer in export markets, and to conform exactly to the Control Board's policy of selling as in the past. The present charges can be considerably reduced, and the system of financing to be continued as at present, by C. & E. Morton, so that the beekeeper in New Zealand will not be penalised.

The Honey industry did not receive any assistance from Government funds last year, but is now in immediate need of assistance. I suggest that the Government be approached with a view to obtaining either immediate assistance or a promise of assistance in the near future, which, if forthcoming, will go a long way towards helping to give Mortons the necessary confidence to accept the proposal for the funding of their debt. This funding will bring about a considerable reduction in charges and consequently a greater return to the producer, even allowing for the suggested deduction of not exceeding 1d. per lb. over the next five years. In the event of a grant being made by the Government it will probably not be necessary to make the period for deduction as long as five years and it can be readily seen that when the debt is liquidated whatever amount is being deducted during the period of liquidation will, on its liquidation, then become an additional return to the producer.

This briefly outlines the proposal. The investigation of the position in export market, and a consideration of the Prime Minister's report of the 28th November, 1930 strongly endorses the present system, and the knowledge that our competitors, Canada, California, and Jamaica are selling at extremely low prices which give practically no return to the beekeeper, make it impossible to make any recommendation other than that the present system is the only one which can further the interests of the industry.

Report submitted to joint  
committees of H.C.B. and  
Directors of N.Z. Co-op.  
Honey Producers' Assn.Ltd.

16/12/31.

There is a further endorsement in the announcement contained in the Press under date of December 8th. to the effect that the Australian dairy people are forming a company of £60,000 capital, on exactly the same lines as the New Zealand Co-operative Honey Producers' Association is formed, with the idea of doing exactly the same work as is being done at present with Honey, that is, to sell in retail packages direct to retailers so that the identity and goodwill of the brand can be maintained in face of any competition.

This report is merely a broad survey of the position, details of which can be elaborated in due course.

J.H. Butland.

Government Representative,

N.Z. Honey Control Board.  
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Schedule D.

Portoken House,  
155-157 Minories,  
LONDON, E.C.3

28th September, 1932.

The Liquidator,  
N.Z. Co-operative Honey Producers Assn. Ltd  
Stanley Street,  
AUCKLAND

Dear Sir,

Mr. J.R. Butland having now left us we desire to confirm his cabled advice as to the arrangement made with us -

(1) It is estimated that the realisation of stock (including the 90 tons in N.Z.) plus the amount claimed for fire loss, will show a surplus of £2260.	
(2) The debit against Advertising stands at £22,532, less £1362 - claimed under Insurance Policy	221,150.
(3) <u>Estimated surplus on stocks (as above)</u>	2260
Cash and plant in N.Z. expected to yield	1000
Purchase of Imperial Bee Brand by Control Board	<u>6000</u>
	<u>15,260</u>
<u>Add advertising commitments</u>	5,890
	<u>930.</u>
<u>Estimated deficit to be provided for by call on unpaid capital and recourse against Producers for over-advance</u>	_____
	<u>26,220</u>

We understand you are making a "call" on unpaid capital and are taking recourse against members of the Association for recovery of sums overpaid by way of advances on honey. Mr. Butland has informed us that we are the only Creditors of the Association. For the purpose of arriving at some estimate of how the liability to us is to be met, the realisation under the two headings of "call on unpaid capital" and "Recourse against producers" has been put at £4000 - in each case, i.e. £2000 - which is (we believe) rather more than half the amount of the unpaid capital and recourse combined. We are hopeful that the stock will realise the figures estimated, and that consequently the collection of £2000 - from Shareholders and Producers will suffice; but there is of course no suggestion on our part that you are limited to the figure of £2000 - should it be necessary to provide more funds to discharge the Association's liability to us.

The arrangement made with us by Mr. Butland provides that the rights to the use of the words "Imperial Bee" and the design "Imperial Bee, Reg." should be transferred to us and that all registrations shall be assigned to us. In view of the fact that the Control Board has undertaken to purchase the brand (apart from the N.Z. registration) from us at a later period it will not be necessary to

execute for the present any formal transfers, and we shall be obliged by your holding the rights in trust for us. The question of dealing with the right to use the brand in New Zealand can be considered later and, in order to avoid any complications arising, we would ask you to consult with us before disposing of such rights to anyone. Meanwhile please let us know what possible purchaser there may be and what you estimate to be the realisable value.

With regard to the 90 tons or so of free honey held by you, we think it might be helpful if you were to table us your ideas of the nett amount realisable in New Zealand.

We are agreeable to, and in fact in favour of, your carrying on the packing business provided you are of opinion that the assets, and therefore our position as Creditors, will not be placed in jeopardy.

We understand that Mr. Butland did not receive, up to the time of his leaving here, information as to the amount suggested for your fees as Liquidator. We shall be obliged by your writing us on this matter.

We shall be obliged by your placing to the credit of our account with the Bank of New Zealand (on deposit) sums as and when realised.

Yours faithfully,

for C. & E. MUTTON LTD.

(sgd) H.G. Taylor.

DIRECTOR

NOTE as per Mr. Rutland's letter to

G. & E. HORTON LTD - 7/9/32

A.	New Zealand Government.....est.....	200		
B.	" " Honey sign "	460		
C	Showcards, etc.	340		
		1100		
D.	Less Sale of Car	170		
		<u>2930</u>		
E.	Post Office.....est.....	244	3.	9
F.	Recipe books, etc. "	150	0.	0
G.	Glass tablets fixed to shops "	52	10.	0
H.	Medal repairs, cases & carriage..est...	133	0.	0
		<u>2362</u>	13.	9
I.	Redemption of coupons already issued.			

N O B E Y

Six months Normal expenses ending March 1932.

Rent, Interest, etc. \$2,754 - Packing material and carriage on  
sales \$5,246 - \$9000.  
672,594 lbs 20% Bulk  
and 80% packed.

Sales during first 4 months of this year show an increase of 21.16%  
over same period last year.

Estimated period for clearing all stocks is 13 months thus showing  
average number of months to be 8.

Therefore expenditure for clearing -

	2		
	2,754	- 6 months	
add 1/3rd	<u>918</u>	- 2 "	
	<u>3,672</u>	- 8 "	
Stock at 30/6/32 ...	...	...	1,297,480 lbs
<u>Estimated realisation</u>			
112,000 lbs at 6 $\frac{1}{2}$ d (less commission)			2883
1,185,480 lbs at 1 $\frac{1}{4}$ d " "			<u>90540</u>
			<u>93423</u>
Less expenses as above	23,672.		
Less packing material and carriage on basis \$2246 on sales Oct. 1931/March 1932 672,594 lbs.			
1,297,480 lbs. stock	<u>13,700</u>		<u>17,372</u>
			<u>46,051</u>
Balance b/s at 30/6/32	80,611		
Estimated realisation of stock	<u>46,051</u>		
Advertising at 30/6/32	22,395		
Insurance claim	<u>12,365</u>		
Deficit	<u>1,923</u>		
Deficit on original lines			21823
<u>Shipments 1932</u>			
Estimated realisation (bulk sales only)			
106,600 lbs. at 7d per lb. less commission			6170
Wafes paid	22525		
Expenses	<u>461</u>		<u>2297</u>
			<u>2360</u>
			Balance 2360
<u>STOCK IN NEW ZEALAND</u>			
Unnumbered, shipped as and when wanted to be sold in packed @ 1 $\frac{1}{4}$ d per lb. less commission			10200
Less packing charges			<u>2300</u>
			<u>7900</u>
			Balance <u>28,260</u>



