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# سابا وشركاهم

## محاسبون وفاحصو حسابات

### المدير العام: فواد صالح سابا

بكلوريوس تجارة وعضو في جمعية المحاسبين القانونيين وجمعية التحكيم  
والجمعية الاقتصادية الملكية

## SABA & CO.

### ACCOUNTANTS AND AUDITORS

PRINCIPAL: F. S. SABA, B.COM., F.C.R.A., A.I.A.R.B., F.R.ECON.S.

القدس: بناية جمعية التوراة

تلفون ٣٢٩٥ - ص.ب ٥٧٧

تلفرافياً: «الكاونتانت - القدس»

المدير: نجيب ديبك

بافا: بناية بستر الجديدة

تلفون ٢٢٧ - ص.ب ٦٢٤

المدير: جليل قندلفت

حيفا: ٢١ شارع الملوك

تلفون ٣٨٤٠ - ص.ب ٨١

مدير قسم الحسابات: كرم خوري ب.ع.ت.

مدير قسم التصفيات: ادب جدع

بيروت: بناية طراد، شارع ويقان

تلفون ٨٣-٦٤ - ص.ب ٩٦١

المدير: فواد ابو عز الدين ب.ع.ت.

Jerusalem, 5th. May 1943.

### AUDITORS' REPORT

### ON THE ACCOUNTS OF THE SAFAD FOOD SYNDICATE

### FOR THE PERIOD FROM 8.10.1941 TO 30.11.1942

We beg to report that we have audited the accounts of the Safad Food Syndicate for the period from 8.10.1941 to 30.11.1942 (i.e. 13 months and 23 days), and we attach a Profit and Loss Account for the said period and the Balance Sheet as at the 30th. November, 1942.

We have been pleased to obtain all the information and explanations we have required and we believe that the attached Balance Sheet, which bears our signature, has been properly drawn up exhibiting a true and correct view of the state of the Syndicate's affairs according to the best of our information and the explanations given to us and as shown by the books of the Syndicate, subject however, to the following remarks:-

(1) It seems to us that the Syndicate has no legal status. It is merely an administrative association of wholesale merchants of Safad and some villages of the Safad sub-district, divided into the following four groups:-

- i Villages,
- ii Arab Wholesale Merchants,
- iii Arab Millers, and
- iv Jewish Wholesale Merchants.

The Capital contribution of each individual of the said four groups is shown in schedule No.2 attached.

We understand that the said association was conceived by the Civil Administration and put into practice in October 1941. The main objects thereof were to prevent the smuggling of controlled foodstuffs out of the sub-district into the neighbouring countries and to insure a fair distribution of the said food commodities among the population of Safad and its sub-district.



We understand further that the arrangements of the District Officer, Safad, with the Merchants with regard to the distribution of profits were as follows:-

- a) 250 mils per ton of flour to be paid to every merchant.
- b) One pound per month to be paid to every merchant besides Messrs Ahmad Husary, Subhy Deeb, Khaled Mustapha Abdullah and Muhideen Hadeed, for their share in the profits of sugar.
- c) Every merchant to contribute towards the capital of the Syndicate the sum of £P 33.333 mils.

Due to the above facts, the accounts of the Syndicate in its initial stages, i.e. from 8.10.1941 to 27.1.1942, were handled by Sub-Accountant of Safad, as a deposit account. The management was conducted by the District Officer with the help of his staff. It was thought at the start that the Syndicate would not surpass or exceed an administrative affair dealing in the controlled foodstuffs at the time, namely flour and sugar.

In January 1942, however, the turnover of the Syndicate increased beyond expectations, and consequently a separate full time staff was engaged, which staff was occasionally assisted by the staff of the District Officer. The effective management and control, however, were retained by the District Officer.

