

Report of the Director of Audit on the Accounts of  
The Ham and Bacon Factory  
for the years ended 31st December, 1956 and 31st December, 1957.

AUDIT CERTIFICATE.

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The books and accounts of the Ham and Bacon Factory have been examined for the years ended 31st December, 1956 and 31st December, 1957. I certify, as a result of this examination that, in my opinion and according to the best of my information and the explanations given to me, the Attached Balance Sheet exhibits a true and fair view of the Factory's affairs as at 31st December, 1956 and 31st December, 1957 subject to the comments contained in the attached report.

D. W. JONES

Director of Audit.  
19.1.60.

Report of the Director of Audit on the Accounts of

The Ham and Bacon Factory

for the years ended 31st December, 1956 and 31st December, 1957.

As certified thereon the accounts of the Ham and Bacon Factory have been examined for the years 1956 and 1957.

1956.

2. It has not been possible to verify that total quantities of pork purchased have been accounted for due to inadequate stock records. Similarly, the records have not revealed the losses of weight resulting from the manufacturing activities.

Trading and Profit and Loss Accounts.

3. The gross profit of \$13,138.52 represents approximately 12% of turnover as compared with a return of 22.5% for the year ended 31st December, 1955. The percentage of gross profit to turnover for each of the four quarters during 1956 is as follows -

March	quarter -	17.3
June	"	- 10.9
September	"	- 7.3
December	"	- 13.9

4. It will be observed that there has been a substantial drop in the percentages recorded for the June and September quarters. There has been no perceptible variation in the purchase price of pigs during the March and June quarters but a drop of two cents per lb. has been observed during the September quarter.

5. A comparison of selling prices of goods sold on credit during the period January 2nd to September 30th, 1956 - a comparison of prices for cash sales has not been possible on account of the introduction of the cash register system - has not revealed appreciable reductions; there was an increase in the prices of streaky bacon and pork chops. The decline in the percentage of gross profit to turnover, in the circumstances, appears to have been attributable to leakages in distribution.

6. The gross profit for the year has been shown as \$13,141.68 whereas the sum of \$15,678.80 has been paid into the Treasury. The difference of \$2,537.12 represents a portion of the gross profit earned during 1955 which had been retained by the Factory to augment the working capital temporarily.

7. Management expenses have not been recorded in the Factory's accounts.

8. Expenditure totalling \$190.60 has not been supported by receipted vouchers.

9. Stock of Preservatives, \$1,202.39. The existence of this asset as at 31st December, 1956 has not been verified by the Board of Survey.

1957.

10. The selling activities of the Factory were transferred to the Government Produce Depot with effect from 2nd January, 1957. Purchases have been made from Produce Depot funds and only actual quantities required for manufacturing purposes have been charged to the Factory. All manufactured products have been transferred to the Produce Depot at cost. As a result of this change of policy manufacturing expenses only have been borne by the Factory; expenses of distribution, administration, interest and replacement charges have been carried by the Produce Depot.

Manufacturing Statement.

11. It has not been possible to verify quantities of pork purchased from the Produce Depot for manufacturing purposes nor the quantities of manufactured products transferred at cost to the Produce Depot as the relevant records have not been produced.

Balance Sheet.

12. Sundry Debtors - Open Accounts \$496.69.

This asset includes several balances owing by employees of the Marketing Organisation which have been outstanding for a long time.

D. W. JONES  
Director of Audit.  
19.1.60.

H A M A N D B A C O N F A C T O R Y

BALANCE SHEET AS AT 31st DECEMBER, 1956

L I A B I L I T I E S

Treasurer:

Working Capital	\$ 35,000.00	
Less: Current Account	<u>911.31</u>	\$ 34,088.69

Sundry Creditors:

891.12

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\$ 34,979.81

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Cash:

In hand	
At Bank	
Petty Cash	

\$ 3,541.76	
8,823.20	
<u>50.00</u>	\$ 12,414.96

Stock:

Goods in Process	
Preservatives	

\$ 619.88	
<u>1,202.39</u>	\$ 1,822.27

Sundry Debtors:

Open Accounts	
Govt. Produce Depot	

\$ 5,038.25	
<u>15,704.33</u>	\$ 20,742.58

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\$ 34,979.81

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Certified Correct:

*[Signature]*  
 Chief Accountant,  
 Marketing Division.

*[Signature]*  
 General Manager,  
 Marketing Division.

H A M A N D B A C O F A C T O R Y

TRADING AND PROFIT & LOSS STATEMENT FOR JANUARY TO DECEMBER, 1956.