B. E. HONEY PRODUCERS ASSOCIATION LTD. (in liquidation)

Liquidator's Statement of Receipts & Expenditure. 1928 Honey

	<u>1928.</u>		<u>1929.</u>		<u>1930.</u>		<u>Total</u>
Advances to suppliers	40372. 12. 11						40372. 12. 11
Control Board levy	591. 13. 0						591. 13. 0
Exchange and stamps	590. 14. 8						590. 14. 8
Freight and cartage	4829. 18. 1						4829. 18. 1
General charges	170. 13. 10						170. 13. 10
Insurance	353. 5. 0						353. 5. 0
Storage	414. 19. 0						414. 19. 0
Wages	166. 7. 0						166. 7. 0
Advertising London	3705. 17. 4			4961. 10. 6			8667. 7. 10
Exhibition exps. London	66. 4. 2					66. 4. 2	
Commission "	103. 3. 8	3817. 17. 11		2898. 4. 6			6819. 6. 1
General "	3038. 13. 10	5605. 1. 7		3175. 18. 0			11819. 13. 5
Interest "	1770. 12. 11	3203. 18. 7		1506. 1. 7			6586. 13. 1
Depot "	373. 7. 8	16589. 6. 5		5334. 11. 11			22097. 6. 0
Registration Trademarks	35. 13. 9					35. 13. 9	
Expenses local trading	1292. 5. 4					1292. 5. 4	
Honey and packing material consumed locally	5210. 19. 6					5210. 19. 6	
Proportion administration expenses	603. 17. 11	2138. 9. 8		1758. 6. 0			4500. 13. 7
							<hr/> £114586. 6. 3
Grade receipts	635. 4. 0						635. 4. 0
Sales London	2063. 14. 2	55316. 12. 6		40570. 4. 6			97950. 11. 2
" local	7763. 6. 7						7763. 6. 7
Grade receipts local	126. 15. 3						126. 15. 3
							<hr/> £106472. 17. 0

Net loss = £8113. 9. 3d. Total quantity honey supplied = 2700473 lbs.  
Loss per lb = .72107d.

N. E. HONEY PRODUCERS ASSOCIATION LTD. (in liquidation)

Liquidators Statement of Receipts & Expenditure 1929 Honey.

	<u>1929</u>	<u>1930</u>	<u>1931</u>	<u>1932</u>	<u>1933</u>	<u>Total</u>
Advances to suppliers	42152.17.10					42152.17.10
Levy	623.1.0					623.1.0
Exchange & stamps	672.9.10					672.9.10
Freight & cartage	4960.19.2					4960.19.2
General charges	97.4.0					97.4.0
Insurance	254.13.11					254.13.11
Storage	418.1.11					418.1.11
Wages	209.17.4					209.17.4
Advertising London	5029.10.3	5565.10.7		5988.2.3		16592.3.1
General A/c "	2671.10.3	3201.0.7	6460.10.0	3395.18.5	1839.18.4	17569.6.7
Interest A/c "	2312.5.11	3474.18.4	3707.1.5	1469.18.5	457.2.6	11421.6.4
Commission "		186.8.2	3503.14.4	2160.10.10	2133.5.8	7983.19.7
Depot "		2417.3.6	7670.13.10	5547.1.11	4927.0.11	20562.0.1
Expenses local trading	2582.6.1					2582.6.1
Honey & packing material consumed locally	10946.4.10					10946.4.10
Proportion administration expenses	482.4.6	195.6.8	2312.2.4	2274.1.5	469.12.7	5513.7.6
						<hr/> £142550.19.1
Grade receipts	641.2.4					641.2.4
Sales London	32.18.10	3848.18.10	49231.9.9	38366.10.7	28904.13.11	120465.11.8
" Local	13961.3.10					13961.3.10
Grade receipts local	90.3.8					90.3.8
						<hr/> 7394.17.7
						Net loss
						<hr/> £142550.19.1

Net loss = £7394. 17.7d. Total quantity honey supplied = 2622323 lbs.

Loss per lb. = .6767d.

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N.Z. CO-OPERATIVE HONEY PRODUCERS ASSOCIATION LTD. (IN LIQUIDATION).

BALANCE SHEET AS AT 31st AUGUST 1933

<u>LIABILITIES</u>		<u>ASSETS</u>	
Original Capital (17500 shares of £2 each)	35000. 0. 0	Office furniture and fittings	718. 0. 0
Less Unallotted	<u>12224. 0. 0</u>	Less Depreciation	<u>71. 16. 0</u>
		Plant in London	850. 0. 0
		Plant in Auckland	398. 0. 0
Less calls in arrears	22776. 0. 0	Less Depreciation	<u>59. 14. 0</u>
Paid up capital	<u>7282. 8. 5</u>	Registration of Trade Marks	338. 6. 0
	15493. 11. 7	Deposit on Franking machine	50. 0. 0
Share Suspense A/c	53. 11. 10	Shares in Farmers Co-op Ltd	<u>42. 10. 0</u>
Forfeited Shares	85. 15. 6	Less uncalled	7. 10. 0
C & E. Morton Ltd - London	44916. 3. 10	Sundry debtors	1193. 1. 1
Sundry creditors	2666. 13. 11	Stock of Honey -	
Reclamation Suspense A/c	1002. 18. 8	London (packed 84396 lbs. Bulk 649306 lbs)	20452. 9. 0
Recoveries to date		Local	<u>1615. 5. 0</u>
		Stock of Packing materials	17. 11
		Looses Reforded in Books -	<u>2207. 8. 0</u>
		Cash in hand	2208. 8. 1
		Cash on deposit with Commercial Bank	<u>2424. 8. 0</u>
		Less Overdraft Current A/c	15455. 12. 1
		London Advertising - Balance at 31/12/31	
		Profit and Loss Appropriation A/c	18474. 9. 6
		Balance at date of liquidation	<u>5078. 4. 2</u>
		Add 232/3 Excess of General & Administrative expenses over Local Market Profit	<u>23552. 13. 0</u>
			<u>39608. 6. 1</u>
		Export Market Accounts	
		Credits	
		1930 A/c Current year credit	663. 4. 10
		Less debit at date of liquidation	<u>441. 9. 2</u>
		1931 A/c Credit at date of liquidation	221. 15. 8
		Add Current year	4365. 1. 9
		1932 credit at date of liquidation	<u>853. 9. 4</u>
		Less debit current year	5218. 11. 1
		1933 A/c credit current year	2093. 7. 5
			1864. 13. 2
			91. 0. 0
			<u>7395. 19. 11</u>
		Debits -	
		1921-29 at date of liquidation	10503. 12. 5
		Less credit current year	<u>4923. 13. 6</u>
			<u>5579. 18. 11</u>
		Credit Balance in Export A/cs deducted from Profit and Loss debit	1816. 1. 0
			<u>37192. 5. 2</u>
	<u>464218. 15. 4</u>		<u>464218. 15. 4</u>

I certify that my requirements as Auditor have been complied with. I have examined the books, accounts and vouchers of the N.Z. Co-operative Honey Producers Association Ltd. (in liquidation) for the period from the commencement of the liquidation to the 31st August 1933, and I am of the opinion that, subject to the remarks and explanations in my separate report of the same date, to which members are referred, the foregoing Balance Sheet is properly drawn up so as to exhibit the true position of the liquidation at 31st August 1933.

(sgd) A.M. Seaman,  
Auditor.

August, 21st December, 1933.

N.Z. CO-OPERATIVE MILKBY PRODUCERS ASSOCIATION LTD. (IN LIQUIDATION)

GENERAL REVENUE ACCOUNT FOR YEAR ENDED 31st AUGUST 1933

To London Advertising	3199. 12. 9		
Interest, London A/c 1921/9	<u>652. 12. 6</u>	3852. 5. 3	
Salaries	351. 0. 0		
Audit fee	50. 0. 0		
Rent	287. 13. 8		
Travelling expenses - balance J.R. Rutland	394. 0. 0		
Exchange on remittances to London	716. 1. 3	1886. 18. 9	
Liquidation expenses	<u>108. 3. 10</u>	1224. 9. 3	
Balance			
(Export Market A/c credits 6302. 13. 5			
Less Excess of General & Administrative Expenses over Local Market profits 5078. 4. 2			
	<u>1224. 9. 3.)</u>		
		<u>48963. 13. 3</u>	

By Balances from Marketing Accounts -			
Export - 1929 A/c credit	4923. 13. 6		
1930 " "	663. 4. 10		
1931 " "	853. 9. 4		
1932 " "	<u>91. 4. 0</u>		
	6531. 7. 8		
Loss 1932 A/c Debit	<u>228. 14. 3</u>		
	6302. 13. 5		
Local Market - Profit	<u>619. 15. 3</u>		
Interest		6922. 8. 8	
		<u>41. 4. 7</u>	
		<u>48963. 13. 3</u>	





(J)

19th July, 1934.