At this juncture also, the accounts were taken off the hands of the Sub-Accountant, and new books of account were started. At the same time a bank account was opened on 26.1.42 with the Anglo-Palestine Bank, in the name of the District Officer-Food Control-Special Account. This account was kept up until 31.5.42, when another bank account was opened in the name of the Safad Food Syndicate. The former account was gradually liquidated and finally closed on 3.7.42. The delay was due to the fact that cheques issued before 31.5.42 on the former account were cashed after that date.

(2) The books and documents handed to us and relating to the Safad Food Syndicate were the following:-

- a) A statement of the Deposit Account of the Sub-Accountant from 8.10.41 to 4.2.42, together with the relative Receipt and Payment Vouchers;
- b) A Cash Book in English from 26.1.42 to 31.5.42;
- c) A Cash Book in Arabic from 31.5.42 to 30.11.42;
- d) Three Stock Books in English, from 8.1.42 to 31.5.42;
- e) A Control Stock Book in English from 7.1.42 to 31.5.42;



f) Four Books of Account in English for the Wholesalers, Retailers and Villages from 12.1.42, (which books were completed by us);

g) Two Stock Books in Arabic from 9.6.42 to 30.11.42;

h) A Control Stock Book in Arabic from 9.6.42 to 30.11.42;

i) Various files containing receipts, payment vouchers and invoices; and

j) Bank Statements from 26.1.42 to 30.11.42.

(3) The accounts of the Syndicate, for the sake of convenience, are divided into two periods.

A) The first period from 8.10.41 to 26.1.42, when the accounts were handled by the Sub-Accountant as Deposits. We have not audited the transactions of this period as we understand that they are subject to Audit by the Colonial Audit Department. We only analysed into the following heads the statement of the Sub-Accountant covering the said period, and we incorporated the undermentioned statement into the general accounts of the Syndicate.

<u>RECEIPTS</u>		<u>PAYMENTS</u>	
	<u>£p. mils</u>		<u>£p. mils</u>
Sales	4932.277	Purchases	6132.910
Deposits- Capital Contribution		Rent	23.000
Arab Wholesalers	400.000	Transport & Portorage	237.520
Arab Millers	133.333	Wages	11.194
Villages	399.500	General Expenses	1.140
Jewish Merchants	600.000		6405.764
		Balance due	59.346
	<u>6465.110</u>		<u>6465.110</u>

The amounts of sales and purchases shown above were further analysed into the sales and purchases of the respective commodities within the general accounts. The analysis was based on the explanations appearing on the Receipt and Payment Vouchers of the Sub-Accountant and the information given to us by the District Officer.

B) The second period is from 26.1.42 to 30.11.42, and the accounts thereof were kept independently. The said accounts were kept in a primitive and distorted manner on the Single Entry System. The Cash Book bore no relation to the Stock Books. An attempt was made at keeping current accounts in the four books mentioned under 2(f) above, a separate book for the wholesale merchants, another for the accounts of the villages and two for the accounts of the retailers. These latter books, after a short period, proved to be complicated for the clerk to maintain and were later abandoned.



Moreover, from 26.1.42 up to 12.3.42, payments into the bank were made either by the storekeeper or by the individual purchasers or contributors. From 12.3.42 up to 4.9.42, all monies were cashed by the storekeeper and deposited in the bank by him daily. There were, however, few exceptions. From 4.9.42 up to 30.11.42 every individual purchaser had to pay the value of the goods he wanted to purchase into the bank and produce the bank receipt to the storekeeper before taking delivery of the goods. The bank receipt was retained by the storekeeper. These changes in the mode of dealing with the bank and the fact that many prospective purchasers kept the bank receipt with them for some time before delivering it to the storekeeper and buying the goods, made it a very difficult and lengthy procedure to reconcile the bank statements with the cash book; the more so that the bank transactions were numerous and the bank statements did not contain any information as to the payer.

The Cash Book was kept as a record for receipts and payments, simply and purely. We checked the receipts with the bank statements. The payments were invariably effected by cheques and were supported by relative receipts, except for the amounts detailed in schedule No.3 attached.

