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Home > The Straits Times > 4 November 1915 > Page 12 > Broome Plantations.

Broome Plantations.

The Straits Times, 4 November 1915, Page 12

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Add to Citation

Previous Article

Next Article

Previous Page

Next Page

Broome Plantations.

PAYMENT OF A DIVIDEND FORESHADOWED.

Crop Estimates Exceeded.

The third annual general meeting of the Broome (Selangor) Rubber Plantations, Ltd., was held on September 23, at the registered office, Mincing-lane House, 59, Eastcheap, E.C., Mr. Joseph Kelly (chairman of the company) presiding.

The Chairman said: Gentlemen,—I will first of all deal with the accounts, a print of which has been in your hands for the past week. You will observe that the property account is debited with 600 shares, being the cost of land purchased, which will be paid for with 600 fully paid shares when the titles have been found in order. I may mention that this land consists of about 11 acres of mature rubber adjoining our property and is now being tapped. The board some time ago considered it advisable to purchase this block, as adjacent native holdings are often a source of trouble. The amount of expenditure on upkeep of immature areas was £1,853 8s. 10d., which figure includes one-half of the general charges in the East. There have been no additions to buildings, plant and machinery, which stand in the balance-sheet at £7,354 12s., after writing off £1,336 16s. 9d. for depreciation. The sum of £62 9s. 2d. has been spent on additions to live stock, vehicles and furniture, which figure in the balance-sheet at £356 5s. 8d., the sum of £149 1s. 4d. having been written off for depreciation. The total amount of depreciation written off is £1,485 12s. 1d., which appears at the debit of the trading account. This is equal to 2.18d. per lb. The remaining items on this side of the balance-sheet, I think, explain themselves, but I may mention that advances to coolies and contractors, amounting to £222 0s. 11d., are reported to be good. On the debit side of the balance-sheet you will notice that in respect of bills payable, sundry creditors, directors' fees, etc., there is a liability of £7,385 6s. 11d. The 600 fully-paid shares for land purchased I have already referred to.

Gross Revenue.

Our gross revenue from the sales of rubber and stock is £16,430 13s. 8d. This represents the proceeds of 163,517 lbs. of rubber harvested during the year, or a gross average price of 2s. 0.11d. per lb. The gross average price on London equivalent terms was 2s. 1.07d. The manager's estimate of 160,000 lbs., you will observe, was exceeded. Last autumn, just after the outbreak of war, we were compelled to sell a quantity of rubber in Singapore, as we could neither remit money out, obtain a temporary loan from the

Information



Newspaper: The Straits Times

Date: 4 November 1915

Reel Number: NL00413

Share



Table of Contents

Previous Page | Page 12 | Next Page

Broome Plantations.

Broome Plantations. PAYMENT OF A DIVIDEND FORESHADOWED. Crop Estimates Exceeded. In

AUSTRALIA'S PART.

AUSTRALIA'S PART. Total War Expenditure of Over £47,500,000. Mr. Andrew Fisher, the Prime Minister

Rubber Plantations Investment Trust.

Rubber Plantations Investment Trust. The report of the Rubber Plantations Investment Trust, Limited, states

View Full Table of Contents

Government, nor discount drafts in the East. In November last, however, the banks again began to discount drafts against shipments, which eased the financial position. At that time we thought it prudent to sell forward enough rubber to ensure a sufficient sum of money to meet monthly requirements. We therefore entered into a contract for the sale of 24 tons first latex at the price of 1s. 11½d. per lb. f.o.b. in the East for shipment December, 1914, to May, 1915. The London equivalent of this sale is 2s. 1½d. per lb. This method of sale recommended itself to your directors, and last spring we sold another 30 tons of first latex for shipment June to November, 1915, at the price of 2s. 0½d. f.o.b. in the East; the London equivalent of this sale is 2s. 2d. per lb. This policy, we feel sure, must commend itself to you. We have no strong cash reserves, and these sales have insured the necessary amount required for estate expenditure to the end of November next. The f.o.b. cost was 10.99d. per lb., as compared with 1s. 1.69d. per lb. last year. Depreciation is 2.18d. per lb., as compared with only 1d. per lb. written off last year, but we have considered it sound policy to make liberal allocations in this respect. The f.o.b. cost, including depreciation, is 1s. 1.71d., against 1s. 2.69d. last year. Other items—namely, sale charges, war risk insurance, directors' fees, office expenses, interest, etc.—amounting to 2.60d. per lb., bring the "all in" cost up to 1s. 3.77d. per lb., against 1s. 6.64d. per lb., or a reduction of 2.87d. per lb. as compared with last year.