ADVERTISING PARTICULARS SINCE DATE OF LIQUIDATION.

Exhibition Expenses	483.	1.	11	
M. E. Honey sign	651.	17.	2	
Showcards etc.	694.	6.	2	
Post Office Advertising	42.	10.	1	
Class tablets & fixing	47.	19.	0	
Model repairs & carriage	383.	1.	8	
Gift scheme	796.	18.	10	
Holland advertising	55.	16.	7	
Report on "	40.	0.	0	
Francis signs	328.	10.	0	3523. 17. 5

Less -

Various credits including sale of car \$170. Refund ex Maskerry & Strang £79. etc.				255. 4. 8
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3268. 12. 9

Plus interest accrued				211. 8. 5
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£3480. 1. 2

13th July, 1934.

Messrs. C. & E. Morten Ltd.,  
Portoken House,  
155-7 Minories,  
LONDON. E.C.3

Dear Sirs,

After reading your letters of the 7th June and the last paragraph of your letter of the 11th June, in which you state that you will continue to dispose of part at least of this stock by sale in bulk, in spite of the very definite instructions received by cable on the 29th May to the effect that the agreement must be adhered to, I have cabled you asking that you adhere to the agreement.

I fully appreciate the difficulty of your position and that the depreciation of the honey makes it imperative to sell quickly. However, the position is that I am negotiating with the Control Board regarding the tenancy of the brand and the taking over of this off-colour honey.

The only weapon I am able to use against the Control Board is the threat that this honey used for blending would destroy their trade-mark, therefore in their own protection they must take this over on the agreement rates. You will readily appreciate that the whole of this position is cancelled if you sell the honey. The Control Board is having a meeting in Wellington at the present time, Mr. Butland attending it, and probably this question, which, of course, is vital to the Control Board, will be discussed.

I would ask you to be particularly careful as far as Mortons are concerned that you adhere strictly to the letter of the agreement arranged, as in addition to the Control Board negotiations I will probably have a further negotiation with the Government here with the idea of assisting the liquidation further. If, however, you sell this poor honey and the industry is not faced with damage to its brand by the use of this you destroy the vital essence of my argument.

In your letter you state that the bulk of this Honey went forward in 1929. The accounts show that 1929 Honey has been sold and the account is closed. Will you please tell me exactly what is the position, with the exact brands and dates of arrival of all of the bad honey you are holding.

Mr. Moss has not yet called on me and I sincerely hope he will do so within the next few days so that you will have a bona fide adviser in these very involved and contentious matters.

Yours faithfully,

N.E. CO-OP HONEY PRODUCERS ASSN. LTD.  
(in liquidation).

Liquidator.

MINUTES OF MEETING OF SHAREHOLDERS OF THE NEW ZEALAND CO-OPERATIVE  
HONEY PRODUCERS' ASSOCIATION LTD. (IN LIQUIDATION) HELD AT THE  
CHAMBER OF COMMERCE AUCKLAND ON TUESDAY, 23rd JANUARY, 1934 at 4 p.m.

PRESENT: The Liquidator, Mr. C.D.Cooper, and twelve shareholders.

LIQUIDATOR'S REPORT: The notice convening the meeting and the Liquidator's report were read and Mr.Cooper gave a complete resume of the operations of the Company for the past twelve months. Considerable interest was evinced re the sale to the N.Z. Honey Control Board of the "Imperial Bee" brand for territories outside New Zealand and in the discussion which ensued Mr.Schmidt enquired what immediate effect this would have on the policy of "Imperial Bee" sales in London and Europe. This was explained by Mr.Cooper to the satisfaction of Mr.Schmidt and those present.

CAPITAL & RECOURSE COLLECTIONS: The meeting expressed itself as being very well satisfied with what had been done in this respect.

DISPOSAL OF STOCKS IN LONDON: This was commented upon by Messrs. Davies and Schmidt, who pointed out that at the present rate of sales, it would be another two years before the stock was exhausted.

LOCAL MARKET TRADING PROFIT: Mr. Hillary emphasised the significance of the local profit of £619.15.3 in a very difficult year and paid a high tribute to the business ability of Mr.Cooper.

ADVERTISING A/C. £15455.12.6. Mr. Schmidt took strong exception to the Advertising expenditure by C. & E. Morton Ltd, London, and stated that this was out of all proportion to the sales of honey. He suggested that the advertising account should be the subject of a special investigation. Mr. Cooper stated in reply that the charge amounted to roughly 3d per lb. on honey exported and said that he had already arranged for an investigation by Mr. F.E.Robson of London and that his report should shortly be to hand.

RESOLUTION: Mr. W.Nelson moved and Mr.A.H.Davies seconded the motion: "That the Liquidator's report and Balance Sheet and Statements of Account for the period to the 31st August 1933 be received and adopted". This was carried unanimously

LIQUIDATOR'S REMUNERATION: Mr. Hillary suggested that the Liquidation fees as set out by the N.Z.Society of Accountants should apply in the

LIQUIDATION: After reading the scale of charges



Mr. Cooper agreed that this would be acceptable with the alteration that the minimum fee of 20 guineas be eliminated.

RESOLUTION: Mr. P.A. Hillary moved, and Mr. J. Schmidt seconded the motion: "That the Liquidator's remuneration be on the following scale

- On the first £250 of gross realisation 10%
- " " next £4750 " " " 5%
- " " " £15000 " " " 2½%
- " any excess over £20,000 of gross realisations 1½%.

A further fee of 2½% to be paid on all disbursements other than dividends paid to creditors or shareholders".

This was carried unanimously.

On the motion of Mr. R. Clark a vote of thanks to the Liquidator for the manner in which the liquidation is being conducted was carried by acclamation.

At 5.35 p.m. Mr. Cooper declared the meeting closed.

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NEW ZEALAND HONEY LIMITED

End of November will have paid  $2\frac{1}{2}$ d pro  
rata on all honey received.

Plant will be	355.	0.	0
Sundry debtors	2000.	0.	0
Stock packing etc.	1000.	0.	0
Cash (from Board payment)	700.	0.	0

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4055. 0. 0

Capital	2569.	0.	0
Seals	1592.	0.	0
Creditors	500.	0.	0

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4461. 0. 0

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2406. 0. 0

All Capital and Seals money represented  
by Plant Stocks etc, except 2406.

64 tons honey local	2.33d per lb.	1393.	0.	0
167 " " "	export $1\frac{1}{2}$ d pro rata	1905.	0.	0

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3296. 0. 0

Further payment 1d pro rata	2962.	0.	0
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Stocks of packed honey at	324.	0.	0
Less	406.	0.	0

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Short of paying $\frac{3}{2}$ d pro rata	272.	0.	0
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Board's total payment taken at  $4\frac{1}{2}$ d pro rata.

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Packing Agreement between the Liquidator, N.Z.  
Co-operative Honey Producers Assn. Ltd. (in  
liquidation), and New Zealand Honey Ltd.

18th October, 1933.

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The New Zealand Co-op. Honey Producers Association Ltd. depot will be leased and rent continues to be paid by the Liquidator and the Company will pay monthly for such material as has been used, prices to be net cost of material.

All employees in the store at present engaged will be paid by the Liquidator.

The liquidator will supply packing material in store and the Company will pay monthly for such material as has been used, prices to be net cost of material.

Interest at bank rate to be paid by the Company on the value of the packing material held in store.

Interest to be paid by the Company at bank rate on the value of plant, office fittings and furniture at £1000.

That N.Z. Honey Ltd. be refunded an amount equal to 1d per lb. on all Imperial Bee honey packed for the Liquidator.

That the Liquidator be entitled to store and that N.Z. Honey Ltd. will receive and deliver for the Liquidator bulk honey up to 20 tons.

That New Zealand Honey Ltd. will have full right to pack and sell on its account all packs except Imperial Bee at present being packed and sold by the Liquidator.