Scanty explanations were annexed to the receipts, which entailed difficulties in deciding about the nature of the receipt, whether for sales, deposits, loans, or capital contribution. Wherever the name of the payer was given clearly we credited the respective person for the amount. This resulted in keeping personal accounts of well over 250 individuals. These current accounts, or some of them were started by the clerk of the Syndicate over a short period and later abandoned.

The stock books were balanced and checked daily by a clerk of the District Offices, who also verified the sales and tallied the amount deposited in the bank with the amount of the sales. No continuity, however, existed in the books, and no running record was kept of sales, purchases, deposits or any other phase of the accounts.

The records of the quantities of sales, moreover, were kept in the stock books either in kilograms, rottles or sacks, without giving any relation between the three measures used. Sometimes also



a combination of any two or the three measures were used for the same transaction. Due to this fact we had to convert all these sales into one common measure, which entailed a lengthy procedure.

(4) Due to the incomplete manner in which the accounts were kept, we had to reconstruct the whole accounts in a proper manner and on the double entry basis, before we could extract a Profit and Loss Account and the Balance Sheet. The books of the Syndicate contained most of the information required for the construction of the accounts. Further information was obtained from the bank, the various suppliers of the goods and from the District Officer.

We started a Journal and a Ledger, and completed the Current Accounts. We, moreover, compiled a Sales Book. As most of the sales and the payments into the bank were made by the storekeeper, we made his account as the basis and we debited and credited him with all the sales and payments into the bank which were lacking in explanation. In the other cases, where the buyer or the payer were known, we debited and credited their respective accounts. Due to the possible errors of omission resulting from this procedure and from the scanty information, we emerged with a credit balance of £ 699.121 mils in favour of the storekeeper. This balance was transferred to the Current Accounts, thus finally clearing the account of the storekeeper.

(5) The statement of Profit and Loss:

A) The Gross Profit arising from the transactions of each brand of the commodities traded in was as follows, divided into wholesale and retail profits:-

Commodity	Quantity Sold Kgs.	Wholesale Gross Profit £.mils	Retail Gross Profit £.mils	Gross Profit arising from Increase of Offi- cial Cost Price £. mils	Total Gross Profit £. mils
Non-Standard Flour	230450	230.450	147.730		378.180
Standard Flour	1832358	1832.358	2545.898	988.209	5366.465
Sugar	318869	500.955			500.955
Rice	44275	175.558		43.131	218.689
Barley	42914	101.512			101.512
White Flour	86577	187.515			187.515
Wheat	394	4.644			4.644
Sundry Sales		161.509			161.509
		3194.501	2693.628	1031.340	6919.469



The gross profit of £ 161.509 mls is that arising from part of the sales effected during the period from 8.10.41 to 26.1.42, when the accounts were handled by the Sub-Accountant, and which sales could not be analysed into the various commodities for lack of sufficient information.

The gross profit of the standard flour of £ 988.209 mls, arising from the increase of the cost price, is due to the increase in price per ton on 1.8.42 from £ 21.- to £ 30.- when at that time the Syndicate had in stock a quantity of 109.801 tons.

The gross profit of £ 43.131 mls in respect of rice is similarly due to rise in cost price per ton from £ 25.500 mls to £ 32.

The wholesale profit shown above is calculated on the gross profit allowed by Government per ton for the wholesaler. The balance of the total gross profit, less any profits due to rise in price, was taken to be the retailer's profit.

B) Transport and Porterage- £ 3248.351 mls. This amount represents the following expenditure:-

Commodity	Tons	Amount of Transport	Average Cost Per Ton
-----	-----	-----	-----
		£. mls	£. mls
Standard Flour	1900.915	2181.726	1.147
Sugar	326.874	263.764	.807
Barley	48.260	14.220	.295
Wheat	4.334	8.000	1.846
Unallocated	379.777	673.149	1.772
Porterage		107.492	.040
	<u>2660.160</u>	<u>3248.351</u>	
	=====	=====	

Average cost of transport and porterage per ton, as shown from the above figures is £ 1.221 mls. This average, however, is calculated on the total quantities received which could be ascertained. There were quantities bought during the period from 8.10.41 to 26.1.42, the extent of which could not be ascertained, and had they been ascertainable, the average cost would have been lower.

