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## Balgownie Rubber. 75 PER CENT. DIVIDEND FOR THE YEAR. Contributions to War Funds.

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### Balgownie Rubber.

### 75 PER CENT. DIVIDEND FOR THE YEAR.

### Contributions to War Funds.


Messrs. Derrick and Co., secretaries of the Balgownie Rubber Estates, Ltd., forward the following report of the twelfth ordinary general meeting of that company held at Gresham House, Singapore, on June 15, at noon. There were present: Messrs. R. C. M. Kindersley (in the chair), H. R. Llewellyn and A. W. Bean (directors), A. Cook, A. E. Baddeley and W. P. Plummer (for the secretaries).

The secretaries read the notice calling the meeting and the minutes of the previous meeting were taken as read and confirmed.

The Chairman, in presenting the report and accounts, said:




Gentlemen,—I propose, with your permission, to take the report and statement of accounts as read. The accounts show a profit of \$139,456.67 against \$73,313.10 for the previous year or an increase of over 90 per cent. The increase is due partly to the higher price obtained and partly to the reduced cost of production which has fallen to 1/1.16d. per lb., a saving of 1.09d. per lb. compared with the previous year, notwithstanding the smaller crop. In this connection I may mention that there has really been a greater saving compared with last year than is stated in the report, because in this year's accounts the loss in weight on the voyage has been deducted before arriving at the final figure, where-






as in the previous year the factory weight was taken. My experience is that the usual custom with home companies is to take the factory weights when working out f.o.b. costs, etc., and if that method had been followed we would have shown a considerably larger saving for comparison. At the last meeting I informed you that the board had decided to adopt a very conservative system of tapping which would entail smaller crops for the time being but which would put our bark renewal on a safe and sound basis. The crop obtained just exceeded the estimate being 165,593 lbs. against 165,000 lbs. We have now started on the upward path again and the estimate for the current year is 193,000 lbs., and I consider it probable that we shall obtain over 200,000 lbs. Our tapping system gives us a clear six years' renewal and we may expect a steady increase in yield and I have no doubt that we shall eventually obtain our 400 lbs. to the acre average. The improvement that has taken place is due to the thinning operations as well as to the tapping system, and thinning will be continued gradually as required.


#### **Acreage and Capital.**



To my mind the weak point about the Balgowrie company in the past has been that it had not sufficient reserve land and that the opened area was not large enough to obtain the most economical results in working. The purchase of the new block of 344 acres puts us in a very much better position and we have been able to make the purchase and open up the new area of 256 acres from revenue and to pay almost double the dividend that we did in the previous year. When the new clearings come into bearing we shall have approximately 1,000 acres which, with our present issued capital, will mean \$166 per acre or £19 7s. 4d. which I believe you will agree is a very satisfactory position. The thanks of the shareholders are due to Mr. H. R. Moullin and Mr. V. E. H. Rhodes for the excellent work that has been put in during the year and I may say that I have never seen the estates in such good conditions as they are now. The tin mine has given us a clear profit of \$6,534.13 and it is still continuing to produce ore. Last year I said that I expected about \$3,000 profit and we actually obtained about \$1,500 more than that sum. For the current year there is likely to be a reduction and probably the profit will not exceed \$3,500 unless further rich patches are encountered. The directors applied for and have been allotted, \$10,000 of



F.M.S. Government war loan debentures, and I feel sure that their action will meet with your approval. We gave a subscription to the F.M.S. War Relief Fund of \$500, \$250 of which went to the F.M.S. hospital and \$250 to the No. 2 Scheme for granting aid to men who have left this country to go to the war and their dependants. I should like to propose a subscription of \$500 to each of these funds this year, in all \$1,000. After I have moved the resolution I would be glad to answer any questions. I now have pleasure in proposing that the statement of accounts and balance sheet at March 31, 1916, and the directors' report be adopted.




Mr. Ba deley asked if he was right in understanding that the planted area would be brought up to one thousand acres and the cost would be \$166 per acre.

The Chairman said that was so.

Mr. Cook raised the question of issuing the unissued capital either as a bonus for distri-

bution or at a premium. The directors said they were not in favor of this; they did not require extra working capital at the present moment. If at some future date they required extra working capital for development the unissued capital would then be found useful.

There being no more questions the report and accounts were adopted and passed.



A final dividend at the rate of 30 per cent. per annum making 75 per cent. for the year was declared.