Stocks of packed honey at the time of taking over will be sold on account of N.Z. Honey Ltd. proceeds of sale to be paid to the Liquidator less 2½% commission to the Company.

Five per cent depreciation on plant, fixtures, fittings and furniture £1000.

Terms of agreement to be covered by letter and operate for twelve months.

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"THE DEMAND FOR HONEY".

Report of an Investigation by the Statistics and Intelligence Branch of the Empire Marketing Board into the Retail Marketing of Honey. Published May 1932.

The object of this enquiry was to examine the position of Empire honey in the retail shops in London and Glasgow, to estimate the extent and nature of the competition from honey of foreign origin, and to obtain information on certain aspects of retail practice and regional preferences.

The survey was undertaken during the year 1930 and the early part of 1931; in any detailed comparison of stocks and prices, therefore, some allowance must be made for the fact that the areas were not surveyed simultaneously. Examination of the data from this angle, however, reveals little material difference, and in view of the nature of the commodity, it is probable that the time factor does not, on the whole, seriously affect the position.

In all, records were secured from 795 shops stocking honey in London, and from 345 in Glasgow, a total of 1,140. The information was obtained, according to a standard questionnaire, by personal interview with the proprietor or manager of the shop.

Information was also obtained from 25 honey importers, brokers, blender-packers and wholesale suppliers; from over 50 manufacturers, including manufacturing chemists, confectioners and bakers; and from 18 catering firms controlling about 750 restaurants.....

Home Production.

The total production of honey in England and Wales was estimated by the Ministry of Agriculture to be about 20,000 cwts. in 1925, but according to an estimate made in 1929, the output of a normal year is about 34,000 cwts. The increase was largely attributed to the recovery of the industry from the ravages of the Isle of Wight Disease, which, in the few years previous to 1925, had destroyed large numbers of colonies. No information in respect of Scottish production is available for this any year subsequent to 1925 but in that year output amounted to 1,900 cwts.

Imports

Imported supplies of honey, though still comparatively small, have considerably increased since the beginning of the century. Between 1900 and the first year of the war imports varied between about 20,000 and 33,000 cwts per annum. In 1915 there was a substantial rise to nearly 54,000 cwts. and by 1918 the record figure of 320,000 cwts had been reached. A sharp decline followed in the succeeding years and in 1921 imports fell to about 25,000 cwts or slightly more than the 1914 level. In 1922 there was again a substantial advance to 58,000 cwts. and this year may be said to mark the return to normal after the period of inflated war-time demand. Since 1922 the imports of honey have shown a definitely upward trend.....

Consumption

In the absence of annual estimates of British honey production average production from 1925 to 1929 may reasonably be placed about 30,000 cwts per annum which is approximately the mean of the

census of Production figure and the 1929 estimate. In the same period retained imports averaged some 70,000 cwts. making a total available supply of about 100,000 cwts per annum. On this basis average consumption (annual) per head of the population is about  $\frac{1}{2}$  lb. ...

The demand for honey arises from three main sources -

- (a) from domestic consumers;
- (b) from various manufacturing trades, such as chemists, confectioners, and bakers;
- (c) from the catering trade.

No estimate is available of the relative quantities absorbed through these channels, but domestic consumption is by far the most important.

#### The Survey in London.

The special object of the first London survey was to ascertain in what types of shop honey was stocked, and broadly the relative proportion of the honey trade done in each type of shop. The boroughs selected for this part of the enquiry was being fairly representative of different sections of London were Kensington, Paddington and Shoreditch and every shop in these areas in which there was a reasonable probability of honey being stocked was visited. With the exception of a poor and congested district at the northern extremity, Kensington is almost wholly residential and contains a considerable population of the middle and wealthy classes. Paddington combines all three classes but in somewhat different proportions, while, by contrast Shoreditch is definitely industrial, its resident population being almost wholly of the wage-earning class.

During this part of the survey 1,045 shops were visited, of which  $\frac{3}{4}$  or about a third, were stocking honey. Table 1. below shows the relative importance of the retail trade in honey in the several types of shops in the three boroughs.

It will be seen that in every trade except that of chemists the percentage of shops stocking honey was very much lower in Shoreditch than in either Kensington or Paddington, which confirms the general belief that the trade in honey for table use is almost entirely confined to the upper and middle classes. On the other hand the proportion of chemists stocking honey was larger in Shoreditch than in either of the other boroughs, indicating that among the industrial population the use of honey is largely medicinal.....

#### Retail Honey trade in certain Shopping Centres in London.

Type of shop.	Total No. of shops visited.	Number stocking honey.	Percentage stocking honey.	Average Annual sales per shop.
Grocers	110	196	63.	2.5 cwts
Dairies	151	120	79.	2.2
Chemists	118	69	58.	1.3
Confectioners	168	40	24.	1.4
Fruiters	151	14	9.	1.1
Departmental stores	6	6	100.	179.9

Honey trade in Glasgow.

Type of Shop.	Total No. of shops visited.	Number Stocking Honey.	Percentage Stocking Honey.	Average Annual Sales per shop.
Grocers	552	171	31	1.6 cwt
Dairies	410	20	5	0.4
Chemists	118	96	81	9.8
Confectioners	219	13	6	0.7
Fruiterers	305	37	12	2.1
Large Central Stores	8	8	100	45.1

The attitude of the Consumer towards Honey.

Practically all retailers regarded honey as a very minor side-line in their business and not as one of the staple commodities on which their trade depended. Various reasons were put forward in explanation of the popular lack of interest in honey as a food. Thus, for example, it was frequently pointed out that American and Continental cooks used honey in a variety of dishes, but in this country no method other than that of consumption with bread seemed to be generally known. Again, as a potential competitor with jam, honey was considered to be too expensive for mass consumption, and it suffered from its failure to offer any marked variety of flavour. The most potent of all discouraging influences upon the wide use of honey as a food, however, was said to be its association in the mind with medicine. From early childhood in a great number of homes honey was remembered as the invariable vehicle of cough medicines and the suggestion was frequently put forward that propaganda was probably the most effective means of counteracting this early impression.

Retailers generally were agreed that the sale of honey could be stimulated by effective displays in the window or the shop. Customers seldom include honey in their shopping lists, but an attractive counter display often results in an addition to the list.

The association of honey with sore throats and colds was markedly reflected in the seasonal variation in sales. All classes of retailer agreed that the bulk of their honey trade took place in the late autumn and in winter. Many who made special displays of honey only did so during the cold weather, and some gave up stocking honey in the summer months. The sale of clear honey as distinct from set was also stated to be greater in the winter, clear honey being more suitable for compounding domestic remedies, while set was preferred for table use. It was mentioned by some restaurant proprietors that the demand for honey and milk was increasing.....

Containers

The most popular type of container for extracted honey is the glass jar which, with an effective label, presents a clean appearance and shows the clearness and colour of the honey. In London 92 per cent of the shops stocking honey stocked glass jars, and in Glasgow 94 per cent. Many of the London shops stocked more than one type of container, the next in importance to the glass jar being the plain crock, usually of red earthenware. One advantage of the crock as compared with the usual glass jar was said to be the wider opening which enabled the contents to be served with greater ease. Its main disadvantage is that it does not permit of the contents being seen before purchase. In Glasgow very few



4.  
stocked more than one type of container, and glass jars were most universal. Nearly one third of the chemists shops both in London and Glasgow were selling honey in cartons. The practice of selling honey loose was occasional in all the London trades, but in Glasgow was entirely confined to chemists, and was a feature almost exclusively of shops serving poor neighbourhoods.....

Crocks were generally very considerably cheaper than glass jars. In London, for example, the prevailing prices for the 1 lb. glass jar were 1/3d to 1/4d whereas the usual price for the crock of the same quantity was 10½d. As already stated crocks were not popular in Glasgow, in the few shops stocking this kind of container 1/4 was the price most frequently noted for the 1 lb. size as compared with 1/4d to 1/6d for the 1 lb. glass jar. It was explained earlier in the report that crocks are largely used for packing dark honey which does not show up well in glass jars, and this honey is generally in less demand, and cheaper, than the lighter coloured honey.