C) Deficiencies in Stocks. - On taking physical stocktaking on 30.11.42, the deficiencies shown in the Profit and Loss Account appeared.

No stock books were kept during the period from 8.10.41 to 7.1.42, and consequently we could not verify the stocks brought forward in the stock books on the 7th. January, 1942.



In verifying the stock books we detected some mistakes in balancing which effected the stock on hand on 30.11.42 as shown by the books. These errors were rectified and the deficiencies, appearing in the Profit and Loss Account, are the net deficiencies after such rectification. We have not, however, weighed the standard flour on 30.11.42 due to the fact that the quantity was large and would have taken a long time. In this case, we took the stock on hand as appearing in the stock book after rectification.

We are informed that the deficiencies are normal and would be expected in similar businesses. They result from the retail trade.

D) Excess in stocks:

The quantity of standard flour purchased less the stock-on-hand on 30.11.42 was 1827,545 tons, while the sales were 1832.358 tons. This resulted in an excess of 4.813 tons. No sufficient explanation was given for this excess and the reason therefor could not be ascertained from the books; the more so that all the quantities purchased have been accounted for.

At the same time there was an excess of 628 kilograms in the Sugar account, as the purchases less the stock-on-hand on 30.11.42 were 318.241 tons, while the sales were 318.869 tons. We are informed that this excess might be due to extra care in the weighing of Sales, and due to the fact that the Sugar purchases were in net weight while the sales were in gross weight.

E) Cash in Excess found in the store - Rp.105

This amount was paid into the bank on 19.8.42 with the explanation that it is cash in excess found in the store. We could not trace any reason for this excess and no explanation was given to us as to its probable nature, ~~of this excess~~. We included it as an income to the Syndicate.

The excess was found as the result of the checking of the Accounts and stocktaking ordered by the District Officer. Due to this surplus, the District Officer instructed the storekeeper that all monies have to be paid to the bank. (Second paragraph of Section B refers). We understand that this excess led the District Officer to ask for the audit of the accounts of the Syndicate.

Since all purchases from 7.1.42 to 30.11.42 were accounted for,



we could not come to any conclusion as to the reason for this excess. It is possible, however, that it has arisen from sales of surpluses of supplies.

F). We have satisfied ourselves as to the quantities of goods received during the period 26.1.42 to 30.11.42, and fully traced the sale thereof; subject, however, to the following remarks:

(i) Deficiencies were found as shown in the Profit and Loss Statement and as explained in paragraph 5(C) above.

(ii) On 31.7.42, a quantity of 504 kgs. of white flour was reduced from the stock on the contention that the said quantity was damaged through dampness.

(iii) A quantity of 361 kgs. of barley was reduced from the stock on 2.11.42 with the explanation that it is a deficiency in stock which has been duly reported. The net deficiency in barley appearing upon physical stocktaking, however, was reduced to 325 kgs. only.

(iv) On 21.5.42 a quantity of 640 kgs. of Standard Flour was reduced from the stock with the explanation that this deficiency was due to the selling in retail and by rottles.

(v) (a) Standard flour -- The quantities of standard flour received were checked with the relative statements of the supplying flour mills.

(b) Barley -- The quantity purchased according to the books of the Syndicate was 48260 kgs. of which 48000 kgs. were bought of Messrs. Steel Brothers & Co. Ltd. The statement of the suppliers, however, only showed the quantity of 18000 kgs. of barely as sold to the Syndicate. We requested the suppliers to confirm the quantity as appearing in the books of the Syndicate, but they failed to do so. Consequently we have taken the quantity appearing in the books of the Syndicate as correct.

