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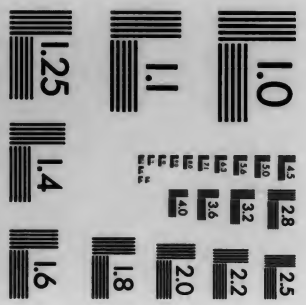
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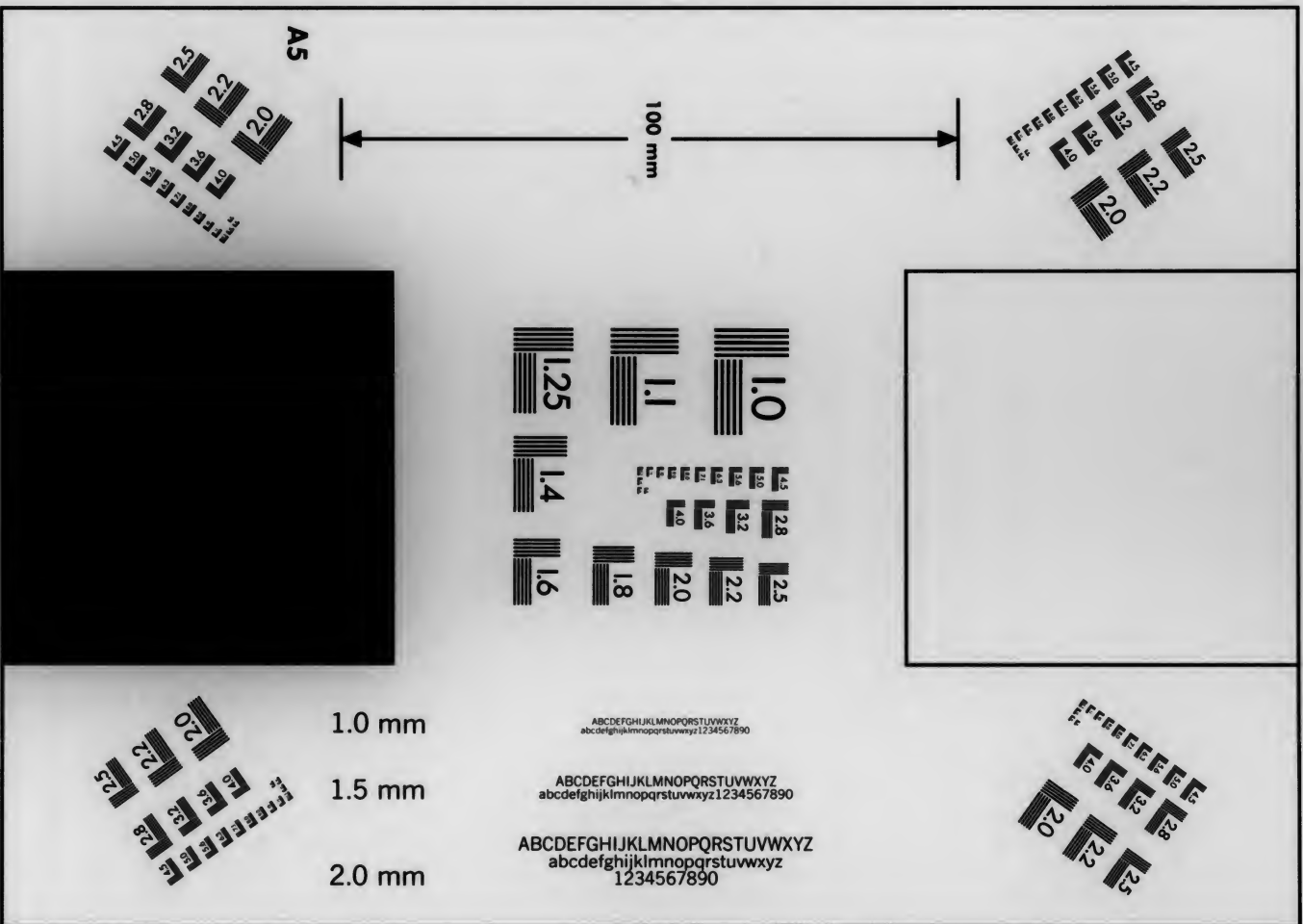
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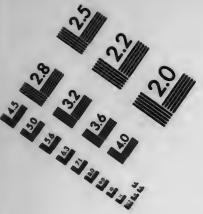
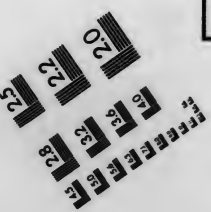
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a speciality. It is obvious, however, that to enable the necessary ground to be covered in the space available, it is incumbent to assume upon the part of the reader a certain knowledge of general bookkeeping. The extent of the knowledge assumed will vary according to the nature of the class of accounts considered. For example, in the volumes on "Bank Accounts" and "Shipping Accounts" a thorough acquaintance with ordinary double-entry bookkeeping is not unnaturally assumed; but in the case, for instance, of "Auctioneers' Accounts," "Domestic Tradesmen's Accounts," and other similar volumes, such explanations are included as will enable the ordinarily intelligent reader fully to grasp the methods described even although his knowledge of bookkeeping may be of an elementary description. These explanations are, doubtless, superfluous as far as accountants are concerned, but are necessary to make the volumes of value to the majority of those specially engaged in these particular industries.

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Arrangements for dealing with other subjects are now in progress, and the Editor wishes to add that he will be glad to receive suggestions and offers from accountants of experience for the undertaking of volumes not yet announced.

34 Moorgate Street,

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August 1902.

FISHING INDUSTRY ACCOUNTS.

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INTRODUCTION.

THE fishing industry as carried on in our larger seaports may be said to consist of three separate departments, through each of which the produce has to pass before being actually retailed for consumption.

In the first place, there is the business of fishing proper, carried on by the owners of boats, comprising sailing craft, steam trawlers, and steam liners. This department has to deal simply with the taking of the fish, the price of the produce being settled in cash by the salesmen, who take the responsibility of collecting it from the customers.

The sales of the fish landed by the boats are conducted by fish salesmen, who carry on the second department of the business. They act as auctioneers, selling the fish and paying the proceeds to the owners of the boats. The purchasers are the customers of the fish salesmen, and not of the owners of the boats. The profit of the fish salesmen consists of the commission which they charge against the owners of the boats for selling the fish, and for becoming responsible for the value—that is, for taking the risk of bad debts.

In seaport towns a retail dealer or fishmonger, if his business is a large one, may buy his supplies direct from the fish salesman at the auction. Fishmongers in inland towns, however, have not the facilities for attending the auctions, and smaller dealers in seaports are not in a position to purchase in the lots

at which the fish is put up at an auction. Another intermediary is therefore necessary—the Fish Merchant. He buys the fish from the salesman at the auction, and distributes it in lots to suit his customers, the fishmongers. Very often he combines with his business of dealing in fresh fish that of fish-curing.

In the following pages we propose to deal with systems of bookkeeping suitable for the three businesses of Fishing, Fish Salesman, and Fish Merchant and Curer.

It has not been attempted to give an essay on bookkeeping, or a detailed explanation of the double-entry system, it being, in the writer's view, not the intention that each volume of this series should deal with the general principles of bookkeeping, but that it should apply these principles to the particular department of industry under review. There are necessarily many parts of the subject that are common to the bookkeeping of nearly every business, and these parts have not been dwelt upon, special attention being devoted to what is peculiar to the business under consideration, a general knowledge of bookkeeping and of the principles of double-entry being assumed.

The method, for instance, of dealing with entries regarding partners' capital, and with the preparation of the Profit and Loss Account and Balance Sheet for the businesses of a fish salesman and of a fish merchant, are in principle the same as for any other commercial undertaking. These have, accordingly, not been dealt with, it being considered sufficient to bring the accounts up to the point of preparing a Trial Balance of the Ledgers.

In the case of a fishing boat, there are points to consider in the preparation of a Profit and Loss Account which are

peculiar to the industry, and more details have been gone into in that case; and something may here be said regarding the methods of dealing with the capital in the same department.

A steam fishing boat may be owned either by one individual, by several individuals, or by a company registered under the Companies Acts. In the first case, the Capital Account would be treated as in any other private business.

Where the vessel is owned by more than one individual, the usual division of capital is into sixty-fourths, a bill of sale being granted to each of the owners for so many sixty-fourths of the boat as belong to him. The only Share Book required in this case is one giving the names and addresses of the owners, and the number of sixty-fourths which each holds, and giving the particulars of subsequent bills of sale on any owner disposing of his holding. This method of ownership has the great disadvantage that sixty-fourth shares are very difficult to realise. They cannot be officially quoted on a Stock Exchange, and there is no ready market for them. To get over this difficulty it is now very common to register companies under the Companies Acts to own fishing boats. The shares, being usually of a small nominal amount, and saleable in amounts to suit investors, are more easily dealt in than sixty-fourths, and can, as a rule, find a ready market. In the case of a limited liability company, a set of Share Books is required; but there is nothing special to the trade in such a set, any usual form being serviceable.

In this connection one point has to be kept in view by the owner or shareholder in dealing with the returns from a fishing boat. Where the boat is owned by a company the profit distributed is in nearly all cases after making an allowance for depreciation. The Balance Sheet will show how much has been

so allowed, and, provided it is reasonably sufficient, the whole of the dividend received by the shareholder may be treated as income. Where, however, the boat is owned in sixty-fourth shares, it is not customary to present a Balance Sheet, and the whole of the net earnings is distributed among the owners. It rests with each owner, therefore, to divide his receipts between capital and income so as to allow for the ultimate shrinkage in the value of the boat, and therefore in the value of his share. The amount to be treated as capital will depend to a certain extent on the size and nature of the boat, but, as a general principle, it may be said that before treating the dividend as income, an amount equal to $7\frac{1}{2}$ per cent. on the original price of the shares should be deducted and considered capital.

FISHING INDUSTRY ACCOUNTS.

PART I.

STEAM FISHING BOAT ACCOUNTS.

THE bulk of the white seafishing from all our larger ports is now carried on by steam-boats—either steam trawlers or steam liners—and year by year the proportion of these as compared with sailing craft is on the increase. Practically all new enterprises for fishing are carried on by this method. As a system of bookkeeping adapted for steam fishing boats can very easily be made suitable also for sailing vessels, it will be sufficient if we deal only with the former.

The various necessities for trawlers and steam liners are very similar, and in dealing with the accounts we shall assume that the fishing is carried on by a trawler. A slight variation in the headings of the Cash Book, and perhaps in the method of apportionment of the catch between the owners and the crew, will render the system recommended in the following pages suitable to steam line fishing.

The bookkeeping required is, for two reasons, of the simplest.

In the first place, there are no book debts or credit sales; and, in the second place, practically all transactions are for cash or monthly account.

The catch of fish, which, apart from incidental receipts, such as charges for towage, is the sole source of revenue, is at the close of the voyage sold by a fish salesman or auctioneer. For the commission the salesman charges he takes, as a rule, all risk of bad debts—*i.e.*, he pays the owner of the vessel cash, and treats the buyers of the fish as his customers. Sometimes, of course, the salesman will be also owner of the vessel; but in this case, if he means to keep the accounts of the vessel distinct, and show whether it is being run at a profit or otherwise, it will be an advantage to treat the catch in this way.

The salesman then prepares an Account Sales, showing the amount realised and the expenses incurred in the sale—*viz.*, his commission, labour, and port dues, and also the wages or share of the catch falling to the crew, which, as a rule, is paid by him. The surplus is then paid over to the owner of the vessel. So far as the trawler is concerned, therefore, the receipts are all in cash, and no Sales Day Book or Sales Ledger is required.