Cartons which were sold almost exclusively by chemists were relatively dear. Tins were not very often met with the bulk was in the larger sizes and is not, therefore, comparable with other types of container.

#### Stocks, Containers, and Sizes of New Zealand Honey

By far the greater quantity of New Zealand honey found during the survey was being sold under the official label of the New Zealand producers, "Imperial Bee". This was the brand stocked by 77 per cent of the shops stocking New Zealand honey in London, and by 95 per cent in Glasgow. Fifteen other designations were observed in London, one, a wholesaler's brand, occurred twelve times, but the rest were observed only once or twice, and three were also noted once or twice in Glasgow.

From the point of view of distribution the position of New Zealand honey was about twice as strong in Glasgow as in London. Of all shops stocking honey 50 per cent in Glasgow stocked New Zealand, and less than 16 per cent in London. Multiple shops in London stocked this honey more frequently than the independent retailers, the proportions being 19 per cent and 10 per cent but in Glasgow it was much more popular among the latter group, 40 per cent of which stocked it as compared with 16 per cent of the multiples. Again, it was more evenly spread over all classes of trade in Glasgow than in London where only 4 per cent of the poor class shops stocked it against 22 per cent in Glasgow.

New Zealand honey was almost always stocked in glass jars. Less than 4 per cent of the containers noted were of any other type, and the two popular sizes, 1 lb. and ½ lb. accounted for the bulk. Four shops, including three departmental stores, were stocking 7 lb. tins, and it was found a few times in both crocks and cartons, mostly in the 1 lb. size. Sizes smaller than ½ lb. were not often noted.....

#### Supplies

In the five years 1926-30 imports of honey averaged 76,700 cwts per annum. The principal sources of supply are indicated below, the figures representing average percentages in the period 1926-1930 -

British West Indies	18	per cent
New Zealand	17	
Canada	9	
Other Empire	1	
Total - Empire countries	47	



5.

United States	
Cuba and St. Domingo	25 per cent
Chile	8
Russia	6
Other foreign	6
	<hr/>
Total - foreign countries	55

The average for New Zealand, the chief Empire source in 1928 and 1929 was reduced by the abnormally low import in 1930.

Consumption.

Home production of honey may be estimated at about 30,000 cwts. per annum and total available supplies to an average of 100,000 cwts. per annum, an average annual consumption per head of the population of about  $\frac{1}{4}$  lb.

Retail Prices of Honey from different countries in London and Glasgow.  
1 lb. and ½ lb. Glass Jars.

Varieties of Honey.	Number of Price Records.		Range.		Most usual Prices.	
	London.	Glasgow.	London.	Glasgow.	London.	Glasgow.
<u>1 lb glass jars.</u>						
Home	80	32	1/2 to 3/6	1/2 to 3/6	1/10 & 2/-	2/- to 2/6
Canadian	12	18	1/5 to 2/-	1/- to 1/6	1/4	1/2
Australian	55	-	11d to 1/6	-	1/3 & 1/4	-
New Zealand	124	90	1/5 to 1/8	1/2 to 1/10	1/4 x	1/4 & 1/6
Brit. West Indian	21	-	11½d to 2/3	-	-	-
Other Empire	218	42	10½d to 2/3	1/2 to 2/-	1/1 to 1/4 & 1/6	1/3 & 1/6
United States	46	28	1/- to 3/9	1/- to 3/6	1/2	1/6
Blended imported	223	69	11½d to 1/10	1/0 to 1/10	1/4	1/2 & 1/4
<u>½ lb Glass jars.</u>						
Home	32	11	9d to 1/8	10d to 1/-	10½d to 1/-	1/-
Canadian	9	18	8½d to 1/-	7½d to 1/-	9½d	10½d
Australian	61	-	6½d to 10½d	-	8½d, 9½d & 10½d	-
New Zealand	92	71	8½d to 1/-	8½d to 1/-	10½d	10½d
Brit. West Indies	25	-	6½d to 1/2	-	8½d to 10½d	-
Other Empire	294	42	6½d to 1/-	8½d to 1/-	8½d to 9½d & 10½d	8½d & 10½d
United States	16	22	8d to 1/6	6d to 1/-	8d	10½d & 1/-
Blended imported	233	58	7½d to 1/-	6½d to 1/2	8½d to 10½d	9d & 10½d.

x No predominant price.

## Retail Prices of Honey in London and Glasgow.

Description.	No. of price records		Range.		Most usual prices.	
	London.	Glasgow.	London.	Glasgow.	London.	Glasgow.
Comb sections (1 lb.)	86	71	1/6 to 5/6	1/- to 4/-	2/3 to 2/6	1/4 to 1/6 & 2/6.
Glass jars -						
2 lbs.	20	-	1/6 to 3/3	-	2/6	-
1 lb.	842	288	10½d to 4/3	1/- to 3/6	1/3 to 1/4	1/4 to 1/6
½ lb.	773	231	6d to 1/8	6d to 1/2	8½d to 10½d	10d, 10½d and 1/-
¼ lb.	371	34	4d to 10d	5d to 7½d	6½d	6d
Midget	152	-	2d to 5½d	-	3d and 3½d	-
Crocks -						
Fancy (1 lb)	75	-	10½d to 4/-	-	11½d and 1/-	-
Plain -						
2 lbs	30	-	1/5 to 1/10	-	1/6	-
1 lb	222	8	8½d to 1/8	1/- to 1/4	10½d	1/-
½ lb	95	-	5½d to 10d	-	6½d and 7d	-

Number of Shops Stocking Honey from various countries in different  
Types of Containers.

Country of origin.	No. of shops stocking.		Glass jars		Plain corks		Fancy corks		Cartons		Tins		Comb Sections	
	Lon:	Glas:	Lon:	Glas:	Lon:	Glas:	Lon:	Glas:	Lon:	Glas:	Lon:	Glas:	Lon:	Glas:
Home	106	46	80	31	2	-	4	-	5	-	1	1	57	24
Canadian	23	35	17	32	4	1	-	-	-	-	9	2	2	2
Australian	76	5	74	4	2	-	-	-	-	-	4	-	-	-
New Zealand	125	105	118	103	2	1	1	-	1	1	4	-	1	-
British W. Indian	55	6	35	3	18	-	2	1	3	1	-	-	4	8
Irish Free State	4	8	-	-	-	-	-	-	-	-	-	-	1	-
Other Empire	366	73	319	69	147	5	51	-	7	4	1	-	18	35
United States	87	87	55	36	6	-	2	-	4	16	1	-	1	-
Other foreign	47	6	41	4	1	-	1	-	1	-	2	-	1	-
Blended imported	333	98	300	90	81	3	25	2	19	5	2	-	-	-
Number of shops stocking different containers	..		726	316	263	10	84	3	39	27	15	3	77	51