(c) Sugar -- The quantity purchased during the period from 11.2.42 to 26.10.42 was 280524 kgs. which was wholly purchased from Messrs. Steel Brothers & Co. Ltd. The statement of the suppliers, however, only showed the quantity of 251524 kgs. They failed to confirm to us the quantities as appearing in the books of the Syndicate.



(d) Rice -- The quantity bought during the period from 8.10.41 to 30.11.42 was 62350 kgs. of which 52500 kgs. were purchased from Messrs. Steel Brothers & Co. Ltd. on 27.5.42 for the value of £1680.-. The suppliers failed to confirm the fact that they have supplied the Syndicate with any rice.

In the cases of barley, sugar and rice we had to take the books of the Syndicate as true, due to the fact that the values of the purchases were invariably paid by cheques drawn to the order of Messrs Steel Brothers and Co. Ltd., and which cheques have been cashed by them as certified by the Anglo-Palestine Bank of Safad, irrespective of the fact that the said suppliers failed to confirm the quantities of the goods delivered to the Syndicate.

(e) Affula Flour<sup>(non-standard)</sup> -- The quantity appearing in the books of the Syndicate during the period 7.1.42 to 26.1.42, when the Standard Flour was introduced, was 230450 kgs. It appears that there were other quantities purchased before 7.1.42, but the extent of which could not be verified, neither from the books of the Syndicate nor from the suppliers, as the supplies were bought by certain employees or merchants and apparently the suppliers at the time kept no running record therefor.

(f) Canadian and Australian Flour -- 86977 kgs. The greatest part of this quantity was purchased during the period 8.10.41 to 26.1.42. There were other quantities purchased during that period also, but the extent of which could not be ascertained. The quantities purchased from Messrs. Steel Brothers & Co. Ltd. have been verified with the statement of the suppliers and found correct.

(g) Wheat 4334 kgs. -- This quantity was exchanged on 12.8.42 by two Jewish settlements for 3250 kilograms of flour, and was valued at £68.250 mils. The quantity of flour given in lieu thereof, however, valued at the prevailing price of flour at the time of £32.050 mils per ton, was worth £104.163 mils.

The selling prices of non-standard and standard flour varied depending on the purchaser, whether a wholesaler, a retailer, a miller or a villager. The rebates gained by each group, if any, due to the variance in prices is shown in section 6(c) hereunder.

We are informed that the Syndicate traded mainly as wholesalers,



but the District Officer made an arrangement whereby a retail trade was carried on at the same time. We are, moreover, informed that the selling prices either for wholesale or retail were in accordance with the prices fixed by Government, and in the case of standard flour, the retail price in many cases has been lower than that fixed by Government.

(6) The Balance Sheet as at 30th. November, 1942.

A) Assets

(i) Sub-Accountant - Safad -- £P.59.346 mils: This amount is due from the Sub-Accountant, being the balance of the Deposit Account of the Syndicate HANDLED BY HIM, and it was certified by the Sub-Accountant. (Paragraph 3 A refers).

(ii) Stocks-in-trade -- £P.3217.539 mils: The values of these stocks were taken at the cost price prevailing at the time of the balance sheet and upon the quantities found by physical stocktaking on 30.11.42. The stock-taking was made by us, the storekeeper Mr. Mustapha Sayyed Hassan and two merchants of the Syndicate, namely Messrs. Khaleel Khauly and Ezzudeen Hijazi, and it was duly certified by them. We did not, however, take a physical stock-taking of the standard flour as, at the time, the quantity in stock was according to the books 73370 kgs. or about 1174 sacks filling two depots. As the actual stock-taking of this quantity required a long time, with the agreement of the merchants, we took the stock book figure as true.