The principal items of outlay which require frequent entries are Ice, Coals, Repairs, Gear, and Engine Stores. These are, of course, entries apart from the payments made by the salesman. In most cases accounts for such charges are rendered every month. In cases where a large fleet belongs to the same owners, or where accounts are allowed to lie over for more than a month, it will be found advisable to keep an Invoice or Purchase Day Book for these charges. Where, however, there is only one or a comparatively small number of boats owned by the same owners, and the accounts are rendered and paid at stated times, it will be unnecessary to use a Purchase Day Book, the Cash Book and Statement Book, to be hereafter explained, being quite sufficient to show what accounts are due at any time.

We shall therefore, in the first instance, give a system where the use of a Purchase Day Book is not required, and shall then briefly show how it may be adapted to cases where such a book is regarded as advisable.

The preparation of accounts of trawlers is also greatly simplified from the fact that there are practically no stocks on hand. There may occasionally be a sufficient quantity of unused stores on board to make it worth taking these into stock, and there is, as a rule, a certain amount of coals on board. This latter quantity, however, is, as explained later on, practically fixed.

For the sake of brevity in the examples, we have assumed in the following pages that the set of books is kept for only one steam trawler. The system, however, is suitable for cases where there are more than one.

Let us assume that a Balance Sheet has been made up of the trawler "Cecilia" at 1st September 1902, and is as under:—

STEAM TRAWLER "CECILIA."

BALANCE SHEET at 1st September 1902.

<i>Capital and Liabilities</i>			<i>Property and Assets.</i>		
	£	s d		£	s d
Capital—			Prime cost of s.s. "Cecilia"	6,500	0 0
12,000 shares of £1, 10s. paid	6,000	0 0	Coal Account—		
Bank—			Value on Board	30	0 0
Due on Current Account ..	520	0 0	Stores Account—		
Insurance Account—			Val. e on Board	10	0 0
Allowance for Calls not					
intimated	20	0 0			
	6,540	0 0			
				6,540	0 0

The books required to be kept by the owner are:—

- (1) Cash Book.
- (2) Ledger.
- (3) Journal.
- (4) Statement Book.

We shall now explain each of these in detail, and give sample entries of each for the month of September following the last balance.

I.—CASH BOOK.

WITH the exception of the entries in the Journal, which are solely for closing the accounts when a Profit and Loss Account is prepared, all posting takes place from the Cash Book to the Ledger. The whole of the accounts in the Ledger, as there are no credit transactions, are impersonal. Every time the boat lands a catch of fish and puts to sea again there are payments and receipts for nearly all the various accounts to be opened in the Ledger. The voyage of a trawler varies in duration from two days to about twelve, but, even if the longest voyage is assumed, it will be obvious that the posting would be considerable if each item is to be dealt with separately. This, however, can be obviated by the use of a Cash Book ruled on the columnar system—*i.e.*, with, in addition to the money columns for cash receipts and payments, subsidiary columns for the items most frequently occurring in the entries. These items, being extended to the proper columns, are not posted individually, but the column is summed to the end of each month and the total posted to the corresponding account in the Ledger.

The most frequently-occurring items on the received side of the Cash Book are "Fish Sales" and "Bank," and these will

in most cases be the only accounts which it will be necessary to provide special columns for. There are other receipts which occur not so frequently. In many ports it is the custom to give rebates on port or harbour dues when the total for a month exceeds a certain sum. These are settled periodically. There may also be discount received on Coal, Ice, and Engineering Accounts paid, and receipts for old gear sold. Earnings of the trawler may also include Towages. All these items are extended to a column headed "Miscellaneous," which is provided with a space for the relative Ledger folio, and with a space in which can be entered the name or initials of the account to which the item is to be posted. These sums in the "Miscellaneous" column may be posted individually to the Ledger, or, if they are numerous, may be abstracted at the end of the month, and the total only for each account posted.

The headings for payments are more numerous. The number of columns to be provided will, of course, depend on the amount of detail that is required for the Profit and Loss Account, but it may be stated as advisable that the more there are the better. The items that require most frequent cash entries are "Water," "Commission," "Harbour Dues," "Wages," "Labour," "Stores," "Gear," and "Bank." To these may be added "Ice," "Coals," "Repairs (to Hull and Machinery)," and "Office" or "General Expenses." In the same way as on the received side of the Cash Book these latter charges may be extended, along with other payments—such as "Insurance" and "Interest"—to a column headed "Miscellaneous," and either posted in detail or abstracted at the end of the month.

It will be observed that the number of columns required on the paid side of the Cash Book is much greater than on the received side. To get over this difficulty it will be found advantageous not to devote the whole of one leaf to the receipts, as is usually done, the binding margin being the

boundary between receipts and payments, but to begin the payments on the same leaf as the receipts, carrying the extensions over to the opposite leaf. The stitching margin will then come in after the date of the payment entry, or after the details of the payment entry.

Most of the Cash Book entries, especially of receipts apart from the bank, are derived from the "Account Sales" of the salesman. In addition to this showing in detail the receipts for fish sold, it includes as a deduction the various expenses that fall to be made in cash at the time, and to be charged against that particular voyage. These are paid by the salesman, and the balance is then paid over to the owner, or into the Bank Account. The form of Account Sales is properly a matter for the accounts of a fish salesman, but it will be convenient to give here a form written up for the first sale of the month, say on 4th September.

MESSRS. J. & F. GREENLEES,
Fish Salesmen and Auctioneers,
Aberdeen.

ACCOUNT SALES.		s.s. "CECILIA."		4th September 1902.	
				£	s d
5	Halibut .. .. .	..	..	1	11 0
7	Do. .. .. .	..	..	1	10 0
10	Cod .. .. .	..	..	1	18 0
15	Do. .. .. .	..	..	2	5 0
25	Do. .. .. .	..	..	2	0 0
20	Do. .. .. .	..	..		15 6
8 boxes	Small Haddocks .. .. .	..	..	8/3	3 6 0
6 "	Whiting .. .. .	..	..	6/9	2 0 6
13 1/2 "	Do. .. .. .	..	..	5/6	3 14 3
13 "	Large Haddocks .. .. .	..	..	17/6	11 7 6
25 "	Do. .. .. .	..	..	17/-	21 5 0
15 1/2 "	Medium Haddocks .. .. .	..	..	14/-	10 17 0
	Rebate Dues .. .. .	..	..		62 9 9
					12 7
					63 2 4
	Commission .. .. .	..	..	3	2 6
	Dues .. .. .	..	..	1	11 10
	Wages .. .. .	..	..	22	7 8
	Labour 8/6 .. .. .	..	..		13 0
	Water .. .. .	..	..		4 0
	Telegrams .. .. .	..	..		1 6
					28 0 6
					35 1 10

The receipts for fish in this account are taken from the Auctioneer's Book, which we shall deal with when we come to consider the accounts of fish salesmen (see page 31). The rebate dues do not appear there, but come from the Fish Salesman's Ledger, being an allowance off dues previously charged.

The deductions from the Sales, with the exception of Wages, require little explanation.

Commission charged is a matter of arrangement, the usual allowance where the salesman takes all responsibility for bad debts being 5 per cent. of the gross value of fish sold.

Harbour Dues are charged against the trawler at the close of each voyage, although, as a matter of fact, the authorities charge up against the salesman dues for the whole of the vessels for which he acts, and these are paid by him weekly or monthly, or are charged against a deposit made by him, which is kept up from time to time.

Labour is for portorage—taking the fish from the vessel to the quay or sale ring.

The practice of different ports varies in regard to the methods in which Wages are paid to the skippers and crews of trawlers. In almost every case, however, the payment is by results. In some cases a percentage or poundage is given on the catch, and in others a fixed wage is paid as a minimum, with a share of the profit on the take. A very general method is the one we have adopted in the example we give—namely to pay the skipper and first fisherman by a share of the "net" catch, and to pay the others so much per day that the trawler has been at sea. For the purpose of arriving at the "net" catch, certain charges are in practice allowed off the gross take. These are Commission, Dues, Labour, Water, Ice, Coals, and Stores. We

have already stated how the first three are arrived at. Water is also a fixed cash payment, so that all these can easily be ascertained. Stores are taken from the invoice for these for the particular voyage. The charge for Coals is in a somewhat different position. The amount of coals that a trawler can carry is considerably greater than what is required for any voyage of ordinary duration. It is the custom to fill the bunkers with coals when the vessel goes to sea for the first time, and then, before each subsequent voyage, to fill up the bunkers again. What the vessel takes on board at the commencement of a voyage may not, therefore, be the same as what is used on that voyage, as the stock may be either increased or decreased. In arriving at the sum to be charged against the catch for the purpose of fixing the wages to be paid, the fairest method is to allow for so many tons per day at the price current at the time. The quantity used per day can be ascertained very nearly on an average. Of course, the amount will vary in different trawlers, and also in the same trawler at different periods of its existence.

When these deductions are made from the gross catch, the balance is divided, as a rule, into fourteen shares. One and three-eighths shares go to the skipper, and one and one-eighth shares to the first fisherman, and the balance to the owners. Tables are published in the nautical almanacs for the calculation of the shares of the skipper and fisherman.

Sometimes the owners supply the victualling, but more generally the crews pay for their own food, the owners supplying and paying the wages of the cook.

The Wages Book, showing in detail how the amount payable for each voyage is arrived at, is kept by the salesman. It is, however, printed with a counterfoil, and perforated, so that one copy is torn out and given to the owners of the trawler, along

with the Account Sales. The following form shows the wages payable for the voyage to 4th September, for which we have already given the Account Sales.

WAGES BOOK.

Name of Boat : S.S. "CECILIA." Master : J. BROWNE.
Sailed : 28th August. Arrived : 4th September.
8 Days.

		£	s	d	£	s	d
Sept. 4	By Fish Sales .. .. .	£	..	..	62	9	9
	To Commission, £3 2s. 6d. : Dues, £1 11s. 10d. ..	4	14	4			
	" Labour, 13s. : Water, 4s.	0	17	0			
	" Ice	2	0	0			
	" Coals, 8 days (4 tons 4 cwt. per day at 10s.) ..	16	15	0			
	" Stores	1	15	0			
					26	1	4
					36	8	5
	Per 1/4th share £2 12s. 0d.						
	Master 1 1/8 shares				3	11	6
	1st Fisherman 1 1/8 "				2	18	6
	2nd Fisherman 3d. per £ and 8 days at 5s. 0d. ..				2	9	0
	Deck Hand 8 days at 5s. 0d.				2	0	0
	Deck Hand 8 days at 5s. 0d.				2	0	0
	Cook 8 days at 3s. 9d.				1	10	0
	Engineer 8 days at 8s. 4d.				3	6	8
	2nd Engineer 8 days at 6s. 6d.				2	12	0
	Fireman 8 days at 5s. 0d.				2	0	0
					22	7	8

The gross receipts of the Account Sales are entered on the received side of the Cash Book, and the expenses on the other, the various items being extended to the respective columns.

The other expenses in connection with the vessel—such as Insurance, Coals, Repairs, Interest, &c.—are paid by the owners. When for any of the accounts for supplies a discount is received, such discount should be entered as a receipt, and the gross amount of the account as a payment, so that the total may correspond with the amount appearing in the Statement Book, which will be afterwards explained.

Having explained the origin of the principal entries in the Cash Book, we shall now give a specimen ruling of the book itself, with the entries for one month.

STEAM TRAWLER "CECILIA."
CASH BOOK, SEPTEMBER 1902.

RECEIPTS.

Date	Total	Analysis of Receipts			
		Fish Sales	Bank	Miscellaneous	
Sept. 4	f s d	f s d	f s d	f s d	
11	63 2 4	62 9 9	..	0 12 7	11
13	90 11 8	90 5 10	..	0 5 10	11
14	117 2 0	..	110 0 0	7 2 0	7
17	63 18 0	..	63 18 0	..	Discount
20	111 9 0	111 9 0	38 6 6	..	Gear
23	113 8 10	113 8 10	..	..
30	19 12 0	117 3 7	19 12 0	..	
"	37 12 0	..	37 12 0	..	
"	18 17 0	..	18 17 0	..	
"	793 1 4	494 17 0	288 5 6	9 18 10	
		6	3		

PAYMENTS.