## GRADUATED SALES IN THE HONEY-STOCKING TRADES

Monthly sales of honey.	Number of Shops.					Total.	Total Monthly Sales.					Total.
	Grocers	Dairies	Chemists	Confect- ioners	Fruit- erers		Grocers	Dairies	Chemists	Confect- ioners	Fruit- erers	
						lbs	lbs	lbs	lbs	lbs	lbs	
<u>London -</u>												
Less than 10 lbs	138	128	68	37	9	380	496	521	237	197	31	1,482
10 - 20 lbs	60	44	20	17	5	146	827	550	238	187	84	1,864
20-30 lbs	51	22	12	11	4	100	1,144	488	257	227	-	2,200
30 - 40 lbs	29	10	7	4	-	50	936	321	216	126	-	1,599
40 - 50 lbs	19	18	3	1	-	41	817	754	120	45	-	1,736
50 - 60 lbs	18	8	-	1	-	27	919	409	-	50	-	1,278
60 - 70 lbs	8	2	-	-	-	10	480	120	-	-	-	600
70 - 80 lbs	2	-	1	1	-	4	142	-	70	75	-	287
80 - 90 lbs	6	4	-	-	-	10	484	320	-	-	-	804
90 -100 lbs	1	2	-	-	-	3	96	180	-	-	-	276
100 lbs & over	7	3	-	-	-	10	864	400	-	-	-	1,264
<b>Total</b>	<b>339</b>	<b>241</b>	<b>111</b>	<b>72</b>	<b>18</b>	<b>781</b>	<b>7,205</b>	<b>4,063</b>	<b>1,138</b>	<b>907</b>	<b>177</b>	<b>13,490</b>
<u>Leasow -</u>												
Less than 10 lbs	88	17	78	10	22	215	293	32	257	34	76	692
10 - 20 lbs	45	2	12	2	7	68	523	28	140	22	83	796
20 - 30 lbs	15	1	2	1	1	20	340	20	40	24	20	444
30 - 40 lbs	10	-	1	-	-	11	328	-	30	-	-	358
40 - 50 lbs	2	-	-	-	2	4	88	-	-	-	80	168
50 - 60 lbs	4	-	-	-	4	4	200	-	-	-	-	200
60 - 70 lbs	1	-	-	-	1	2	60	-	-	-	60	120
70 - 80 lbs	-	-	1	-	-	2	72	-	70	-	-	142
80 - 90 lbs	1	-	1	-	-	1	-	-	80	-	-	80
90 - 100 lbs	1	-	-	-	-	1	90	-	-	-	-	90
100 lbs & over	4	-	1	-	4	9	522	-	100	-	400	1,022
<b>Total</b>	<b>20</b>	<b>96</b>	<b>13</b>	<b>37</b>	<b>337</b>	<b>2,516</b>	<b>80</b>	<b>717</b>	<b>80</b>	<b>719</b>	<b>4,112</b>	

## GRADUATED SALES IN THE HONEY-COOKIES TRADE

Monthly sales of honey	Number of shops					Total Monthly Sales						
	Grocers	Dairies	Chemists	Confectioners	Fruit- ers	Total	Grocers	Dairies	Chemists	Confectioners	Fruit- ers	Total
<b>London -</b>						lbs	lbs	lbs	lbs	lbs	lbs	lbs
Less than 10 lbs	138	128	68	37	9	390	496	521	237	197	31	1,482
10 - 20 lbs	60	44	20	17	5	146	327	590	254	187	62	1,864
20 - 30 lbs	51	22	12	11	4	100	1,144	498	257	227	84	2,200
30 - 40 lbs	29	10	7	4	-	90	936	321	216	126	-	1,599
40 - 50 lbs	19	18	3	1	-	41	817	754	120	45	-	1,736
50 - 60 lbs	13	8	-	1	-	27	919	459	-	50	-	1,478
60 - 70 lbs	8	2	-	-	-	10	480	120	-	-	-	600
70 - 80 lbs	2	-	1	1	-	4	142	-	70	75	-	287
80 - 90 lbs	6	4	-	-	-	10	484	320	-	-	-	804
90 - 100 lbs	1	2	-	-	-	3	96	180	-	-	-	276
100 lbs & over	7	3	-	-	-	10	864	400	-	-	-	1,264
<b>Total</b>	<b>539</b>	<b>281</b>	<b>111</b>	<b>72</b>	<b>18</b>	<b>781</b>	<b>7,205</b>	<b>4,063</b>	<b>1,138</b>	<b>907</b>	<b>177</b>	<b>13,490</b>
<b>Glasgow -</b>												
less than 10 lbs	88	17	78	10	22	215	233	32	257	34	76	692
10 - 20 lbs	45	2	12	2	7	68	523	28	140	22	83	796
20 - 30 lbs	15	1	2	1	1	20	340	20	40	24	26	444
30 - 40 lbs	10	-	1	-	-	11	328	-	30	-	-	358
40 - 50 lbs	2	-	-	-	2	4	88	-	-	-	80	168
50 - 60 lbs	4	-	-	-	-	4	200	-	-	-	-	200
60 - 70 lbs	1	-	-	-	1	2	60	-	-	-	60	120
70 - 80 lbs	-	-	1	-	-	2	72	-	70	-	-	142
80 - 90 lbs	-	-	1	-	-	1	90	-	80	-	-	170
90 - 100 lbs	1	-	-	-	-	1	90	-	-	-	-	90
100 lbs & over	4	-	1	-	4	9	522	-	100	-	400	1,022
<b>Total</b>	<b>171</b>	<b>20</b>	<b>96</b>	<b>13</b>	<b>37</b>	<b>337</b>	<b>2,516</b>	<b>80</b>	<b>717</b>	<b>80</b>	<b>719</b>	<b>4,112</b>



NEW HAVANA CO-OPERATIVE BODY PRODUCE'S  
ASSOCIATION LTD.

GENERAL REVENUE AND TRADING ACCOUNT, for year ended 31st December, 1931

1931 December 31st.		1931 - December 31st	
To Directors' Fees	73. 13. 0	By Export Market A/o 1931	727. 16. 9
"    "    travelling expenses	140. 4. 3	"    "    Local Market A/o 1931	1904. 19. 8
General expenses	205. 14. 8		
Film costs	38. 1. 5		
(Diff London) Exchange	186. 2. 6		
Insurance	78. 3. 6		
Office Travelling expenses	105. 11. 1		
Salaries	113. 4. 4		
Stamps, telegrams	57. 8. 0		
Depreciation	84. 10. 6		
Interest - Bank	37. 10. 0		
Rent and Rates	460. 13. 3		
Stationery	40. 10. 6		
	<u>£2722. 16. 5</u>		<u>£2722. 16. 5</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT, for Year ended 31st December, 1931.

1931 - December 31st		By Balance carried to Balance Sheet	
To Balance, 1/1/31	£15946. 17. 6		£15946. 17. 6

BALANCE SHEET as at 31st December, 1931

<u>LIABILITIES</u>		<u>ASSETS</u>	
Nominal Capital	35000. 0. 0	Office furniture and fittings	764. 6. 5
(17500 shares of £2 each)		Plant - Auckland depot	434. 17. 9
Less un-called shares	22776. 0. 0	Plant - Forster depot	27504. 12. 8
Less uncalled capital -		Deposit A/o Viking machines	36. 6. 0
Deduction shares £6534-16-9		Deposit A/o Franking machine	4. 0. 0
Call shares 1950-10-0		Rates and insurance etc. Paid in advance	88. 4. 6
	<u>8293. 6. 9</u>	Registration Trade Mark Exp. /o	340. 12. 7
Less calls in arrears	14182. 13. 7	Partners' Co-op. Ltd. Shares	7. 10. 0
	<u>7284. 0. 8</u>	Stock -	
Plus calls paid in advance	13778. 12. 9	L.H. 1929	7076. 1. 2
Shares Suspense Account	144. 0. 0	L.H. 1930	37757. 7. 0
Forfeited Shares Account	48. 10. 1	L.H. 1931	2520. 0. 0
Meriton Ltd. O & P. London	85. 15. 6	Stationery	9083. 0. 2
Sundry creditors	87094. 8. 7	"    "    Stationery	51. 1. 7
Bank overdraft - N.S. W	408. 11. 4	"    "    Wire	25. 14. 9
	<u>72. 14. 10</u>	"    "    Tax	30. 14. 2
		Sundry debtors	58055. 3. 10
		Cash in hand	1620. 17. 2
		1929 Money Account - London	6. 5. 8
		1930 Money Account - London	6225. 0. 11
		Advertising account-London	447. 10. 3
		Profit and Loss Appropriation Account	15455. 12. 6
			<u>15546. 17. 6</u>
	<u>£101637. 5. 1d</u>		<u>£101637. 5. 1</u>

We certify that our requirements as Auditors have been complied with and report to the shareholders that we have audited the above Balance Sheet, Profit and Loss Account and Trading Account for the year ended 31st December 1931, together with the Books and Vouchers relating thereto.

In our opinion the above Balance Sheet is a full and fair one and drawn up so as to exhibit a true and correct view of the affairs of the company as shown by the Books as at 31st December 1931.

In regard to stocks, we have accepted the certificate of the General Manager and the London Agents.

AUCKLAND, 18th June, 1932.