Opening Stock

Ham & Bacon	\$ 4,802.41		
Other Products	818.08		
Goods in Process	<u>7,479.32</u>	\$ 13,099.81	
<u>Purchases</u>		<u>98,141.43</u>	
		\$111,241.24	
<u>Less: Stock transferred to G.P.D</u>			
Ham & Bacon	\$ 3,040.81		
Other Products	82.88		
Pork	<u>11,182.04</u>	<u>14,305.73</u>	
		\$ 96,935.51	
<u>Gross Profit C/D</u>		<u>13,138.52</u>	
		<u>\$110,074.03</u>	

Manufacturing Expenses

Wages	\$ 3,817.79		
Abattoir Expenses	1,292.22		
Fuel	162.00		
Miscellaneous Expenses	413.26		
Equipment	37.93		
Cold Storage	2,400.00		
Power	298.44		
Preservatives	<u>1,973.78</u>	\$ 10,395.42	

Selling Expenses

Equipment	\$ 78.19		
Miscellaneous Expenses	935.02		
Wages	2,592.46		
Contingencies	13.36		
Export Expenses	<u>390.21</u>	\$ 4,009.24	

Administrative Expenses

Printing & Stationery	\$ 21.54		
Salaries	<u>2,064.00</u>	\$ 2,085.54	
Degradation of Preservatives		<u>319.80</u>	
		\$ 16,810.00	

Sales

Finished Goods	\$ 60,689.60		
Residual Pork Cuts	<u>48,764.55</u>	\$109,454.15	
Stock of Goods in Process (Ham & Bacon)		<u>619.88</u>	

Gross Profit B/D

<u>Other Income</u>			
Cash Over	\$ 2.69		
Sundry Revenue	<u>.47</u>	\$ 3.16	
<u>Net Loss</u>		<u>\$ 3,668.32</u>	

\$110,074.03

\$ 13,138.52

CERTIFIED CORRECT:

*[Signature]*  
6.5.57

*[Signature]*

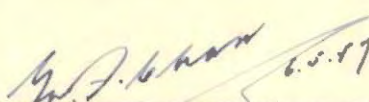
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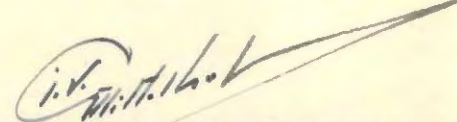
HAM AND BACON FACTORY

MANUFACTURING STATEMENT FOR THE PERIOD JANUARY - DECEMBER, 1956.

Goods in Process at 1.1.56		\$ 7,479.32
Purchases	\$ 98,141.43	
Wages	3,817.79	
Abattoir Expenses	1,292.22	
Fuel	162.00	
Miscellaneous Expenses	413.26	
Equipment	37.93	
Cold Storage	2,400.00	
Power	298.44	
Preservatives	1,973.78	\$108,536.85
		\$116,016.17
<u>Less</u> : Proceeds from sale of Residual Pork Cuts	47,767.97	
<u>Less</u> : Consignment Sales (Quesnell & Co.)	996.58	48,764.55
		\$ 67,251.62
<u>Less</u> : Stock of pork transferred to G.P.D.		\$ 11,182.04
		\$ 56,069.58
<u>Less</u> : Goods in Process at 31.12.56.		619.88
		\$ 55,449.70
Cost of Production.		

CERTIFIED CORRECT:

  
 Chief Accountant,  
 Marketing Division.

  
 General Manager,  
 Marketing Division.

HAM AND BACON FACTORY

PROFIT & LOSS STATEMENT FOR THE PERIOD JANUARY - DECEMBER, 1956.

<u>Sales</u>	...	...	...	...	...	...	...	...	...	\$60,689.60
Stock of Finished Goods at 1.1.56.										
Ham & Bacon				\$ 4,802.41						
Other Products				818.08		\$ 5,620.49				
<u>Cost of Production</u>						<u>55,449.70</u>				
										\$61,070.19
<u>Less: Shrinkage</u>	\$ 305.99									
Transferred to										
G.P.D. (Stock of										
Ham & Bacon " "	3,040.81									
Other Products	82.88									\$ 3,429.68
<u>Cost of Goods Sold.</u>										<u>\$57,640.51</u>
<u>Gross Profit</u>										\$ 3,049.09
Add: Other Income										
Cash Over				\$ 2.69						
Sundry Revenue				.47						3.16
										<u>\$ 3,052.25</u>
<u>Less:</u>										
Other Charges:										
Degradation of										
Preservatives				\$319.80						
Shrinkage				305.99						\$ 625.79
										<u>\$ 2,426.46</u>
<u>Operating Profit</u>										
<u>Selling Expenses</u>										
Equipment				78.19						
Misc. Expenses				935.02						
Wages				2,592.46						
Contingencies				13.36						
Export Expenses				390.21						\$ 4,009.24
<u>Administrative Expenses</u>										
Salaries				\$ 2,064.00						
Stationery & Printing				21.84						\$ 2,085.54
										<u>\$ 6,094.78</u>
<u>Net Loss</u>										\$ 3,668.32

CERTIFIED CORRECT:

*G. J. ...*  
6.5.57

Chief Accountant,  
Marketing Division.

*J. V. ...*

General Manager,  
Marketing Division.