Mr. R. C. M. Kindersley was re-elected a director.

The directors' fees were fixed, the same as previously, and Messrs Barker and Co. were appointed auditors.


The meeting concluded with a vote of thanks to Mr. Kindersley.

### Directors' Report.

Following is the report of the directors to the shareholders:—



Gentlemen,—Your directors have pleasure in submitting their eleventh annual report and the statement of accounts for the year ended March 31, 1916. The net profit for the year as shown by the accounts is \$139,456.67, to which must be added the amount brought forward from last year \$15,857.68 = \$155,314.35. Four interim dividends amounting to 45 per cent. have been paid during the year, absorbing \$74,700, leaving a balance of \$80,614.35.



Your directors recommend that this balance should be dealt with as follows:—Payment of a final dividend of 30 per cent. making 75 per cent for the year \$49,800, transfer to reserve making \$50,000, \$10,000, leaving to be carried

forward \$20,814.35—\$80,614.35.

The cost of production free on board Port Swettenham including depreciation was 9.70d. per lb. compared with 11½d. per lb. in the previous year. Freight and selling charges amounted to 8.6 cents per lb. or 2.31d. exclusive of war risk insurance. Singapore charges, including directors' fees, auditors' fees, etc., came to 5.43 cents per lb. or 1.52d. The all-in cost is therefore 1/1.16d. per lb. compared with 1/2½d. per lb. in the previous year, exclusive of war risk insurance which amounted to \$879.33 or .15 of 1d., or if war risk insurance be included and the last four items shewn on credit of profit and loss account be deducted the cost per lb. is cents 42.68 = 11.95d. All general expenditure has been charged to revenue.

The crop harvested amounted to 165,593 lbs. against the estimate of 165,000 lbs. The estimate for the current year is 193,000 lbs. The average price obtained for the rubber sold during the financial year was \$1.17 per lb. = 2s. 8.76d. The unsold stock at March 31, 1916, amounting to 28,080 lbs. has been taken into account at \$1 net which is a conservative figure. The average number of trees tapped on Balgownie estate was 23,067 giving an average yield per tree of 3.59 lbs. and of 259 lbs. per acre. On Bangi an average of 28,808 trees were tapped with a yield per tree of 2.98 lbs. and per acre of 268 lbs. All trees being tapped on renewed bark are on the alternate day system on ¼ with two cuts sloping downwards from left to right, the lower cut 20 inches from the ground and the upper cut 20 inches above the lower one. Trees being tapped on virgin bark are tapped daily on ½ of the tree. A great improvement is apparent in the condition of the bark on both estates and under the present lenient system a continued improvement is assured.

Weeding —The cost of the year over the two estates was 23 cents per acre against the estimate of 33½ cents. In the previous year the cost was 44 cents per acre. The estates are both in very good order. On Balgownie 5,851 mature trees were cut out and the average number of trees per acre is now approximately 73. On Bangi 3,597 trees were removed leaving approximately 90 trees per acre.

A new block of land comprising 344 acres 1 rood 07 poles was purchased in December for \$6,500. This includes 16 acres of rubber 2½ to 3 years old. The land adjoins Bangi estate and has a frontage on the Bangi-Semenyih road. A block of 90 acres has been felled and burned and is at the present time ready for planting and with 16 acres of rubber the total under cultivation is 106 acres.

over the total under cultivation is 100 acres. A further 150 acres will be felled and planted during the current year, making 256 acres in all.

Mr. H. R. Moullin was in charge at Balgownie and Mr. V. E. H. Rhodes at Bangi throughout the year and Messrs. R. and D. Kindersley acted as visiting agents. The curing was done by the Kajang Central Rubber Factory, and the former excellent standard was maintained. Reports on the rubber sent to London and Singapore have been uniformly good. Javanese were employed on both estates and a sufficient number were maintained and their health was good. Dr. B. Day continued to act as medical officer to the company. Good results were obtained from the Balgownie mine and the profit for the year was \$6,584.15. The board consists of Mr. R. C. M. Kindersley, Mr. A. W. Bean and Mr. H. R. Llewellyn. Mr. R. C. M. Kindersley retires by rotation and offers himself for re election.

#### STATEMENT OF ACREAGE.

	Cultivated. Acres.	Uncultivated. Acres.	Total. Acres.
Balgownie ...	381.89	129.11	511.00
Bangi ...	471.20	399.95	871.15
	853.09	529.06	1,382.15