(iii) Steel Brothers & Co. Ltd. -- £P.1122.943 mils: This amount was paid to them on 25 and 26.11.42 for the value of 35693 kgs. sugar and 3500 kgs. barley which were not delivered up to 30.11.42.

(iv) Ha-Emek Flour Mills, Ltd. -- £P.813.892 Mils: This amount is due from them for value of flour not delivered up to 30.11.42.

(v) Khalsa Depot -- £P.902.804 mils: Amount due from Khalsa Depot for value of goods sold to them and not paid for.

(vi) Lebanon Flour Mills -- £P.110.880 mils: Amount due from them for monies paid to them for value of flour not delivered up to 30.11.42.

B) Liabilities

(i) Yezreel Flour Mills -- £P 30.--: Amount due to them for value of flour delivered.



(ii) Y. Benderly & Co. -- SP.1600.--: Amount paid by them to the Syndicate on 5.11.42 and 25.11.42 on account of value of goods not delivered to them by 30.11.42.

(iii) Sub-Accountant, Safad -- SP.67.275 mils: This amount was paid into the bank account of the Syndicate on 13.11.42 by the Customs Officer in charge Metulla by error. It is an amount due by the Customs Officer which ought to have been paid to the Sub-Accountant. We understand that this amount was later refunded to the Sub-Accountant.

(iv) Arab Wholesalers and Millers -- SP.102.729 mils: This amount is due to them being their unpaid share in the profits of the flour for the months of October and November, 1942, at the rate of 250 mils per ton on the quantity sold during the said two months of 267.317 tons; and their share of the profits of sugar at the rate of SP.1.- per month.

(v) Saleem Quaddoura and Mustapha Hassan -- SP.16.--: This amount is due to them for salaries earned but unpaid as follows:-

Saleem Quaddoura	- October & November 42	- SP.14.---
Mustapha Hassan	- Balance for November 42-	2.---

(vi) Deposits (Capital) -- SP.2229.823 Mils: This amount represents the total contributions of the various groups associated with the Syndicate and as detailed in schedule No.2 attached. These amounts were confirmed by the District Officer.

(vii) Profit and Loss Account -- SP 2526.982 mils:

The net profit as shown by the Statement of Profit and Loss for the period 8.10.41 to 30.11.42 was SP.3157.082 mils. The amount of profits distributed, i.e. SP.630.100 mils, was deducted therefrom.

The profits distributed were at the rate of 250 mils per ton of flour sold, and SP.1.- per month to each wholesaler for the profits on Sugar. The Arabs got the profits on the quantities sold in the Arab market, and the Jews got their profits on the quantities sold in the Jewish market. The Jews, however, got a part of their profits directly as a rebate on the price of the flour bought by them. Details of such rebates and similar rebates to other bodies are shown in paragraph C hereunder.

The flour profits distributed were as follows:-



Period	Arab Wholesalers £P. mils	Arab Miller £P. mils	Jewish Merchants £P. mils	Total £P. mils
Up to 30.4.42	160.121	105.250		265.371
May and June 1942	82.500	27.500		110.000
July, August and September 1942	90.468	30.157		120.625
October 1942	28.122	9.373		37.495
November 1942	22.675	7.559	27.375	57.609
Totals	383.886	179.839	27.375	591.100

The profits paid to the Jewish group and amounting to £P 27.375 mils, were for the months of August, September, October & November 1942.

The profits paid to the Arabs were calculated on the quantity sold to the Arabs and the result was divided among 16 parties, 12 wholesale merchants and 4 millers. This has been adopted all through, except for the period up to 30.4.42 where the whole profits on the quantity of 640.5 tons sold to the Arabs was paid to the 12 wholesale merchants, and which amounted to £P.160.121 mils. The amount of £P 105.250 mils was, moreover, paid to the millers covering the same period and we did not receive any explanation relating to this amount and its calculation.