H A M A N D B A C O N F A C T O R Y

BALANCE SHEET AS AT 31st DECEMBER, 1957.

L I A B I L I T I E S

A S S E T S

TREASURER

Working Capital ..	\$ 35,000.00	
Less Current Account	<u>911.31</u>	\$ 34,088.69

\$ 34,088.69

CASH

In Hand ..	.. \$	7.63	
At Bank ..	..	397.83	
Petty Cash ..	..	<u>10.00</u>	\$ 415.46

GOVT. PRODUCE DEPOT .. \$ 27,455.93

Preservatives trans- ferred to G.P.D. ..		771.77	
Goods in Process transferred to G.P.D.		4,948.84	
Sundry Debtors trans- ferred to G.P.D. ..		<u>496.69</u>	\$ 33,673.23

\$ 34,088.69

CERTIFIED CORRECT:

*E. P. Khan*  
31.3.58

Chief Accountant,  
MARKETING DIVISION.

*i.v. M. H. V.*  
4/4/58

General Manager,  
MARKETING DIVISION.

H A M & B A C O N F A C T O R Y

MANUFACTURING STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 1957.

Goods in Process at beginning of year	..	..	\$	619.88
Purchases	..	..	\$	35,662.88
Salaries	..	..		2,064.00
Wages	..	..		5,382.48
Miscellaneous Expenses	..	..		219.45
Cold Storage	..	..		2,400.00
Power	..	..		275.16
Preservatives	..	..		2,026.66
				<u>\$ 48,030.63</u>
				\$ 48,650.51
Less Goods in Process at close of year	..	..		<u>4,948.84</u>
				<u>\$ 43,701.67</u>
				<u><u>\$ 43,701.67</u></u>

CERTIFIED CORRECT:

*[Signature]*  
 21.12.57  
 \_\_\_\_\_  
 Chief Accountant,  
 MARKETING DIVISION.

*[Signature]*  
 4/4/58  
 \_\_\_\_\_  
 General Manager,  
 MARKETING DIVISION.

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H A M A N D B A C O N F A C T O R YMANUFACTURING STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 1957

	<u>Shoulder Bacon</u>			<u>Streaky Bacon</u>			<u>Back Bacon</u>			<u>Boneless Ham</u>			<u>Leg Ham</u>			<u>Picnic Ham</u>		
	<u>lbs</u>	<u>ozs</u>	<u>Value</u>	<u>lbs</u>	<u>ozs</u>	<u>Value</u>	<u>lbs</u>	<u>ozs</u>	<u>Value</u>	<u>lbs</u>	<u>ozs</u>	<u>Value</u>	<u>lbs</u>	<u>ozs</u>	<u>Value</u>	<u>lbs</u>	<u>ozs</u>	<u>Value</u>
1st Quarter	4,494	-	\$ 3,340.84	3,108	-	\$ 2,287.98	1,540	-	\$ 1,136.18	-	-	\$ -	-	-	\$ -	-	-	\$ -
2nd Quarter	5,892	12	4,355.33	2,701	-	2,009.09	1,453	-	1,082.83	977	-	718.61	148	8	107.56	-	-	-
3rd Quarter	6,757	-	4,848.28	3,765	-	2,706.74	3,443	-	2,460.04	1,060	-	757.96	247	-	173.68	-	-	-
4th Quarter	5,038	2	3,603.78	2,913	-	2,072.30	3,703	8	2,606.34	1,216	9	787.10	1,372	-	730.14	896	-	\$ 462.75
<b>TOTALS</b>	<b>22,181</b>	<b>14</b>	<b>\$16,148.23</b>	<b>12,487</b>		<b>\$ 9,076.11</b>	<b>10,139</b>	<b>8</b>	<b>\$ 7,285.39</b>	<b>3,253</b>	<b>9</b>	<b>\$2,263.67</b>	<b>1,767</b>	<b>8</b>	<b>\$1,011.38</b>	<b>896</b>	<b>-</b>	<b>\$ 462.75</b>

	<u>Sausages</u>			<u>Lard</u>			<u>Crackling</u>		
	<u>lbs</u>	<u>ozs</u>	<u>Value</u>	<u>lbs</u>	<u>ozs</u>	<u>Value</u>	<u>lbs</u>	<u>ozs</u>	<u>Value</u>
1st Quarter	2,179	-	\$ 1,462.64	1,601	8	\$ 248.35	555	-	86.44
2nd Quarter	2,411	-	1,612.49	2,024	-	320.36	636	-	100.65
3rd Quarter	2,328	-	1,470.36	2,160	-	260.01	661	8	81.32
4th Quarter	2,221	-	1,470.01	1,680	-	245.97	650	14	95.54
<b>TOTALS</b>	<b>9,139</b>	<b>-</b>	<b>\$ 6,015.50</b>	<b>7,465</b>	<b>8</b>	<b>\$1,074.69</b>	<b>2,503</b>	<b>6</b>	<b>\$ 363.95</b>