Date	Voucher No.	Total	Analysis of Payments													
			Water	Com- mission	Dues	Wages	Labour	Stores	Gear	Bank	Miscellaneous					
Sept. 4	Account Sales "Cecilia"	f s d	f s d	f s d	f s d	f s d	f s d	f s d	f s d	f s d	f s d	f s d	f s d	f s d	f s d	
11	do.	63 2 4	0 4 0	5 2 6	11 10	22 7 8	0 13 0	..	..	..	35 1 10	0 1 6	15	..	..	G. E.
13	Trawl Owners' Mutual In- surance Co.	90 11 8	0 5 0	4 0 4	1 18 4	26 18 7	0 12 6	..	..	..	56 16 11	..	..	..	..	..
14	Grimshy Stores	110 0 0	..	..	..	..	..	..	..	..	..	..	..	..	..	Insec.
17	Account Sales "Cecilia"	111 9 0	..	5 11 5	1 14	6 26 15	6 1 2 6	..	..	..	76 5 1	..	..	..	..	Coal
20	Evan Williams, Coals	38 6 6	..	..	..	..	..	..	..	..	..	..	..	..	..	Coal
23	Account Sales "Cecilia"	113 8 10	0 5 0	6 4 13	5 2 5	6 30 7 5	1 0 0	..	..	..	74 17 0	..	..	..	..	G. E.
30	Do.	19 12 0	0 5 0	5 7 2	1 19 6	29 2 8 2 6	..	..	..	..	80 3 2	..	..	..	..	Ice
"	Fish Ice Co.	37 12 0	..	..	..	..	..	..	..	..	..	..	..	..	..	Coal
"	E. Williams, Coals	18 17 0	..	..	..	..	..	..	..	..	..	..	..	..	..	Repairs
"	George Griffiths, Engineer	793 1 4	0 19 6	22 14 10	9 8	135 11 10	5 10 6	34 0	0 37 0	0 323 4	0 224 11 0	..	..	..	..	..
			9	10	11	12	13	14	14	3						

The totals of the various columns are posted to the debit or credit of the accounts in the Ledger (see pages 15 to 18), the items in the Miscellaneous columns being posted in detail to the accounts, as shown in the margin, the various accounts having been opened with the balances brought out in the Balance Sheet at the beginning of the month (see p. 3).

II.—JOURNAL AND LEDGER.

WE have now to consider what is necessary for the preparation of a Profit and Loss Account and Balance Sheet at the close of the month.

In the first place, it is evident that there is a liability for interest on the bank overdraft. This will not be shown in the Bank Book, which is ruled off generally once only in the year, but the amount of interest accrued can be ascertained. The entry to allow for this will be put through the Journal, debiting Interest Account with the amount before that account is ruled down, and crediting the new account with the same sum.

Then it will be necessary to ascertain if there is a stock of coals or stores on hand to take credit for. As already explained, the custom with regard to coals is to fill the bunkers at the start, and to make up the amount used in each voyage before the vessel goes to sea again. If the voyages are of an equal duration, the stock will therefore be practically fixed at the close of each run, and will be in weight the carrying capacity of the vessel, less the amount required to fill up the bunkers. The quantity of stores can be easily ascertained by actual measurement. These stocks will be entered through the Journal, crediting the accounts for coals and stores before these are ruled down, and debiting the next month's accounts.

The sum that should be charged for insurance is the only item of an indefinite nature. If the vessel is insured at Lloyd's, there is, of course, no difficulty, as the premium is paid in one sum in advance, and what has to be charged against Profit and Loss for a month is just one-twelfth of the amount paid. If the premium is paid, the balance on Insurance Account would then be carried down to meet the charge for future months. Nearly all steam fishing boats, however, are insured in mutual insurance companies or clubs. The practice of these associations is not to charge a fixed annual premium, but to assess each vessel insured according to its value for its share of claims arising during the year. An initial premium of one-eighth or one-quarter per cent. is charged at the beginning of each year to cover working expenses, and, as claims are admitted, calls are made on the various insurers for their proportion. As claims often lie over for adjustment for considerable periods, the liability for calls of any vessel insured in a club cannot be exactly ascertained at any given date. The most equitable method of adjusting this is to charge, at the time of making up the accounts, against Revenue, a percentage on the amount insured, based on the average of previous years' results. If, after all the claims for a year are in, it is found that this percentage is too high or too low, the matter can be adjusted by altering the percentage at the next balance.

There are two classes under which insurance is effected—namely, Total Loss Insurance and Average Insurance. The total cost of these on an average of the past three years comes to about 3 per cent. If the vessel is insured under a Protecting Policy, there will be a small additional charge of about 1s. 4d. per ton. We will charge against Insurance Account therefore, say, 3 per cent., the balance on the account being then carried down to the following month.

The only other allowance to be considered in preparing a Profit and Loss Account is Depreciation. The wear and tear on a trawler is very great, and it has also to be kept in view that good capable skippers are very unwilling to take charge of an old boat; and, as the success of a vessel depends almost entirely on the skipper, an old boat is seldom found to be remunerative.

The ordinary workable life of a trawler may be taken as from ten to fifteen years, and in order that the capital may be replaced, or money be available for a new vessel, a considerable sum must be set aside each year. An allowance of $7\frac{1}{2}$ per cent. per annum on the original cost will be found to be a sufficient amount to allow. For the month's working under consideration we will allow one-twelfth of $7\frac{1}{2}$ per cent., carrying the amount to a Depreciation Account.

The Journal entries and the Ledger Accounts will then stand as follows:—

1		JOURNAL.	
1902		£ s d	£ s d
Sept. 30	Interest Account	18	2 1 0
	Interest New Account	18	.. 0
	Amount accrued on Bank Account to date.		2 1 0
	Coal, New Account	8	25 0 0
	Coal Account	8	.. ..
	Stock on board s.s. "Cecilia" at date.		25 0 0
	Stores, New Account	4	7 10 0
	Stores Account	4	.. ..
	Stock on board s.s. "Cecilia" at date.		7 10 0
	Sundries <i>Dr.</i> to Profit and Loss Account ..	✓	.. ..
	Fish Sales	6	494 17 0
	Discount	7	7 2 0
	Profit and Loss Account <i>Dr.</i> to Sundries ..	✓	423 9 0
	Stores	4	.. ..
	Insurance estimated charge for month viz.,		36 10 0
	3% on £6,500 amount insured	5	.. ..
	Coal	8	16 5 0
	Water	9	80 18 6
	Commission	10	.. ..
	Dues	11	22 14 10
	Wages	12	8 11 3
	Labour	12	135 11 10
	Gear	13	.. ..
	General Expenses	14	5 10 6
	Ice	15	35 1 7
	Repairs to Hull and Machinery	15	.. ..
	Interest	16	3 6
	Depreciation Fund	17	19 12 0
	Allowance for month at $7\frac{1}{2}$ % per annum on original prime cost	18	18 17 0
		19	2 1 0
			40 12 6

1		CAPITAL ACCOUNT.	
1902		£ s d	£ s d
Sept. 1	By Balance, 12,000 Shares of £1, 10/- paid. . .	✓	6,000 0 0
2			
2		PRIME COST, "CECILIA."	
1902		£ s d	
Sept. 1	To Balance	✓	6,500 0 0
3			
3		BANK.	
1902		£ s d	£ s d
Sept. 1	By Balance	✓	520 0 0
30	" Cash	C.B. 1	288 5 6
"	" To Cash	" 2	323 4 0
"	" Balance	✓	485 1 6
			808 5 6
1902		£ s d	£ s d
Sept. 30	By Balance	✓	485 1 6
4			
4		STORES.	
1902		£ s d	£ s d
Sept. 1	To Balance—Stock on Board	✓	10 0 0
30	" Cash	C.B. 2	34 0 0
"	" By Stock on Board	J. 1	.. ..
"	" Profit and Loss Account	"	7 10 0
			36 10 0
			44 0 0
1902		£ s d	£ s d
Sept. 30	To Balance—Stock on Board	J. 1	7 10 0
5			
5		INSURANCE.	
1902		£ s d	£ s d
Sept. 1	By Balance—Due at this date. . .	✓	20 0 0
13	To Cash	C.B. 2	110 0 0
30	By Profit and Loss Account	J. 1	.. ..
"	" Balance—Amount unexpired	"	16 5 0
			73 15 0
			110 0 0
1902		£ s d	£ s d
Sept. 30	To Premiums unexpired .. .. .	..	73 15 0

6 FISH SALES.

1902				£	s	d	£	s	d
Sept. 13	By Cash	C.B.1		494	17	0	494	17	0
"	To Profit and Loss Account	J.1							
				<u>494</u>	<u>17</u>	<u>0</u>	<u>494</u>	<u>17</u>	<u>0</u>

7 DISCOUNT.

1902				£	s	d	£	s	d
Sept. 13	By Cash	C.B.1		7	2	0	7	2	0
"	To Profit and Loss Account	J.1							
				<u>7</u>	<u>2</u>	<u>0</u>	<u>7</u>	<u>2</u>	<u>0</u>

8 COAL.

1902				£	s	d	£	s	d
Sept. 1	To Balance—Stock on Board at date	✓		30	0	0			
20	" Cash	C.B.2		38	6	6			
30	" Do.	"		37	12	0			
"	By Stock on Board	J.1					25	0	0
"	" Profit and Loss Account	"					80	18	6
				<u>105</u>	<u>18</u>	<u>6</u>	<u>105</u>	<u>18</u>	<u>6</u>
1902	Sept. 30	To Stock on Board	J.1	25	0	0			

9 WATER.

1902				£	s	d	£	s	d
Sept. 30	To Cash	C.B.2		0	19	6			
"	By Profit and Loss Account	J.1					0	19	6
				<u>0</u>	<u>19</u>	<u>6</u>	<u>0</u>	<u>19</u>	<u>6</u>

10 COMMISSION.

1902				£	s	d	£	s	d
Sept. 30	To Cash	C.B.2		22	14	10			
"	By Profit and Loss Account	J.1					22	14	10
				<u>22</u>	<u>14</u>	<u>10</u>	<u>22</u>	<u>14</u>	<u>10</u>

11 DUES.

1902				£	s	d	£	s	d
Sept. 4	By Cash—Rebates	C.B.1					0	12	7
11	" Do. do.	"					0	5	10
30	To Cash	" 2		9	9	8			
"	By Profit and Loss Account	J.1					8	11	3
				<u>9</u>	<u>9</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>8</u>

12 WAGES.

1902				£	s	d	£	s	d
Sept. 30	To Cash	C.B.2		135	11	10			
"	By Profit and Loss Account	J.1					135	11	10
				<u>135</u>	<u>11</u>	<u>10</u>	<u>135</u>	<u>11</u>	<u>10</u>

13 LABOUR.

1902				£	s	d	£	s	d
Sept. 30	To Cash	C.B.2		5	10	6			
"	By Profit and Loss Account	J.1					5	10	6
				<u>5</u>	<u>10</u>	<u>6</u>	<u>5</u>	<u>10</u>	<u>6</u>

14 GEAR.

1902				£	s	d	£	s	d
Sept. 30	To Cash	C.B.2		37	0	0			
"	By Cash	" 1					1	18	5
"	" Profit and Loss Account	J.1					35	1	7
				<u>37</u>	<u>0</u>	<u>0</u>	<u>37</u>	<u>0</u>	<u>0</u>

15 GENERAL EXPENSES.

1902				£	s	d	£	s	d
Sept. 4	To Cash	C.B.2		0	1	6			
"	" Do.	"					0	2	0
30	By Profit and Loss Account	J.1							
				<u>0</u>	<u>3</u>	<u>6</u>	<u>0</u>	<u>3</u>	<u>6</u>

16

ICE.