THOMSON AND BONDRE. P.P. & L.S.  
Auditors.





1972 - Bureau of Economic Administration  
Expenses over local market profits

1969. 14. 3

1972. 14. 3

1972. 3. 1.

1972. 3. 1. 1972. 14. 3

1972. 3. 1

Statement showing position of New Zealand Honey Producers Assn.Ltd.  
from its Incorporation to Liquidation.

Year.	Paid up Capital. £	No. of Shareholders	Total Sales £	Trading Results £	Quantity of honey exported. tons.	Total quantity handled Tons.	Price per lb. for Export.		
1914	58	25	1,736	352			3-3/16th d		
1915	240	146	6,503	152	10		3d		
1916	406	170	8,258	275			4d & 4 1/2d		
1917	848	262	17,861	21	100		<u>L.A. &amp; B.</u> 8-1/3 d	<u>M.A. &amp; B.</u> 7-7/24 d	<u>D.A. &amp; C.</u> 6 1/2d
1918	3,744	420	35,339	50	329	466	8d	7d	6d
1919	4,725	580	37,670	2,753	349	624	6d	5 1/2d	4 1/2d
1920	5,475	700	37,640	1,108	290	482	7 1/2d	6-25/32 d	5-13/16 d
1921	6,106d	752	53,787	14,021 <sup>x</sup>	397	631	5d	4 1/2d	3 1/2d
1922	7,128	890	45,123	9,542 <sup>x</sup>	532	652	<u>White Special</u> 5d	<u>L.A. Special</u> 5d	<u>White Prime L.A.</u> 4 1/2d
1923	7,901	984	37,287	4,465	400	560	4 1/2d	4 1/2d	4d
1924	8,555	1,044	57,237	400 <sup>x</sup>	487	612	5 1/2d	4 1/2d	5d
1925	9,489	1,083	72,734	729	742	868	5 1/2d	4-7/12 d to 4-13/12 d	4-1/12 d to 5d
1926	10,097	1,091	63,145	151	530	655	4-11/12 to 5d	4-1/30 to 4 1/2d	1-5/6 to 4 1/2d
1927	10,781	1,115	45,807	178 <sup>x</sup>	360	495	4-7/12 to 5d	4-1/12 to 4 1/2d	3-7/12 to 4 1/2d
1928	11,872	1,157	97,951	8,113 <sup>x</sup>	1,013	1,128	"	"	"
1929	13,006	1,212	120,464	7,395 <sup>x</sup>	1,066	1,258	"	"	"
1930	13,549	1,229		79 <sup>x</sup>	53	325	4 1/2d	4 1/2d	-
1931	13,923	1,229			245	518	Average 1.87d		
1932	13,954								

<sup>x</sup> Loss, or more correctly the amount by which advances exceeded net return for sales.

Sales - Export and local sales for the years 1915 & 1920 are shown above less sales charges.

Local sales for 1922 and 1923 included in "Sales" above are less sales charges.

NEW ZEALAND HONEY CONTROL BOARD

ACCOUNTS FOR YEAR ENDED 31st MARCH, 1934.

Export Honey Account - 1933

To Progress payments to Producers - 1933	Honey	6696. 11. 4	By Sales to date of 1933 Export Honey	8724. 9. 1	
Freight, wharfage & shipping charges	1651. 4. 1		Exchange on remittances	<u>2344. 17. 11</u>	10829. 7. 0
Tiring	6. 10. 3		Primage rebates	73. 13. 11	
Marine Insurance	<u>64. 12. 2</u>	1722. 14. 6	Levy	<u>73. 13. 11</u>	8
Fire insurance, London	29. 0. 6				
Storage charges "	193. 14. 9				
Commission "	234. 3. 7				
General expenses "	<u>2. 7. 6</u>	469. 6. 4			
Salaries	395. 1. 7		Note -		
Honoraria - Board Members	37. 7. 2		Unsold Honey in London at		
Travelling expenses Board Members	64. 1. 0		31st March 1934 - 278,147 lbs.		
Advertising	12. 4. 8				
Printing & stationery	17. 11. 0				
Postages, telegrams & cables	60. 14. 6				
Legal expenses	39. 7. 6				
General expenses	61. 4. 6				
Election expenses	7. 15. 8				
Interest	<u>155. 16. 6</u>	915. 8. 1			
Balance carried forward pending completion of realisation		1172. 10. 4			
		<u>210976. 10. 7</u>			<u>210976. 10. 7</u>

BALANCE SHEET AS AT 31st MARCH, 1934

<u>LIABILITIES</u>			<u>ASSETS</u>		
Unemployment Board- Loan and interest to date		6080. 0. 0	London Plant - at cost		949. 16. 0
C. & F. Morton Ltd. General Account	1800. 7. 9		Goodwill & Trade Marks "Imperial Bee" brand		6082. 10. 0
New Plant A/c	<u>986. 9. 1</u>	2786. 16. 10	Sundry debtors		70. 6. 1
Gift Parcel Account		118. 5. 0	Deposit on wiring machine		35. 0. 0
Export Honey Account - 1933		1172. 10. 4	Balance at Bank of N.Z.	2480. 14. 7	
Local Purchase Honey Account (held in suspense)		3. 14. 1	" " P.O. Savings Bank	314. 9. 7	
Sundry creditors		88. 1. 3	Petty Cash in hand	<u>4. 10</u>	2795. 9. 0
			Revenue Account - balance from last year		316. 6. 5
		<u>210249. 7. 6</u>			<u>210249. 7. 6</u>



X

Statement prepared by the Liquidator  
(Mr. G. D. Gagner) of the Honey Producers'  
Association Ltd.

The progress of the liquidation is shown by the attached G. & M. Morton Ltd. Account showing a balance of £58,315. 14. 10s. as at 1st September, 1934, the approximate forecast being -

The indebtedness to Messrs G & M. Morton and to the Control Board for advances which stood at £58,901 at date of liquidation August 1932, has been reduced as at 31st August, 1934 to

58,315. 0. 0

Plus liquidation expenses and sundries unforeseen

1,500. 0. 0

59,815. 0. 0

The assets available to meet this amount consist of furniture, fittings, and plant in New Zealand, plus Imperial Bee brand in New Zealand, if sold by tender, approximately

2500.

Sundry debtors

1230.

Stock in London

29976.

Less provision for

bad honey 50 tons

1476.

6500.

Stock in Auckland, honey and packing

1100.

materials

3000

Cash

14,326. 0. 0

15,483. 0. 0

The above figures include a loss already experienced of £750 on remittances already made but does not include Exchange loss in remitting money collected in New Zealand.

Add further contingent liability should accounts 1930-1-2 show surplus which must be distributed to suppliers

3,000. 0. 0

16,483. 0. 0

Less collections to be made by Liquidator on capital and recourse. (This is the figure which it is estimated will be available by taking legal action only against those shareholders who will not suffer undue hardship. By taking indiscriminate action levying Distress Warrants, etc. this figure could probably be increased by a further £2000).

2,000. 0. 0

16,483. 0. 0

Brought forward 16,483. 0. 0

less advertising material to be taken over  
by Control Board.

2,000. 0. 0

Note - It was agreed in the settlement that the Control Board would take over £2000 worth of advertising material should H.F.A realization figures not be reached. It was, however, anticipated that the liquidation would have been cleared up in a short period and the advertising matter would be worth approximately this figure. The liquidation has proceeded so long and the advertising matter has mostly been used and the collection of this amount is therefore doubtful.