The profits distributed in respect of sugar were as follows:-

Ibrahim Sarsour	£P. 4	4 months
Fuad Khauly	7	"
Mustapha Nakib	7	"
Shukry Quaddoura	4	"
Rasheed Sa'dy	4	"
Haj Fayyad Salty	9	"
Bahjat Fareed	1	"
Khaleel Khauly	2	"
Amin Zeid	1	"
	£P.39.000	

The months for which no profits were paid to the wholesalers, the said wholesalers were allowed for that month a certain quantity of sugar at a price allowing them a gain of £P1- thereon, when sold in retail for the fixed price. Thus, all the merchants received their due share of the profits of sugar of £P.1- per month either directly, or in the form of a rebate.

c) Rebates in selling prices:

Certain discounts in the price of standard flour were allowed to some purchasers, and the extent of such discounts allowed from 26.1.42 to 30.9.42 was as follows:-

Contributing Villages, per Schedule No.4 attached	£P. mils
Arab wholesalers and Millers	27.322
Y. Benderly & Co.	15.840
Sundry Villages and purchasers	16.240
	18.626
	78.028
	=====



From 1.10.42 to 30.11.42, prices charged were uniform all through, as follows:-

	sp. mils	per ton of standard flour
Villages	31.680	" " " " "
Wholesalers	31.790	" " " " "
(Arabs & Jews)		
Others	32.050	" " " " "

Moreover, the following villages were paid refunds in cash on account of flour as follows:-

	sp. mils
Ja'ouny	3.000
Meiroun	11.600
Ein Zeitoun	94.600
Teitaba	.500
	<u>109.700</u>
	=====

#### (7) Conclusion

A) Inspite of the incomplete nature of the records kept by the Syndicate, most of the information required for the construction of proper accounts along the double entry basis were available, and such accounts were constructed, although at some pains. In some instances, however, we had to resort, for explanations and information, to the District Officer and the Anglo-Palestine Bank, and to confirmations from the various suppliers of the goods.

B) The personal management and supervision of the District Officer and his inspection of the daily stock returns was, to a certain degree, an effective restraint upon the clerks handling the affairs of the Syndicate. This restraint was increased by the fact that all payments were invariably made by cheques and all receipts were daily deposited into the bank, and by the fact that a clerk of the District Officer checked daily the amounts of sales with the amounts deposited into the bank. He did not, however, always check the quantities and balances in stock.

C) The gains of the contributing wholesale merchants and Millers were as follows:-

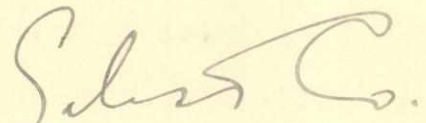
	sp. mils
Flour profits distributed	591.100
Sugar profits distributed	39.000
Rebates earned - Arabs	sp.15.840
- Jews	16.240
Sugar profits earned indirectly (Paragraph 6(b)(vii) refers	<u>32.080</u>
Ten months from 1.2.42-30.11.42 at sp.1.- per month for each wholesaler, 12 wholesalers earned	sp 120.-
Less amounts paid	<u>39.-</u>
	81.000
	<u>743.180</u>
	=====



While, on the other hand, the Syndicate incurred a loss as far as the wholesale trade is concerned and not taking into consideration the profits earned due to increases in cost prices. The net loss of the wholesale trade is as follows:-

	sp. mils	sp. mils
Expenses of Transport & Portorage	3248.351	
Salaries and wages	313.506	
Sundry Expenses	221.563	
Interest	66.000	
Travelling Expenses	<u>46.053</u>	3895.473
Wholesale gross profit as per paragraph 5(A)		<u>3194.501</u>
Net wholesale Loss		<u>700.972</u> =====

We conclude by expressing our thanks to the Assistant District Commissioner, Northern Galilee, and the District Officer, Safad, for all their assistance and consideration and for all information and explanations we required of them in the course of the construction of the accounts and the audit. Our thanks are due also to the members of their staff for their useful help.



S A B A & C O.  
Auditors