1902				£	s	d	£	s	d
Sept. 30	To Cash	C.B.2	J.1	19	12	0	19	12	0
"	By Profit and Loss Account .. .. .			..	..	..	19	12	0
				19	12	0	19	12	0

17

REPAIRS TO HULL AND MACHINERY.

1902				£	s	d	£	s	d
Sept. 30	To Cash	C.B.2	J.1	18	17	0	18	17	0
"	By Profit and Loss Account .. .. .			..	..	..	18	17	0
				18	17	0	18	17	0

18

INTEREST.

1902				£	s	d	£	s	d
Sept. 30	To Amount accrued on Bank Account	J.1	"	2	1	0	2	1	0
"	By Profit and Loss Account .. .. .			..	..	..	2	1	0
				2	1	0	2	1	0
1902	By Amount accrued	J.1	"	..	..	..	2	1	0
Sept. 30									

19

DEPRECIATION FUND.

1902				£	s	d	£	s	d
Sept. 30	By Profit and Loss Account	J.1	"	..	..	..	40	12	6

The Profit and Loss entries are sufficiently detailed in the Journal entries to admit of an account in the ordinary form being drawn up from them, and the Balance Sheet may be

taken from the Ledger Accounts. These will be as given below:—

STEAM TRAWLER "CECILIA."

PROFIT AND LOSS ACCOUNT, from 1st to 30th

Dr.		September 1902.		Cr.			
To Stores	£	s	d	By Fish Sales	£	s	d
" Insurance	36	10	0	" Discount	494	17	0
" Coal	16	5	0		7	2	0
" Water	80	15	6				
" Commission	0	19	6				
" Dues	22	14	10				
" Wages	8	11	3				
" Labour	135	11	10				
" Gear	5	10	6				
" General Expenses	35	1	7				
" Ice	0	3	7				
" Repairs to Hull and Machinery	19	12	0				
" Interest	18	17	0				
" Depreciation	2	1	0				
	40	12	6				
.. Balance Net Profit.. .. .	423	9	0				
	78	10	0				
	501	19	0				
					501	19	0

BALANCE SHEET at 30th September 1902.

Capital and Liabilities		£	s	d	Property and Assets		£	s	d
Capital—	12,000 Shares of £1, 10/- paid	6,000	0	0	Prime Cost of s.s. "Cecilia"	6,500	0	0	
Bank—	Due on Current Account ..	485	1	6	Insurance Account—				
					Premium unexpired ..	73	15	0	
Interest accrued on Bank	Overdraft	2	1	0	Coal Account—				
Depreciation Fund		40	12	6	Value on Board	25	0	0	
Profit and Loss Account ..		78	10	0	Stores Account—				
					Value on Board	7	10	0	
		6,606	5	0					
						6,606	5	0	

III.—STATEMENT BOOK.

WHERE there is only one trawler dealt with in the set of books, the Statement Book fulfils the function of an Invoice Day Book. Its chief advantage, however, is to show the trading profit or loss on each voyage of the vessel; and where there is more than one vessel, the trading profit or loss on each. The book is written up from the Account Sales of the salesman, or from its engrossment in the Cash Book and from the invoices.

S S. "CECILIA."—

Date	RECEIPTS for Fish	Captain	Voyage		Days	Coals			Ice					
			Sailed	Arrived		T	C	Q	£	s	d	£	s	d
Sept. 4	Fish Sales ..	J. Browne ..	28 Aug. ..	4 Sept. ..	8				£	s	d	£	s	d
11	Do.		5 Sept. ..	11 " ..	6	40	10	0	20	5	0	2	10	0
17	Do.		11 " ..	17 " ..	7	30	2	0	15	1	0	4	12	0
23	Do.		18 " ..	23 " ..	6	31	10	1	15	7	6	4	0	0
30	Do.		24 " ..	30 " ..	7	24	10	0	12	5	0	4	10	0
	Do.		24 " ..	30 " ..	7	26	0	0	13	0	0	4	0	0
						Less Credits			75	18	6	19	12	0
						Add Stock on 1st Aug.			30	0	0	..		
						Deduct Stock on 30th..			105	18	6	..		
									25	0	0	..		
		494 17 0							80	18	6	19	12	0

It is ruled so as to show the gross takes, the number of days occupied in the voyage, and the various items of expenditure chargeable against each particular voyage. It is useful also to show, in addition to the value of coals taken on board, the weight of these, so that it may be seen easily if there is any waste in this department. A column at the end shows the trading profit or loss for each voyage, exclusive of any stock. There is not included charges which cannot be treated as being against any particular voyage—such as

Insurance, Interest, Management, and Depreciation. These may be apportioned against the various boats when the Profit and Loss Account is made up, or, if an estimated net profit is required for each voyage, these charges may be allowed for as so much per day.

Each item not appearing in the Salesman's Account, or in the Cash Book, is entered in its proper column from the invoice when received, of course in total—e.g., Coals, Repairs, and

STATEMENT BOOK.

EXPENSES											Trading Account			
Water	Stores	Com- mission	Dues	Wages	Gear	Repairs	Cartage	Miscel- laneous	Total	Profit	Loss			
£	s	d	£	s	d	£	s	d	£	s	d	£	s	d
£	s	d	£	s	d	£	s	d	£	s	d	£	s	d
0	4	0	1	12	0	3	2	6	1	11	10	22	7	8
0	5	0	14	0	0	4	0	4	1	18	4	26	18	7
0	2	6	8	8	0	5	11	5	1	14	6	26	15	6
0	3	0	3	5	0	4	13	5	2	5	6	30	7	5
0	5	0	6	15	0	5	7	2	1	19	6	29	2	3
0	19	6	34	0	0	22	14	10	9	9	8	135	11	10
..	..	..	..	..	..	..	..	..	0	18	5	..	..	..
..	..	..	..	..	..	..	..	..	8	11	3	..	..	..
..	10	0	0	..	..	..	..	..	35	1	7	..	..	..
..	44	0	0	..	..	..	..	..	..	..	..	..	..	..
..	7	10	0	..	..	..	..	..	..	..	..	..	..	..
0	19	6	36	10	0	22	14	10	8	11	3	135	11	10
..	..	..	..	..	..	..	..	..	35	1	7	18	17	0
..	..	..	..	..	..	..	..	..	5	10	6	5	10	6
..	..	..	..	..	..	..	..	..	0	3	6	359	17	4
..	..	..	..	..	..	..	..	..	2	16	10	136	15	7
..	..	..	..	..	..	..	..	..	..	..	..	2	10	10
..
..	..	..	..	..	..	..	..	..	..	..	..	357	0	6
..	..	..	..	..	..	..	..	..	..	..	..	40	0	0
..	..	..	..	..	..	..	..	..	..	..	..	397	0	6
..	..	..	..	..	..	..	..	..	..	..	..	32	10	0
..
0	19	6	36	10	0	22	14	10	8	11	3	135	11	10
..	..	..	..	..	..	..	..	..	35	1	7	18	17	0
..	..	..	..	..	..	..	..	..	5	10	6	5	10	6
..	..	..	..	..	..	..	..	..	0	3	6	364	10	6
..
..
..
..
..	..	..	..	..	..	..	..	..	..	..	..	132	2	5
..	..	..	..	..	..	..	..	..	..	..	..	1	15	11
..
..
..	..	..	..	..	..	..	..	..	..	..	..	130	6	6

Gear. On comparing the total, as entered in the Cash Book in the column with the same heading for each month, with the amount appearing in the Statement Book, it will be seen at once on what accounts there is anything outstanding. If there are more boats than one, it is the total of the column for the whole of the boats that has to be taken.

A separate part of the book is set aside for each vessel, or a separate book is kept for each.

For the one boat whose accounts we have considered, we give the corresponding entries in the Statement Book. We have adjusted the stock of coals and stores, but, as a general rule, this, being practically a fixed quantity, may be left out of account.

INVOICE DAY BOOK AND LEDGER.

So far it has been assumed that any accounts not paid in cash at the time they were incurred are settled every month, so that there would be little risk of charges due not being taken into account in preparing a Profit and Loss Account. This, however, will not always be the case, and in that event it is desirable that all purchases should be entered in an Invoice Day Book, and posted to an Invoice Ledger, so that, if unpaid, the books may show these as liabilities. Where there is a considerable number of boats in a fleet, it is always well to have an Invoice Day Book, which not only keeps an exact record of liabilities, but greatly facilitates the checking of the Statement Book.

The charges against a trawler which are not as a rule paid in cash are for Coals, Ice, Gear, Repairs, Stores, and Insurance. To adopt the system already recommended it is necessary that such headings as appeared for these in the Cash Book be transferred to an Invoice Day Book. This book is ruled with extended columns in the same way as the Cash Book. It should show the particulars of the goods purchased, or charges against the boat, with the name of the vessel supplied, and the total of the invoice, followed by a space for the posting folio. Subsidiary columns then follow, with headings for the various accounts in the General Ledger.

Each invoice is posted (in total) to the credit of a Personal Account in name of the supplier in the Invoice Ledger. At the end of the month the total and subsidiary columns are summed. The total column is then posted to the credit of an account opened in the General Ledger, and called "Invoice Ledger Account," and the totals of each of the subsidiary columns are posted to the debit of the corresponding accounts in the General Ledger. If a Miscellaneous column is added, the items in it are posted individually to the accounts in the General Ledger.

Each invoice is also transferred in total to the Statement Book to the account of the vessel for which the goods were got.

Coming to the Cash Book, the received side remains the same as in the specimen ruling already given. On the paid side, such headings as now appear in the Invoice Day Book are done away with. There is added in their place a column called "Invoice Ledger," with a space for the Ledger folio. It is advantageous to have also immediately following the Cash column a column for Discount received on Invoice Ledger Accounts settled. When any account which stands at the credit of a supplier in the Invoice Ledger is paid, the gross amount of the account is entered in the Cash column, the discount in the Discount column, and the gross amount is extended to the Invoice Ledger column. From that it is posted to the debit of the supplier's account in the Invoice Ledger, the folio being entered in the space provided for the purpose. At the end of the month the total of the Invoice Ledger column of the Cash Book is posted to the debit of the Invoice Ledger Account in the General Ledger. (This is, so far as the Invoice Ledger is concerned, a complete system of double-entry.)

PART II.

FISH SALESMEN'S ACCOUNTS.

THE business of a fish salesman consists of acting as agent for fishing boats and selling their catches of fish. When a trawler puts into port the salesman sells the fish, usually by auction, and accounts for the proceeds to the owners of the vessel. For the commission he charges on the sale the salesman takes all the risk of making bad debts—that is to say, the buyers of the fish become the customers not of the owner of the boat, but of the salesman. The salesman, therefore, is in the position of a manufacturer; he has to keep a Day Book in which to enter his sales and a Sales Ledger to which the sales are posted. As a salesman in a large port has probably several trawlers or liners arriving on each ordinary day, the Day Book transactions are necessarily numerous.

With regard to purchases, the salesman is in rather a different position from an ordinary manufacturer. Apart from occasional purchases of boxes in which to transfer the fish from the vessel to the quay, there are no credit purchases. The fish sold, which has to be credited to the owners of the vessel, takes the place of purchases, and instead of having an Invoice or Purchase Ledger we have a Steamers' Ledger or Boat Ledger. The gross amount of the sales, however, is not paid over to the steamer. The salesman has to deduct his own commission, and, as a general rule, he pays in addition the

wages of the crew, port charges, water, and labourage on the quay. The book entries necessary to show clearly these transactions are numerous and of frequent occurrence.

