

APPENDIX H.

1923.

THE POVERTY BAY FARMERS' MEAT COMPANY (LIMITED).

Incorporated under Companies Act, 1908.

Nominal capital: £500,000 in 100,000 shares of £5 each.

Directors.—W. Douglas Lysnar, Chairman. J. W. Parker, J. C. Field, G. Witters (Deputy Chairman), C. Matthews, Hy. Williams, Ed. Richardson, E. R. Black, George Coop.

Bankers.—The National Bank of New Zealand (Limited),

Managing Secretary.—A. McLellan.

Registered Office and Works.—Waipaoa, Gisborne.

EIGHTH ANNUAL REPORT AND BALANCE-SHEET.

TO BE PRESENTED TO THE SHAREHOLDERS AT THE EIGHTH ANNUAL GENERAL MEETING TO BE HELD AT THE NEW ZEALAND INSURANCE COMPANY'S BUILDINGS, CHILDERS ROAD, GISBORNE, ON SATURDAY, 15TH DECEMBER, 1923, AT 11 A.M.

CHAIRMAN'S ANNUAL REPORT.

To the Shareholders.

YOUR directors in submitting to you the Eighth Annual Report and Balance-sheet of this company for the year ending 31st August, 1923, desire to state:—

During the year the company killed 69,908 sheep, 86,494 lambs, 525 calves, and 5,155 head of cattle, which is equivalent to 220,362 sheep and lambs, as compared to 64,584 sheep, 56,322 lambs, 135 calves, and 1,925 head of cattle, equivalent to 144,276 sheep and lambs for the preceding year, being 76,086 more than the preceding year, as compared with 309,669 sheep and lambs in 1921, and 323,283 sheep and lambs in 1920.

The directors are pleased to be able to state that, notwithstanding the generally depressed condition in the freezing industry last year, the works made a working profit of £3,822 6s. 4d. during the year, and this after allowing for all interest chargeable to the works, but as against this profit there were losses to be brought into account totalling £5,987 12s. 11d., made up of £770 15s. 11d. loss shown on the previous year's balance-sheet, £3,024 11s. 6d. reclamation on canned goods, &c., shipped during the 1921-22 season, and £2,192 5s. 6d. which this company paid to the meat-buyers with the approval of this company's bank in connection with the dispute with the Imperial authorities over a New York shipment and the regrading of beef which the Imperial authorities sold to Vestey Bros., both of which matters arose in 1919. The company was not legally liable to pay this money, but it was considered advisable to do so in the interests of the company and shareholders so as to secure the good will of the meat-buyers. After taking these losses, &c., into account, the balance-sheet shows a loss of £2,165 6s. 7d. In view of all the circumstances the directors have no hesitation in saying that this company was very fortunate in being able to show a working profit of £3,822 6s. 4d. during the year, and it goes to show that the management of this company was well and economically worked during the year, and the directors desire to point out that the improvements and alterations, representing approximately £45,065, made in the years 1921 and 1922 made the works one of the most up to date and efficient of its capacity in the Dominion.

During the year, at the request of the bank, the company called up uncalled capital to the extent of £68,933 15s. of which £36,810 was paid in cash and £13,502 by promissory notes taken by the bank, leaving a balance unprovided for of £20,099 11s. 2d., and in addition there was uncalled share-money totalling £10,400 10s.

On the 13th February last this company owed the National Bank of New Zealand £350,388 15s. 3d., and with the aid of the call-money and the earnings of the company this liability to the bank was reduced to £303,326 at the date of this balance-sheet. This reduced the company's indebtedness to the bank by £47,062, and with other moneys still to come in there will be a further substantial reduction.

The directors regret having to report upon the action of the bank in forcing the sale of the works to Vestey Bros., and that neither the Minister of Agriculture nor the New Zealand Meat Producers' Board gave any assistance in stopping the sale to the biggest combine in the world, but, on the contrary, both agreed to the sale. To your directors' surprise they learnt that the Meat Board had come to an adverse decision without hearing this company in the matter, and while an application from this company had been made to the Meat Board and had not been dealt with the Chairman of the Meat Board made a public statement through the Press that the Board had unanimously approved of the sale of this company's works to Vestey Bros. Under these circumstances your directors decided not to go before the Meat Board in the matter unless it gave an intimation that the Chairman's statement did not amount to a prejudgment, and that the Board disclose with whom they had been in communication in the matter, which the Board would not do. The directors state that it was not right for the Government and the Meat Producers' Board to have left this company as the prey of this huge combine of Vestey Bros., which is acknowledged to be the largest oversea company