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£14,483. 0. 0

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C. & E. MORTON LTD

LONDON

In account with

N. Z. CO OPERATIVE HONEY PRODUCERS' ASSOCIATION LIMITED (IN LIQUIDATION)

Total sales	6534. 16. 3	Balance 31st Aug. 1932 per Balance Sheet	68901. 9. 10
Cash	2926. 7. 2	Depot charges	11086. 18. 7
Sale of Imperial Bee brand	6000. 0. 0	General	5287. 2. 1
Balance at 31st Aug. 1934	28313. 14. 10	Interest	4460. 10. 3
		Commission	4642. 4. 10
		Advertising	3294. 10. 5
		" interest	<u>185. 10. 9</u>
		Honey purchased from Control Bd.	2528. 7. 0
		Cash ex H.C. Board for Gift Honey	198. 4. 6
			<u>£100584. 18. 3</u>
	<u>£100584. 18. 3</u>	By Balance at 1st Sept. 1934	<u>£28313. 14. 10d.</u>

N. Z. HONEY PRODUCERS ASSN. LTD. (in liquidation)

BALANCE SHEET AT 31st AUGUST, 1934

<u>Liabilities</u>		<u>Assets</u>	
Paid up capital	16684. 3. 6	Furniture & fittings	581. 11. 7
Forfeited shares	85. 15. 6	Plant	<u>287. 11. 1</u>
C & E. Morton Ltd	28713. 14. 10	Francing machine	4. 0. 0
Sundry creditors	205. 11. 4	Farmers Co-op. shares	7. 10. 0
Reclamations	2829. 2. 10	Sundry debtors	1230. 15. 4
		Stock London	9976. 12. 10
		Auckland	<u>111. 0. 0</u>
		Cash	11087. 12. 10
		Appropriation Balance	3080. 12. 1
		Less Revenue A/c	544. 2. 9
		Excess of book value of brand over amount realised	5659. 7. 5
			<u>6203. 10. 2</u>
		Add London plant	30988. 15. 2
			850. 0. 12
			<u>31838. 15. 1</u>
	<u>248118. 8. 0</u>		<u>248118. 8. 0</u>



NEW ZEALAND HONEY LIMITED

DRAFT ACCOUNT FOR 6 MONTHS ENDING 30th SEPTEMBER, 1934.

PACKING & TRADING ACCOUNT

To Stock at 31st January, 1934	30. 8. 0	By Sales of Honey - less returns & allowances	6766. 10. 3
Purchases Honey	785. 17. 7	Profit on sales of beeswax	21. 4. 0
Packing materials used	135. 19. 7	Profit on sales of stencils	13. 2
Freight and cartage	355. 15. 11	Sundry charges to producers -	
Store wages	358. 6. 10	Grade Stone Charges	109. 14. 8
Strapping wire	56. 19. 8	Packing charges	60. 15. 0
Levy charges	10. 3	Wiring	52. 14. 1
Discounts on sales	201. 11. 5	Class penalty	2. 5. 0
Balance transferred to Producers A/c being excess of sales and other revenue over costs of honey sold and expenses incurred on account of own and producers honey	4612. 6. 4	Packing costs, recoverable on sale of honey, secured at 30/9/34.	402. 9. 9
		Stock of Honey (Company's) on hand	241. 17. 8
	<u>8760. 6. 7</u>		<u>8760. 6. 7</u>

PROFIT AND LOSS ACCOUNT

To Advertising	36. 6. 4	By Total of selling and administration costs transferred to Producers' Account	1358. 5. 5
Commission	582. 16. 2		
Directors' expenses	51. 14. 6		
" fees	32. 10. 0		
" trav. exps	85. 11. 5		
Travelling expenses - office	167. 19. 11		
Salaries	14. 4. 7		
General expenses	312. 0. 11		
Printing stationery & telegrams	164. 19. 10		
Rent and rates	58. 19. 2		
Insurance	175. 15. 7		
Interest	15. 17. 4		
Trade mark registration	17. 1. 1		
	1. 10. 6		
	<u>3128. 4. 4</u>		<u>3128. 4. 4</u>

PRODUCERS ACCOUNT

To Distribution on 1935 honey	346. 10. 3	By Balance from Packing & Trading A/c	4612. 6. 4
" " 1934 "	5800. 7. 5	Advances received from H. L. Honey Export Control Board on honey exported	1637. 15. 3
Selling & administration costs as per Profit & Loss A/c	1358. 5. 5	Sales of seals	1204. 19. 3
Balance	736. 15. 8	Less cost of seals	133. 0. 3
	<u>8764. 16. 7</u>		<u>8764. 16. 7</u>

LIABILITIES

BALANCE SHEET

Authorized capital 12000 shares of £1	
Less unallotted 804 £1 shares - 804	
Subscribed 3986	3986
Paid up capital	2569. 3. 2
Sundry creditors	274. 15. 11
Commercial Bank of Australia	274. 0. 11
Balance from Producers A/c	736. 15. 8
Less debit on P & L A/c at 31/12/34	334. 12. 5
	<u>597. 1. 3</u>
	<u>24023. 19. 3</u>

ASSETS

Stocks on hand (Honey - Do's.)	241. 17. 8
Beeswax	19. 4. 11
Seals	57. 11. 3
Packing material	609. 11. 1
Stationery	41. 17. 3
	<u>964. 6. 2</u>
Sundry debtors	2042. 5. 5
Packing costs etc. recoverable on sale of Producers Honey	470. 14. 2
Railway Deposit Account	1. 4. 1
Cash on hand	8. 8. 10
Plant	355. 6. 8
Furniture and fittings	2. 11. 8
Preliminary expenses	375. 4. 6
	<u>24023. 19. 3</u>

SEAMAN AND SHOVE

3 National Mutual Chambers,  
41 Shortland Street,  
AUCKLAND OZ.

14th November, 1954.

The Directors,  
Messrs R. L. Honey Limited,  
AUCKLAND OZ.

Gentlemen,

At the request of Mr. Rentoul I have carried the audit of the Company's books up to the 30th September last, and have examined draft accounts which had been prepared as at that date. It has been found necessary to redraft these, though they were substantially correct.

As these are interim statements only, prepared, as I understand it, mainly so that you might know the position generally, and particularly in relation to the working out of Article No. 12, I have accepted without checking the figures given to me for stocks, for recoverable packing costs, and for certain other adjustments. To produce an accurate statement some other items, not large in the aggregate would require inclusion. In particular no provision has been made for depreciation of plant, etc.

On an earlier occasion I advised you that I interpreted this Article as meaning that the maximum the Company could claim under its provisions for expenses not directly incurred in the handling of suppliers honey (i.e. packing, freight and similar charges) was 10% of the gross sale price of honey disposed of.

In the period in question, the records show that the Company received honey -

For Export		575,852 lbs
Into Depot (suppliers)		504,504½
Purchased outright		<u>57,570</u>

And has disposed of -		938,006½
Exported (A/c sales not received)		
Sold	575,852 <u>362,777½</u>	<u>710,609½</u>
		<u>227,397</u>

Stocks at depot are -		
Suppliers - Bulk	182,294	
" packed	29,097	
Own	<u>19,244</u>	<u>230,635</u>

Showing an apparent surplus of		3,238
R.P.A Liquidation stocks show shortage of		<u>2,561</u>

Leaving final surplus of 677 lbs

The proceeds so far are -

Sales outright - Suppliers & Own	334,777½ lbs	86766. 18. 3
Advances by Control Board re Exports on portion only of shipments		<u>1637. 15. 3</u>
		<u>8404. 13. 6</u>

The expenses incurred in selling and administration for eight months period total £1358. 5. 5d and of this, commission at on local sales accounts for only £382. 16. 2d. Before the remainder of the 1934 crop is sold it is obvious that further considerable expenses must be incurred.

These figures make it clear that it is impossible to conduct the business on the basis set out in the Article in question as I understand it. If packing and similar costs are intended to be covered by the 10% it becomes even more impossible. It is necessary to pay a 5% selling commission to your distributing agents, or in the alternative to sell on your own account, which would certainly cost not less than 5%, and other expenses even excluding packing, freight and similar charges, cannot be limited to 5%. Unless an amendment of the Article is obtained, the Company must lose money continuously and be forced into liquidation at an early date.

In the present instance, the surplus on sales made (£4612. 6. 4d) less selling and administration costs (£1358. 5. 5d) leaves a balance of £3254. 0. 11d in respect of 34,777½ lbs of honey sold, equivalent to a return of 2. 33d per lb on honey sold locally. The better showing which appears in the Producers' section of the accounts presented is due to the inclusion of the Seals money, a net figure of £1391. 15s.

Yours faithfully,

(sgd) A.M. Seaman.