These transactions can be dealt with by a specially adapted system of double-entry. We may assume a general knowledge of the double-entry system of bookkeeping. The principal advantage in the system we are to recommend is the fact that the balances outstanding on the Sales Ledger and Steamers' Ledger can be ascertained at any time in total without the necessity of taking the balances off these Ledgers in detail. To explain how this result is arrived at, let us take the case of the Sales Ledger. The sales are entered in a Sales Day Book, and each item is posted to the debit of some customer's account in the Sales Ledger. When any account due by a customer is paid, the amount is entered on the received side of the Cash Book, and is posted to the credit of the customer's account in the Sales Ledger. Except entries arising in one or other of these ways, no other entry will appear in the Sales Ledger. If, therefore, we open an account in the Ledger headed "Sales Ledger Account," and post to the debit the total of the entries up to a fixed date appearing in the Sales Day Book, and post to the credit the total of the accounts paid up to the same date through the Cash Book, the balance then appearing on the account will be the same as the total of the balances appearing in detail in the Sales Ledger (supposing there were no balances outstanding at the beginning). In the same way, we may arrive at the balance on the Steamers' Ledger. The various accounts in that Ledger are credited with the amounts realised for fish sold, and are charged, either through the Cash or the Journal, with the cash paid to the owners, and with the expenses of sale, crew's wages, &c. If we open an account in the Ledger, called "Steamers' Account," and credit it with the total amount of sales up to any fixed date, and debit it with

the total of cash payments and Journal charges on behalf of the steamers, any balance on the account will correspond with the total of the balances appearing in detail in the Steamers' Ledger.

By opening two such accounts in the General or Impersonal Ledger we are enabled to get at any time, on the books being fully posted up, a Trial Balance of the Ledger without having to take off in detail the balances from the Sales and Steamers' Ledgers. When, however, the balances are taken off these Ledgers, their accuracy is at once verified, if we find that the total of the balances agrees with the balances appearing on the accounts in the General Ledger.

In order to get the figures required to keep these accounts in the General Ledger, it is necessary to analyse the Cash Book and Journal, picking out the entries that are posted to the Sales and Steamers' Ledgers. This can be done most conveniently and accurately by means of columns in the Cash Book and Journal, giving an analysis of receipts and payments and cross entries. Having the analysis in the same book as the original entries, and immediately following them, minimises the risk of error, renders the analysis much more easily checked, and shows the owner of the business at any time whether the work is kept up to date.

We shall afterwards consider the advisability of having columns for other accounts besides the Sales Ledger and Steamers' Ledger.

Under the system briefly sketched above, which will be explained more fully by practical illustration, only one Ledger is necessary in order to secure a complete Trial Balance—a Ledger containing only Impersonal Accounts, which we shall call the "General Ledger." This Ledger will contain accounts

called "Sales Ledger Account" and "Steamers' Ledger Account."

Let us now suppose a Balance Sheet of a business of fish salesmen to be prepared at 1st September 1902, and to be as under. We purposely avoid giving any details of Partners' Accounts, as these are dealt with in the same way as in other businesses.

BALANCE SHEET as at 1st September 1902.

<i>Assets</i>		<i>£ s d</i>	<i>Liabilities</i>		<i>£ s d</i>
Sales Ledger Account ..		486 0 0	Steamers' Ledger Account ..		159 0 0
Bank		218 0 0	Dues		38 0 0
Cash in hand		17 0 0			197 0 0
Boxes		35 0 0	Capital		584 0 0
Office Furniture		25 0 0			
		<u>781 0 0</u>			<u>781 0 0</u>

The first item in the assets is Sales Ledger Account, as appearing in the General Ledger. If we take the balances off the Sales Ledger (see pages 43 to 46) we will find that the total of these agrees with the above sum.

SALES LEDGER BALANCES as at 1st September 1902.

	<i>£ s d</i>	<i>£ s d</i>
1 S. Stephen & Co.	46 10 0	
2 Cunliffe & Co.	37 15 0	
3 Allan & Sons	41 5 0	
4 A. & J. Fleming	28 10 0	
5 Pearson & Sons	33 0 0	
6 W. J. Palmer	32 10 0	
7 Stewart & Co.	37 5 0	
8 R. & J. Smith	48 0 0	
9 Jones & Sons	32 10 0	
10 Evans & Co.	58 15 0	
11 Williams & Son	37 0 0	
12 F. & J. Asher	23 0 0	
13 J. Moir	30 0 0	
	<u>486 0 0</u>	

The first item in the liabilities is Steamers' Ledger Account, as in the General Ledger. In the same way, if we take the balances off the Steamers' Ledger (see pages 47 and 48) we will find the total agrees with what is stated in the Balance Sheet.

STEAMERS' LEDGER BALANCES as at 1st September 1902.

		£	s	d	£	s	d
1	s.s. "Cecilia" .. .. .	..	..	..	37	10	0
2	s.s. "Orion" .. .. .	..	..	..	52	15	0
3	s.s. "Humber" .. .. .	..	..	..	27	16	0
4	s.s. "Achilles" .. .. .	..	..	..	18	14	0
5	s.s. "Mercury" .. .. .	..	..	..	22	5	0
		..	..	..	159	0	0

The other items appearing in the Balance Sheet are taken from the open accounts in the General Ledger (see pages 40 to 42), with the exception of Cash in hand, which is taken from the Cash Book. The cash may, of course, if thought advisable, be posted to an account in the General Ledger.

The books required for the working of the business are as follows:—

- (1) Auctioneer's Book.
- (2) Sales Day Book.
- (3) Wages Book (Steamers).
- (4) Cash Book and Journal.
- (5) General Ledger.
- (6) Sales Ledger.
- (7) Steamers' Ledger.

The entries are necessarily too numerous to allow of our illustrating by actual example more than the transactions of a few days, but these will be sufficient to fully explain the system.

We shall now consider the various books in detail.

I.—AUCTIONEER'S BOOK.

When a trawler puts in with a catch of fish the fish are transferred to the quay or auction room, singly or in boxes, and disposed of by public auction by the salesman, or by an auctioneer acting for him. The catch of each trawler is sold separately. The Auctioneer's Book is a scroll sheet or Sales Book kept by the auctioneer. In it are entered at the time of the sale, by the auctioneer or by his clerk, the particulars (*i.e.*, the quantity and name of the fish), the price each per score or per box, as the case may be, and the name of the buyer. The total of the purchase may be extended afterwards. The sale for each boat is entered in a separate page. The following is an example of the book, with the first day's sale:—

Date: September 2nd 1902.

Boat: s.s. "ORION."

	Particulars	Price	Buyer	Total
8	Halibut .. .. .	..	S. Stephen & Co. ..	£ s d
5	Do. .. .. .	..	A. & J. Fleming ..	2 1 0
5	Do. .. .. .	..	J. Moir	1 11 0
10 boxes	Haddocks, small ..	8/6	S. Stephen & Co. ..	4 5 0
20 "	Do.	8/6	R. & J. Smith ..	8 10 0
10 "	Haddocks, large ..	18/-	S. Stephen & Co. ..	9 0 0
8 "	Do.	18/-	Allan & Sons ..	7 4 0
12 "	Do.	17/-	W. & J. Palmer ..	10 4 0
7½ "	Do.	18/-	Jones & Sons ..	6 18 0
13 "	Do.	17/6	F. & J. Asher ..	11 7 6
25 "	Do.	17/-	J. Moir	21 5 0
5 "	Haddocks, medium ..	14/-	R. & J. Smith ..	3 10 0
12½ "	Do.	12/-	Williams & Son ..	7 12 0
20 "	Whiting	6/6	A. & J. Fleming ..	6 10 0
12 "	Do.	4/2	W. & J. Palmer ..	2 10 0
27½ "	Do.	6/-	Cunliffe & Co. ..	8 5 0
2	Cod .. .. .	..	Allan & Sons ..	0 8 0
25	Do. .. .. .	..	R. & J. Smith ..	2 16 0
30	Do. .. .. .	..	F. & J. Asher ..	2 15 6
				118 4 0

II.—SALES DAY BOOK.

The Sales Day Book is in the usual form, except that instead of being summed from day to day up to the end of a month it is ruled off every day. Each page should therefore be devoted to a day. It is ruled with a space for the name of the customer, a space for the folio in the Ledger to which the amount is posted, and a money column for the amount. There may be a date column before the name of the customer, or the date may be put at the top of the page. The amount of the purchase is taken from the Auctioneer's Book. If there are several purchases on the same day by the same customer, whether from the supplies of one trawler or from the supplies of two or more, the total for the day is what is entered against his name. To facilitate the Journal entry, an abstract is made at the foot of the entry, showing to what vessel or vessels the amount has to be credited. This should, of course, correspond with the amount shown for each vessel in the Auctioneer's Book. We give examples of three days' sales, the first being made up from the specimen of the Auctioneer's Book already given. The various items are posted to the debit of the customers' accounts in the Sales Ledger (see pages 43 to 46).

I. SEPTEMBER 2nd 1902.

		£	s	d
S. Stephen & Co.	1	15	6	0
Allan & Sons	3	7	12	0
R. & J. Smith	8	14	16	0
A. & J. Fleming	4	8	2	0
W. J. Palmer	6	12	14	0
Jones & Sons	9	6	18	0
Williams & Son	11	7	12	0
F. & J. Asher	12	14	3	0
J. Moir	13	22	16	0
Cunliffe & Co.	2	8	5	0
		118	4	0
		118	4	0
s.s. "Orion" Cr.				

2. SEPTEMBER 4th 1902.

		£	s	d
J. Moir	13	27	0	0
Cunliffe & Co.	2	17	12	0
Pearson & Sons	5	27	16	0
Stewart & Co.	7	18	17	0
Evans & Co.	10	12	17	0
R. & J. Smith	8	16	14	0
F. & J. Asher	12	18	16	0
W. J. Palmer	6	23	0	0
Jones & Sons	9	19	13	0
		182	5	0
		182	5	0
s.s. "Cecilia" Cr.		62	9	9
s.s. "Humber" Cr.		119	15	3

3. SEPTEMBER 5th 1902.

		£	s	d
S. Stephen & Co.	1	38	16	0
Allan & Sons	3	23	12	0
A. & J. Fleming	4	9	18	0
Stewart & Co.	7	17	16	0
Evans & Co.	10	22	4	0
Williams & Son	11	16	12	0
J. Moir	13	24	8	0
		153	6	0
		153	6	0
s.s. "Achilles" Cr.		83	2	6
s.s. "Mercury" Cr.		70	3	6

III.—WAGES BOOK (STEAMERS).

This book is kept in order to make up the wages payable by each steamer for the voyage. Its use has been already explained, and a sample ruling given (see page 19). The book is printed in duplicate, so that one copy may be torn out and given up as a voucher to the owner of the vessel, and the other retained by the salesman, in order that the necessary entries may be passed through his Journal. As the custom of boats for which the salesman acts may differ as to the method of remuneration, it may be of use to allow a space between the

entries for the hands (apart from the skipper and first fisherman), so as to permit of noting where necessary any poundage or bonus allowed.

IV.—CASH BOOK AND JOURNAL.

As a general rule, the Cash Book and Journal are distinct books. In the case we have under consideration we propose to amalgamate these.

We have already explained the advantage of having columns in the Cash Book for the analysis of receipts and payments, which fall to be posted to the Sales Ledger or Steamers' Ledger. The object of these is to facilitate a Trial Balance of the General Ledger, and there is no actual saving in the labour of posting effected. There are, however, items, both of receipts and of payment, of very frequent occurrence, the individual posting of which would involve a considerable labour and serve no useful purpose. Of purely cash transactions, the most usual of these are, on the received side, Bank entries, and on the paid side Bank payments, Office Wages, and General or Office Expenses. Nothing is gained by showing these in detail in the Ledger, and, by providing for them columns similar to those supplied for the Ledgers, the totals only may be posted at the end of a month, or at whatever period the Cash Book is ruled off. Apart, however, from the entries which are posted to the Sales Ledger, and bank receipts and payments, most of the entries in a business of this nature are Journal entries—that is to say, one account is debited and another credited, no actual cash passing. As each catch is sold, the vessel has to be credited with the gross amount of the sale, which has also to be posted to the "Steamers' Account" in the General Ledger. Then the "Sales Ledger Account" in the General Ledger has to be

debited with the Sales as shown in the Day Book. The steamer has then to be charged with Commission, and Commission Account, which is a Revenue Account of the salesman, has to be credited with the same amount. Port dues are not, as a rule, paid in cash in single items, but the salesman charges the boat with the dues payable by it for the voyage, and at the end of a month he settles with the authorities for the dues incurred during the completed month by all the boats for which he acts. At the end of each voyage, therefore, the vessel has to be charged with the dues on that cargo, and a Dues Account in the salesman's books has to be credited to show that this is a liability of his. In some ports, again, it is customary to give rebates to vessels trading regularly with the port when the dues incurred exceed a certain amount. When this is done, a further entry is required, periodically debiting Dues Account (thereby reducing the liability), and crediting the various vessels entitled to a rebate with their respective shares. All these entries which go to the debit or credit of steamers have also, of course, to be debited or credited to the "Steamers' Account" in the General Ledger.