No Agency Commission.

In the past our secretaries have been receiving a fee of £150 per annum, plus a commission of 1½ per cent. on the gross proceeds of rubber sold. Their remuneration on this basis would have been roughly £400, but later on, when the crops increase, the amount would be much larger. Your directors have arranged to pay the secretaries an inclusive fixed fee of £400 per annum for office accommodation, etc., without any commission on the sales of produce. From the accounts you will see that the net profit for the year is £5,584 3s. 8½. To this amount has been added the carry-forward from the last account—namely, £1,703 18s. 6d.—leaving a balance at the credit of the profit and loss account of £10,568 2s. 2½. Your directors propose that this amount shall be carried forward for the obvious reason that, as will be observed from the balance sheet, the payment of a dividend this year is not possible, all the revenue having already been used for capital expenditure. Our liabilities in respect of bills payable, creditors, directors' fees, etc., amount to £7,338 6s. 11d., while, per contra, we have liquid assets represented by cash and stocks of rubber standing in the balance sheet at £6,833 10s. 10d. If this figure is deducted from the liabilities you will note that there is a deficiency of just over £700. As the company is entitled to the proceeds of the sale of 2,600 shares in this company which were surrendered, there was a small surplus of liquid assets over liabilities on June 30 last. We, therefore, start the financial year 1915-16 with a balance on the right side.

The Current Year.

In my speech last year I informed you that a dividend did not appear possible in respect of the financial year just ended. I then hazarded an opinion that in respect of the year ending June 30, 1916, you should receive your first dividend, as it seemed probable our cash position at that date would permit of this. The estimated 1915-16 crop is 262,000 lbs. Our agents informed us by cable at the beginning of this month that the manager was quite confident of obtaining this amount of rubber, and the visiting agent is also of this opinion. The crop for the two months ended August 31 is 37,686 lbs., or 13,855 lbs. more

than was obtained during the corresponding months last year. If we take a net selling price of 2s. per lb., then the revenue for the year 1915-16 would be £26,200. The estimated amount of revenue and capital expenditure in the East during 1915-16 is £15,700. After paying London administration expenses, etc., this would leave a balance of about £10,000, which should permit the payment of a moderate dividend in respect of the financial year ending June 30, 1916. I therefore hope, unless any unforeseen circumstances arise, that next year your directors will be able to recommend payment of the first dividend. We have nearly 1,400 acres of planted rubber, the whole of which should be tappable before December 31, 1916, so we may look for big

yields during the years 1916-17 and 1917-18. During the year 1916-17 our manager thinks we may expect a crop of well over 400,000 lbs. of rubber, and in the year after a crop of over 600,000 lbs. It must be borne in mind, however, that these figures are merely the manager's present idea of the probable crops, and are subject to revision later on. Personally, I see no reason why these amounts should not be harvested. Our costs of production are reasonable, having regard to the fact that many fields are in their first year of tapping, and should be further reduced, especially as the London standing charges will each year be spread over a larger crop, while the expenditure in the East, we feel confident, will always be moderate. The estate is favourably situated in many respects. The Bangi railway station immediately adjoins the property, and this naturally greatly facilitates the transport of rubber and supplies. The benefit of this will be more apparent as the output increases.

Position on Estates.

With regard to the estate work in general, we are continuing to thin out on the closely-planted areas; the health of the labour force is good, and plant, machinery and buildings are reported to be in first-class order. In conclusion, I think I can say that our financial position may now be regarded as satisfactory, and, as you are aware, we have not found it necessary to issue debentures. Our monthly revenue now greatly exceeds the monthly expenditure. The large sum which we were advised to spend in the past on permanent buildings, such as bungalows, factory, coolie lines, hospital, etc., and also on machinery for the factory, was fully justified, and they now form valuable assets. I feel sure you will agree with me that we should pass a vote of thanks to our Eastern agents—Messrs. Harrisons and Crosfield, Ltd.—the visiting agent, and the manager and his assistants for the valuable services they have rendered us during the past year. I now beg to move, that the accounts and reports as submitted to this meeting be and the same are hereby approved and adopted. I will ask Mr. Taylor to second the motion, after which I shall be pleased to answer any questions before putting the resolution to the meeting.

Mr. A. Taylor seconded the motion, which was carried unanimously.

The retiring director (Mr. J. Gaynor) and the auditors (Messrs. Broads, Paterson and Co.) were re-elected, and the meeting closed with a vote of thanks to the chairman, directors and staff.

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