A large number of Journal entries are thus required between the following accounts, viz.:—"Steamers' Account," "Sales Ledger Account," Commission Account, and Dues Account.

Entries falling to be debited or credited to steamers or to customers in the Steamers' Ledger or Sales Ledger must necessarily be posted to these Ledgers in detail, so as to show clearly at any time how the individual accounts stand. No useful purpose, on the other hand, is served by posting individually items falling to be debited or credited to the "Steamers' Account" and "Sales Ledger Account" in the General Ledger, or to Commission and Dues Accounts. A Journal ruled with columns in the same way as the Cash Book, and with a debit

and credit side, would obviate the necessity for these individual postings. As to a considerable extent the headings in the Cash Book are the same as what would be required in the Journal, the former book can quite easily be adapted for use as a Journal. The additions required to the Cash Book, as already suggested, are columns in front of the total Cash columns on either side, and subsidiary columns on the received side for Commission Account and Dues Account. The cash entries on the received side of the Cash Book are posted to the credit of accounts in the General Ledger, and therefore it is entries which fall to be credited to accounts from the Journal which are entered on the received or left-hand side of the combined Cash Book and Journal. The entries which are to be posted to the debit of accounts in the General Ledger are entered on the payment or right-hand side.

The amalgamation of the Cash Book and Journal in such a business as we have been considering will have the following advantages, in addition to those already pointed out:—

- (1) In a business where frequent settlements are required—such as with trawlers, where a settlement is made at the close of every sale—it minimises the risk of any charge being omitted in the account, as all the entries are made in the same book at the same time, and by the same clerk.
- (2) As one clerk is not dependent on another for the keeping of the accounts, it ensures the accounts of customers and of steamers being kept up to date.
- (3) It economises in office labour, as one clerk will be quite capable of keeping the Cash Book and Journal.

The Analysis columns will contain amongst them all the cash entries proper, and all the Journal entries. When the entries referring to any one transaction are all passed through, the summation of the Journal column on each side will be the same. The totals of the various Analysis columns on each side should also be equal to the summation of the Journal column, plus the Cash column, under deduction of any cash balance that may be included in the addition of the Cash column.

In addition to the columns already referred to, a Miscellaneous column is provided on either side of the Cash Book and Journal, along with space for Ledger folio and name of the account.

To this column are extended all items not allowed for by the other columns—such as, on the credit side, Interest or Capital Receipts; and, on the debit side, Dues, Discount, and Payments to Partners. These may be posted to the General Ledger in detail, or be abstracted at the close of a month and be posted as a monthly total.

In settling with the customers or purchasers of fish, a discount has often to be allowed. In order to square the customer's account in the Sales Ledger, the gross amount of the account settled has to be posted to that Ledger, and the same amount has to be entered under the Sales Ledger Account in the Cash Book. In order to save crossing the discount on each transaction to the payment side of the Cash Book and Journal, a column for discount is inserted, following immediately on the total Cash column, on the received side. The discount on the account is entered in this column, and the total is crossed at the end of the month to the payment side. In balancing the cash at any time during the month, the discount up to the date of balancing must, of course, be taken into account as a payment.

The amount of Sales from the Day Book is entered in the Journal column on the credit side and extended to Steamers' Ledger Account, being also posted in detail to the credit of the individual steamer, or steamers, as shown in the abstract at the end of the Day Book entry. The same sum (in total) is entered in the Journal column on the debit side, and is extended to Sales Ledger Account. No individual posting takes place in this case, however, as the various items are already posted in detail to the debit of the customers' accounts in the Sales Ledger from the Sales Day Book.

These explanations should suffice to render the working of the combined Cash Book and Journal intelligible, and we give on pages 38 and 39 a specimen ruling with the entries from 1st to 5th September. The entries in the Sales Ledger column on the credit side are posted to the various accounts in the Sales Ledger (see pages 43 to 46), and the entries in the Steamers' Ledger column are posted to the various accounts in the Steamers' Ledger (see pages 47 and 48), and all other entries to the accounts in the General Ledger (see pages 40 to 42).

When the entries in the Cash Book and Journal have all been posted, the accounts in the General Ledger will stand as follows:—

1 SALES LEDGER ACCOUNT.

		£ s d		£ s d	
1902					
Sept. 1	To Balance	✓	486	0	0
" 5	By Cash	1	..	..	..
" "	To Sundries	2	453	15	0
" "	By Balance .. .. .	✓	..	..	..
			939	15	0
			939	15	0
1902					
Sept. 5	To Balance	✓	453	15	0

2 BANK.

		£ s d		£ s d	
1902					
Sept. 1	To Balance	✓	218	0	0
" 5	By Cash	1	..	..	..
" "	To Cash	2	475	0	0
" "	By Balance .. .. .	✓	..	..	..
			693	0	0
			693	0	0
1902					
Sept. 5	To Balance	✓	160	11	0

3 BOXES.

		£ s d		£ s d	
1902					
Sept. 1	To Balance	✓	35	0	0

4 OFFICE FURNITURE.

		£ s d		£ s d	
1902					
Sept. 1	To Balance	✓	25	0	0

5 CAPITAL.

		£ s d		£ s d	
1902					
Sept. 1	To Balance .. .. .	✓	..	..	584 0 0

6 STEAMERS' LEDGER.

		£ s d		£ s d	
1902					
Sept. 1	By Balance .. .. .	✓	..	..	159 0 0
" 5	" Sundries	1	..	..	456 5 0
" "	To Sundries	2	525	10	6
" "	" Balance	✓	89	14	6
			615	5	0
			615	5	0
1902					
Sept. 5	By Balance .. .. .	✓	..	..	89 14 6

7 DUES.

		£	s	d	£	s	d	
1902								
Sept. 1	By Balance .. .. .	√	..	..	38	0	0
"	" Sundries	1	..	..	10	7	0
5	To Rebates	2	2	10	0	0		
"	" Cash	2	35	10	0	0		
"	" Balance	√	10	7	0	0		
			48	7	0	48	7	0
1902								
Sept. 5	By Balance .. .. .	√	..	..	10	7	0

8 COMMISSION.

		£	s	d	£	s	d
1902							
Sept. 5	By Sundries	1	..	..	22	15	0

9 GENERAL EXPENSES.

		£	s	d	£	s	d
1902							
Sept. 5	To Sundries	2	5	6	6		

10 WAGES.

		£	s	d	£	s	d
1902							
Sept. 5	To Sundries	2	6	10	0		

11 DISCOUNT.

		£	s	d	£	s	d
1902							
Sept. 5	To Sundries	2	3	19	0		

From these Ledger Accounts a Trial Balance as at 5th September may be prepared.

TRIAL BALANCE OF GENERAL LEDGER
as at 5th September 1902.

		£	s	d	£	s	d	
1	Sales Ledger Account		453	15	0			
2	Bank		160	11	0			
3	Boxes		35	0	0			
4	Office Furniture		25	0	0			
5	Capital	584	0	0
6	Steamers' Ledger Account	89	14	6
7	Dues	10	7	0
8	Commission	22	15	0
9	General Expenses		5	6	6			
10	Wages		6	10	0			
11	Discount		3	19	0			
	Cash in hand		16	15	0			
			706	16	6	706	16	6

The Sales Ledger Accounts, subsequent to the posting of the Sales Day Book and Cash Book and Journal, will appear thus:—

1 S. STEPHEN & CO.

		£	s	d			£	s	d		
1902					1902						
Sept. 1	To Balance	√	46	10	0	Sept. 4	By Cash	1	46	10	0
2	To Sales	1	15	6	0	5	To Balance	√	54	2	0
5	" Do.	3	38	16	0						
			54	2	0				54	2	0
1902											
Sept. 5	To Balance	√	54	2	0						

2 CUNLIFFE & CO.

		£	s	d			£	s	d		
1902					1902						
Sept. 1	To Balance	√	37	15	0	Sept. 2	By Cash	1	37	15	0
2	To Sales	1	8	5	0	5	To Balance	√	25	17	0
4	" Do.	2	17	12	0				25	17	0
			25	17	0						
1902											
Sept. 5	To Balance	√	25	17	0						

3 ALLAN & SONS.

1902		£	s	d	1902		£	s	d		
Sept. 1	To Balance	✓	41	5	0	Sept. 4	By Cash	1	41	5	0
2	To Sales	1	7	12	0	5	By Balance	✓	31	4	0
5	" Do.	3	23	12	0				31	4	0
			31	4	0				31	4	0
1902	Sept. 5	By Balance	✓	31	4	0					

4 A. & J. FLEMING.

1902		£	s	d	1902		£	s	d		
Sept. 1	To Balance	✓	28	10	0	Sept. 2	By Cash	1	28	10	0
2	To Sales	1	8	2	0	5	By Balance	✓	18	0	0
5	" Do.	3	9	18	0				18	0	0
			18	0	0				18	0	0
1902	Sept. 5	To Balance	✓	18	0	0					

5 PEARSON & SONS.

1902		£	s	d	1902		£	s	d		
Sept. 1	To Balance	✓	33	0	0	Sept. 5	By Cash	1	33	0	0
1902	Sept. 4	To Sales	2	27	16	0					

6 W. J. PALMER.

1902		£	s	d	1902		£	s	d		
Sept. 1	To Balance	✓	32	10	0	Sept. 4	By Cash	1	32	10	0
2	To Sales	1	12	14	0	5	By Balance	✓	35	14	0
4	" Do.	2	23	0	0				35	14	0
			35	14	0				35	14	0
1902	Sept. 5	To Balance	✓	35	14	0					

7 STEWART & CO.

1902		£	s	d	1902		£	s	d		
Sept. 1	To Balance	✓	37	5	0	Sept. 5	By Cash	1	37	5	0
4	To Sales	2	18	17	0	5	By Balance	✓	36	13	0
5	" Do.	3	17	16	0				36	13	0
			36	13	0				36	13	0
1902	Sept. 5	To Balance	✓	36	13	0					

8. R. & J. SMITH.

1902		£	s	d	1902		£	s	d		
Sept. 1	To Balance	✓	48	0	0	Sept. 5	By Cash	1	48	0	0
2	To Sales	1	14	16	0	5	By Balance	✓	31	10	0
4	" Do.	2	16	14	0				31	10	0
			31	10	0				31	10	0
1902	Sept. 5	To Balance	✓	31	10	0					

9. JONES & SONS.

1902		£	s	d	1902		£	s	d		
Sept. 1	To Balance	✓	32	10	0	Sept. 4	By Cash	1	32	10	0
2	To Sales	1	6	18	0	5	By Balance	✓	26	11	0
4	" Do.	2	19	13	0				26	11	0
			26	11	0				26	11	0
1902	Sept. 5	By Balance	✓	26	11	0					

10. EVANS & CO.

1902		£	s	d	1902		£	s	d		
Sept. 1	To Balance	✓	58	15	0	Sept. 4	By Cash	1	58	15	0
4	To Sales	2	12	17	0	5	By Balance	✓	35	1	0
5	" Do.	3	22	4	0				35	1	0
			35	1	0				35	1	0
1902	Sept. 5	To Balance	✓	35	1	0					

11. WILLIAMS & SON.

1902		£ s d		1902		£ s d	
Sept. 1	To Balance	✓	37 0 0	Sept. 5	By Cash	1	37 0 0
2	To Sales	1	7 12 0	5	By Balance	✓	24 4 0
5	" Do.	3	16 12 0				
			24 4 0				24 4 0
1902							
Sept. 5	To Balance	✓	24 4 0				

12. F. & J. ASHER.

1902		£ s d		1902		£ s d	
Sept. 1	To Balance	✓	23 0 0	Sept. 5	By Cash	1	23 0 0
2	To Sales	1	14 3 0	5	By Balance	✓	32 19 0
4	" Do.	2	18 16 0				
			32 19 0				32 19 0
1902							
Sept. 5	To Balance	✓	32 19 0				

13. J. MOIR.

1902		£ s d		1902		£ s d	
Sept. 1	To Balance	✓	30 0 0	Sept. 4	By Cash	1	30 0 0
2	To Sales	1	22 16 0	5	By Balance	✓	74 4 0
4	" Do.	2	27 0 0				
5	" Do.	3	24 8 0				
			74 4 0				74 4 0
1902							
Sept. 5	To Balance	✓	74 4 0				

A list of the balances on this Ledger will agree in total with the amount appearing at the debit of Sales Ledger Account in the Trial Balance.

SALES LEDGER BALANCES as at 5th September 1902.

		£ s d		£ s d	
1	S. Stephen & Co.		54 2 0		
2	Cunliffe & Co.		25 17 0		
3	Allan & Sons		31 4 0		
4	A. & J. Fleming		18 0 0		
5	Pearson & Sons		27 16 0		
6	W. J. Palmer		35 14 0		
7	Stewart & Co.		36 13 0		
8	R. & J. Smith		31 10 0		
9	Jones & Sons		26 11 0		
10	Evans & Co.		35 1 0		
11	Williams & Son		24 4 0		
12	F. & J. Asher		32 19 0		
13	J. Moir		74 4 0		
			453 15 0		

The Steamers' Ledger Accounts, subsequent to the posting of the Cash Book and Journal, will appear thus:—

1 OWNERS OF S.S. "CECILIA."

1902		£ s d		1902		£ s d	
Sept. 4	To Cash	2	37 10 0	Sept. 1	By Balance	✓	37 10 0
4	To Dues	2	1 11 10	4	By Sales	1	62 9 9
	" Commission	"	3 2 6				
	" Wages	"	22 7 8				
	" Labour	"	0 12 0				
5	" Cash	"	34 15 9				
			62 9 9				62 9 9
				1902			
				Sept. 5	By Rebate Dues	1	0 10 6

2 OWNERS OF S.S. "ORION."

1902		£ s d		1902		£ s d	
Sept. 4	To Cash	2	52 15 0	Sept. 1	By Balance	✓	52 15 0
2	To Dues	2	1 18 6	2	By Sales	1	118 4 0
	" Commission	"	5 18 6				
	" Wages	"	28 2 6				
	" Labour	"	0 12 6				
	" Cash	"	81 12 0				
			118 4 0				118 4 0
				1902			
				Sept. 5	By Rebate Dues	1	0 9 0

3 OWNERS OF S.S. "HUMBER."

1902		£ s d		1902		£ s d	
Sept. 5	To Cash 2	27	16	0	Sept. 1	By Balance ✓	27 16 0
4	To Dues 2	3	2	2	4	By Sales 1	119 15 3
"	" Commission	6	0	0	"	" Rebate Dues	0 10 0
"	" Wages	41	3	4			
"	" Telegrams	0	1	6			
5	" Cash	69	18	3			
		120	5	3			120 5 3

4 OWNERS OF S.S. "ACHILLES."

1902		£ s d		1902		£ s d	
Sept. 2	To Cash 2	18	14	0	Sept. 1	By Balance ✓	18 14 0
5	To Dues 2	1	19	6	5	By Sales 1	83 2 6
"	" Commission	4	3	6	"	" Rebate Dues	0 11 6
"	" Wages	28	7	6			
"	" Balance ✓	49	3	6			
		83	14	0			83 14 0
					1902	By Balance ✓	49 3 6
					Sept. 5		

5 OWNERS OF S.S. "MERCURY."

1902		£ s d		1902		£ s d	
Sept. 4	To Cash 2	22	5	0	Sept. 1	By Balance ✓	22 5 0
5	To Dues 2	1	15	0	5	By Sales 1	70 3 6
"	" Commission	3	10	6	"	" Rebate Dues	0 9 0
"	" Wages	25	3	0			
"	" Labour	0	12	6			
"	" Balance ✓	39	11	6			
		70	12	6			70 12 6
					1902	By Balance ✓	39 11 6
					Sept. 5		

A list of the balances on this Ledger will agree in total with the amount appearing at the credit of Steamers' Ledger Account in the Trial Balance.

STEAMERS' LEDGER BALANCES as at 5th September 1902.

		£ s d		£ s d	
1	s.s. "Cecilia"			0	10 6
2	" "Orion"			0	9 0
3	" "Humber"				
4	" "Achilles"			49	3 6
5	" "Mercury"			39	11 6
				89	14 6

When it is desired to close the books and prepare a Profit and Loss Account and Balance Sheet, the entries transferring the balances on Revenue Accounts to Profit and Loss Account, and the balance on Profit and Loss Account to the Partners' Accounts, may be put through the combined Journal and Ledger. This, however, unless that book is kept privately by one of the partners, involves the distribution of profit being known to the office staff. It will be found more satisfactory to keep a Private Journal and Ledger for these entries. If this is done, then the Capital Account and Partners' Accounts would be entered in the Private Ledger instead of in the General Ledger, and an account called "Private Ledger Account" would be opened in the General Ledger, the balance on it being the same as the total balances on the accounts in the Private Ledger. For instance, in the Trial Balance we have considered the only account that would be transferred to the Private Ledger is Capital Account, on which there is a credit balance of £584. An entry would be made in the Cash Book and Journal debiting Capital Account and crediting Private Ledger Account with £584, and the Capital Account is then opened in the Private Ledger. The General Ledger will still balance independently, the balance on Private Ledger Account remaining fixed till the next adjustment of profits.

If any payments are made to partners during the year through the Cash Book, these should be charged up to accounts in the partners' names in the General Ledger.

At the close of the year, Journal entries are passed through the books, closing the Partners' Accounts in the General Ledger and debiting or crediting, as the case may be, the amounts to Private Ledger Account. In the Private Ledger corresponding entries are made in the Partners' Accounts to what formerly appeared in the General Ledger.

The various Revenue Accounts have then to be dealt with. The only account on which there is likely to be a credit balance is Commission Account. This is closed by an entry in the Journal column, debiting this account and crediting Private Ledger Account; and a Commission Account is opened in the Private Ledger, having the same amount at the credit as appeared in the General Ledger.

The accounts on which there will be debit revenue balances are General Expenses, Office Wages, and Discount. These are, in the same way, closed by transferring the balances to the debit of Private Ledger Account, and corresponding accounts are opened in the Private Ledger.

The General Ledger will now show a Trial Balance, the entries being entirely assets and liabilities, one of them being Private Ledger Account. The balance on that account will agree with the net balance on the accounts in the Private Ledger.

The Private Ledger now contains all the accounts necessary for a Profit and Loss Account. The various Revenue Accounts can be carried to a Profit and Loss Account, and the balance on that account divided between partners. As the entries giving effect to that are, however, all cross entries, it is manifest that the net balance remains the same; so that, after all adjustments of Profit and Loss, the balance on the Private Ledger Account in the General Ledger will still agree with the net balance on the accounts in the Private Ledger.

PART III.

FISH MERCHANTS' AND CURERS' ACCOUNTS.

AFTER passing through the hands of the fish salesmen, the fish are sent to the fish merchants, either to be retailed to the fishmongers at once, or to be cured. The businesses of fish merchants and of curers are often combined, and we shall give a short description of a set of books suitable for such a business.

After the explanations already given of the use of a columnar Cash Book and a columnar Invoice Book, and of the independent balancing of the Sales and Invoice Ledgers, it will be unnecessary to give more than the rulings of the various books required, with short descriptions of the working of each.

The following are the books required, arranged in the order in which we shall deal with them:—

- (1) Journal.
- (2) General Ledger.
- (3) Buyers' Book.
- (4) Fish Book.
- (5) Invoice Day Book.
- (6) Sales Day Books.
- (7) Credit Returns Book.
- (8) Wages Book.
- (9) Cash Book.
- (10) Sales Ledger.
- (11) Invoice Ledger.

If the business is one of dealing solely in fresh fish, without a Curing Department, or if it is not considered necessary to show separately the results of the Fresh and Cured Departments, the Fish Book (4) is not required, and the headings referring to these departments in the Invoice Day Book, Credit Returns Book, and Cash Book may be left out.

I.—JOURNAL.

The Journal is in the ordinary form, with double money columns and posting folio column. It is required only for transferring the values of fish received to the various departments, and for the closing entries at the end of the year.

II.—GENERAL LEDGER.

This book is also in the ordinary form already given. As before, it should contain the whole of the accounts necessary for a complete Trial Balance—that is to say, from this Ledger alone a Profit and Loss Account can be prepared. It will therefore contain a Sales Ledger Account and an Invoice Ledger Account, which will give at any date the totals of the balances on the accounts of the Sales and Invoice Ledgers (see pages 27 and 28). In addition to these, the principal accounts in the General Ledger will be:—Fish Account, Fresh Fish Department, Cured Fish Department, Refuse, Plant, Boxes, Salt and Ice, Carriages, Management, General Expenses, Bills Receivable, Bank, and the necessary accounts for Capital, Loans, &c.

The Ledger may contain the Partners' Accounts and Profit and Loss Account, or these may be entered in a Private Ledger.

III.—BUYERS' BOOK.

This is the counterpart of the Auctioneer's Book kept by the fish salesman. Each of the representatives of the curer at the sales keeps one of these, entering in it the name of the salesman from whom he purchases fish, with the quantity and price per box, or hundredweight, &c. The total cost is afterwards filled up by the clerk in the office, who receives the invoices from the salesmen, and who checks the quantities and prices with these invoices.

BUYERS' BOOK.

Date	Salesman	Purchase	Price	Total
				£ s d

IV.—FISH BOOK.

This is to be used only when the business of curing is carried on along with that of dealing in fresh fish, and then only when it is desired to show the gross return on each of the departments separately. When the fish are delivered at the works the foreman in charge of the Receiving Department enters on the

Date	RECEIVED		FISH BOOK						DISTRIBUTED	
	Salesman or Merchant	Quantities	Cost	Sent out Fresh		Sent to Curing Depart't		Refuse		
			£ s d	Quantities	Cost	Quantities	Cost	Quantities	Cost	
			£ s d		£ s d		£ s d		£ s d	

left-hand side of the book the name of the person from whom the fish are received, and the names and quantities. The cost and total price are filled in in the office from the Buyers' Book, or from the invoice. Purchases will sometimes be made from other merchants not at a sale, either of fresh fish or of fish already cured, and the prices of these will be got from the invoices, or, if paid for in cash, from the Cash Book entry. After being taken into the works, the fish are sorted, so many being sent to the Fresh Department and so many to the Curing Department. On the right-hand side the foreman, or person in charge of dividing the fish, enters the quantities and names of the fish sent to each department, leaving the prices to be filled in as before. There will be found to be so many of the fish unsuitable for the purpose of either department, and these are entered in a "Refuse" column. These are sent, along with the offal, to the oil or manure factory.

If the various parcels of the same kind of fish are mixed before being sorted, the prices to be charged to each department will be the average paid that day for the particular description of fish, otherwise the price will be the actual cost.

When the prices and cost have been completed, the total of the three columns on the right-hand side should balance with the total of the fish received.

At the end of each month (or more frequently, if thought advisable) an abstract of the totals for each day is made up, and an entry is passed through the Journal as follows:—

Fresh Fish Department	..	..	Dr.	£
Curing Department	..	..	..	"
Refuse	..	..	..	"
Fish Account	..	..	..	Cr. £

This will transfer the cost of the fish purchased during the month to the various departments, and the Fish Account in

departments, or the total is posted to the credit of Sales Ledger Account, and the sum of each of the Analysis columns to the debit of Fresh Department and Cured Department respectively.

CREDIT RETURNS BOOK.

Date	Name	Amount	Folio	ANALYSIS						
				Fresh		Cured				
				£	s	d	£	s	d	

VIII.—WAGES BOOK.

The Wages Book is to be used for workers' wages only. The entries should be so arranged as to show the week's wages paid (1) to those employed receiving and sorting the fish prior to its division into departments; (2) to those engaged solely for the Fresh Fish Department, gutting, packing, and despatching; and (3) to those engaged in curing and despatching cured fish. The amount of the first, when paid, is extended in the Cash Book to Management, the amount of the second to Fresh Fish Department, and the amount of the third to Cured Fish Department. If there are employees engaged solely at Refuse, their wages are put to that account. Other salaries—such as Buyer's Salary and Office Salaries—are entered in a Salaries Book, and are charged to Management.

WEEK ENDING.....

NAME	No.	1st Day	2nd Day	3rd Day	4th Day	5th Day	6th Day	Time, Total	Wages, Rate			
										£	s	d

IX.—CASH BOOK.

The Cash Book is ruled on the system already explained, with Analysis columns for receipts and payments, and on each side a column for Discount on Ledger Accounts.

On the received side the principal items are Customers' Accounts settled, Bank, Cheques, Cash Sales, and Bills Receivable (if any). Cash Sales are again divided into Fresh and Cured. There will be other items of receipts, which will be extended to Miscellaneous.

All sums received from customers having accounts in the Sales Ledger are extended to the Sales Ledger column, and are posted from there to the credit of the Customers' Accounts in the Ledger. It is, of course, the gross amount of the account—*i.e.*, without deduction of discount—that must appear in the Sales Ledger column and be posted to the Sales Ledger. There are two methods of dealing with the discount. The gross amount of the debt may be entered in the Cash column and the discount in the Discount column. In this case, the

CASH BOOK.

Date	Specification of Entry	ANALYSIS OF RECEIPTS									
		Cash		Discount	Sales Ledger	Folio	Bank	Cash Sales		Bills	Miscellaneous
		Dr.						Fresh	Cured		
Sept. 5	Bennet & Son W. Randall & Sons S. Randolph & Sons J. & P. Morgan E. Williams & Co. F. & L. Salisbury	£ s d 36 0 0 14 5 6 126 2 0 96 2 0 9 10 0 14 10 0	£ s d	£ s d 0 10 8 0 4 0 2 5 0 7 3 8 0 1 8 0 4 3	£ s d 36 10 8 14 9 6 124 15 0 7 3 8 9 11 3 14 14 3	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
	Cheques per Contra	..	326 15 0	..	..	..	326 15 0	..	..	..	..

Date	Specification of Entry	Voucher No.	ANALYSIS OF PAYMENTS									
			Discount		Invoice Ledger	Bank	Fresh Dept.	Cured Dept.	Management	Carriages	General Expenses	Miscellaneous
			Dr.									
Sept. 5	Bank Greenlees & Co. Johnston & Co. T. Davies R. Randall & Co.	£ s d .. 87 2 6 27 12 0 74 16 0 137 3 6	£ s d 2 10 0 0 15 0 1 18 0 3 10 0	£ s d 272 17 6	£ s d 80 12 6 28 7 0 76 14 0 140 13 6	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	
		326 15 0	..	..	..	..	..	..	..	..	..

discount has to be crossed to the paid side in balancing the cash, and in practice is so crossed at the end of each month. Otherwise the net amount only is entered in the Cash column, and the discount in the Discount column, the sum of these two being extended to the Sales Ledger column. In this case, the discount has not to be crossed at the end of the month, but is posted to the debit of Discount Account in the same way as Cash is posted. It is often advisable in a business where much cash is passing to see that all receipts are entered in the bank at the close of the day. This may be done by adopting the latter method, and by entering the net amounts in an outer Cash column, the total being transferred at the end of each day to the Cash column, so as to correspond with the amount paid into the bank on the opposite side. The examples given in the specimen ruling show how this is done.

At the end of each month the columns are summed. The total of the Cash column may be posted to a Cash Account in the Ledger, but in practice this is unnecessary, as the balance on that account can always be taken from the Cash Book. The total of the Discount column is posted to the debit of Discount Account, and the totals of the subsidiary columns are posted to the credit of the respective accounts in the General Ledger.

On the paid side, the principal entries are for Invoice Ledger Accounts paid, Bank, Wages (divided into Management, Fresh Fish, and Cured Fish Departments); Cash payments for these departments, Carriages, and Office Expenses (including Stationery, Telegrams, Postages, &c.). Other items may be put to Miscellaneous, and dealt with as already explained.

All accounts paid which have been passed through the Invoice Day Book are extended to Invoice Ledger column, and

are posted to the debit of the suppliers' accounts in the Invoice Ledger. In the same way as on the received side, the net amount may be entered in the Cash column, the discount in the Discount column, and the sum of these two, being the gross amount, is extended to the Invoice Ledger column. As most of these accounts will be paid by cheque, it will save labour if such paid on the same date by cheque are entered in an outer Cash column, and the total extended to the Cash column. The cheques on the other side need not then be entered in detail, but only in total, to agree with the total of accounts paid.

As already explained, the wages, when paid, are extended to the various columns, as shown in the Wages Book.

Cash payments for the Fresh Fish Department—such as for Special Boxes, Cleaning, &c.—are extended to Fresh Department; and payments for the Cured Department—such as Coals, Wood, Utensils, &c.—are put to Cured Department.

Telegrams and Rents, Taxes and Stationery, are extended to General Expenses.

If for Profit and Loss Account purposes greater details of any of the accounts are required, a separate Analysis Book should be used.

At the close of the month, when the columns are summed up, the total of the Discount column is posted to the credit of Discount Account, and the totals of the other columns to the debit of the respective accounts.

X. & XI.—SALES AND INVOICE LEDGERS.

These do not require any explanation, any of the usual forms being suitable. The balances on each of these Ledgers, when taken off and summed at the end of any month, should agree in total with the balances appearing on the Sales Ledger and Invoice Ledger Accounts in the General Ledger.

In addition to the books explained, there will be others of a usual nature—such as Petty Cash Book for small outlays, Postage and Telegrams Book, and Salaries Book. If many accounts are settled by bills, it will be well to have a Bills Receivable Book. A good form of this can always be had ready made. The bills, when entered, are posted to the credit of the customers. At the end of each month the total is credited to Sales Ledger Account and debited to Bills Receivable Account. The bills, when met or discounted, are entered through the Cash Book, and extended to Bills Account and posted monthly. The balance on Bills Receivable Account should, therefore, represent the total of the bills in hand.

At the close of the year, when the stock in hand for each department has been taken credit for, the amount at the credit of Fresh Fish Department, Cured Department, and Refuse, represents the gross return on the trading. The various charges necessary for carrying these departments on—such as Management, Boxes, Salt and Ice, Carriages, and General Expenses—may then be divided between the departments in the proportion which the sales in each bears to the total turnover. The amounts then at the credit of the departments are carried to Profit and Loss Account, to which has to be debited, before bringing out the net profit, Bad Debts, Interest, Discount, Depreciation on Plant and Boxes, &c.

We have already explained how the system suggested can be adapted to a business dealing solely with fresh fish. In the same way, if the business is purely a curing one, very few alterations will adapt the system. The Fish Book will not be required, as all the fish received will go to the curers, and the headings in the several books referring to a Fresh Fish Department are done away with.

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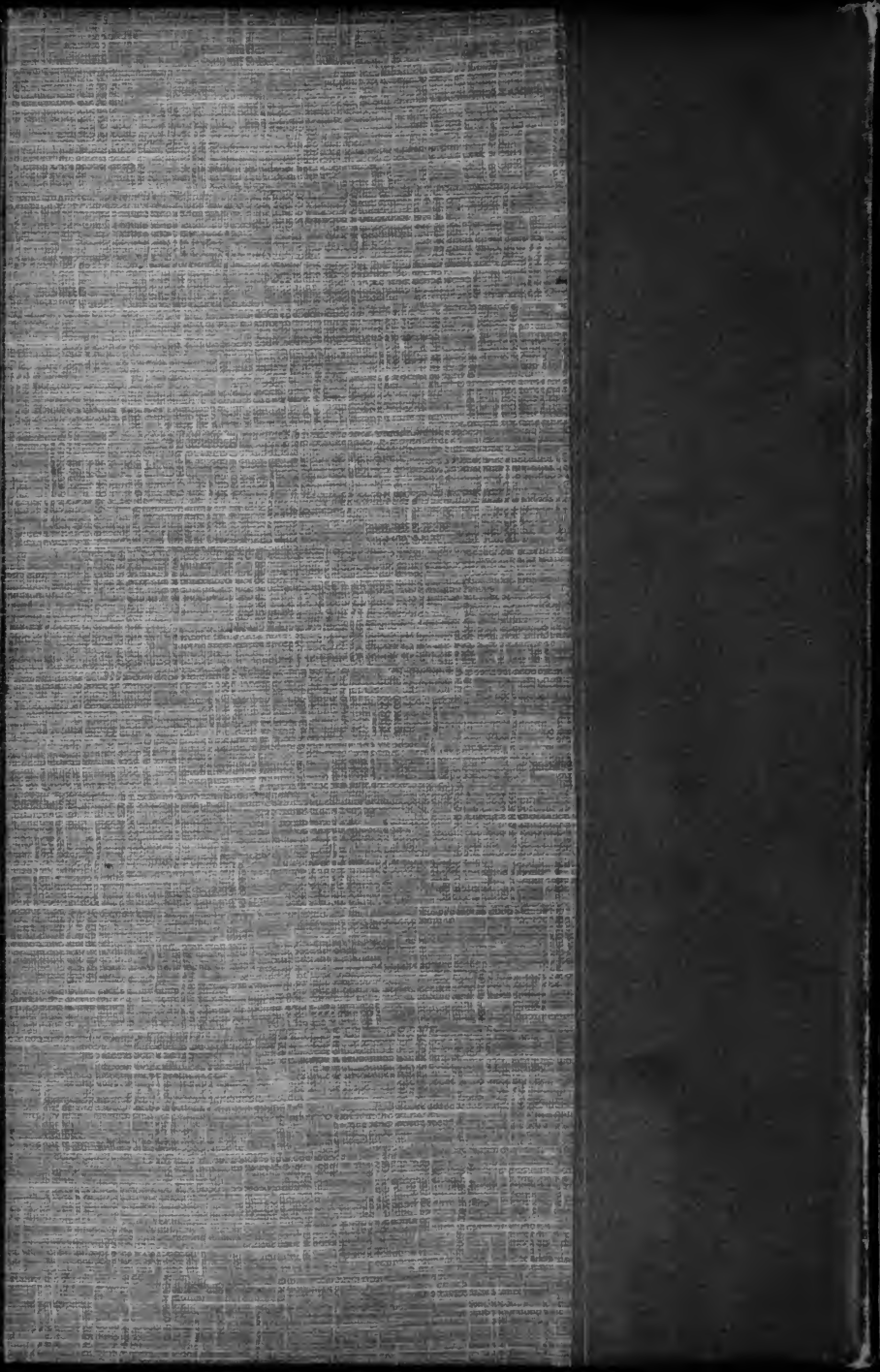
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