BROOME PLANTATIONS.

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Previous Article Next Article Previous Page Next Page

BROOME PLANTATIONS.

Need for Economy—The Present Outlook.

The eighth annual general meeting of the Broome (Selangor) Rubber Plantations, Limited, was held on December 20 at the company's offices, 4, Buckingham Gate, S.W., Mr. Joseph Kelly (chairman and managing director) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profit on trading for the past year amounted to £15,264, as compared with £20,920 in the preceding year. The gross proceeds of sale of rubber were £47,772, or a few shillings less than the corresponding figure in the accounts to June 30, 1919. Crop expenditure was £26,960, as against £23,488, due to harvesting a larger quantity of rubber. Sale charges, freight and insurance were consequently higher, being £5,056, against £3,807. After deducting London administration charges, etc., which were slightly less than in the previous year, there remained a net profit of £13,500. An interim dividend was paid in the spring, absorbing £9,645, and the directors proposed that £5,000 should be transferred to reserve and £6,619 carried forward, subject to corporation profits tax and excess-profits duty, if any. There was no liability for excess-profits duty, and the sum payable in respect of corporation profits tax, if any, should only amount to a small figure.

The directors regretted that they could not recommend the payment of a final dividend, which they could distribute, because it was most advisable to conserve cash resources as far as possible in view of the low price at present ruling for the commodity. After increasing the reserve by £5,000, this account would figure at £30,000, which, added to the issued capital of £128,600, gave a total of £158,600, and practically represented the cost of the estates buildings, machinery, etc.

A Tanganyika Interest.

The Broome Company, in conjunction with associated companies and individuals, had formed a private syndicate to undertake planting of produce (other than rubber or tea) in Tanganyika Territory, East Africa, and the directors were confident that profitable results would be obtained. The crop of rubber harvested during the past year amounted to 533,498 lbs., and slightly exceeded the estimate of 530,000 lbs., being 34,000 lbs. odd more than the crop secured in the preceding year. The cost of production (excluding depreciation, etc., which worked out at .49d. per lb.), was 1s. 3.22d., as against 1s. 2d. last year. The loss on rice amounted to over £1,500 and mainly accounted for the increased f.o.b. cost. The gross average price for the crop was 1s. 9.49d. per lb., as against 1s. 10.94d. per lb. With regard to the current season, the manager esti-

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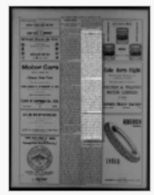

Newspaper:
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Date:
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Reel Number:
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Share

Table of Contents

mated that he would obtain a crop of 567,000 lbs., but, as the board had decided to restrict output, in conformity with the general scheme, this figure was subject to revision. The expenditure on the erection of a smoke-house to provide further facilities for manufacturing increased crops had been postponed until the company was in a position to harvest rubber on a normal basis. The present factory was capable of dealing with the output that would be obtained during the period of restriction.

The Outlook.

With regard to the future, everybody connected with the rubber industry was aware that the market in the United States controlled the position; they were by far the largest users of the product, and consumed at least three-fourths of the annual output. It could only be hoped that the smaller quantity of rubber produced, together with a steadily-increasing demand on the part of American manufacturers, would enable the present large stocks to be absorbed, and this should result in a better price being obtained. The various nations on the Continent must also come into the market at some future date, and this should also assist matters. The directors on their part must exercise every economy, and keep down expenditure, and conserve their finances as far as possible. The company's financial position was not an unsatisfactory one, as they had in past years made liberal allocations to reserve, and not distributed dividends on an unwise scale.

Mr. Arthur V. Houghton seconded the motion, which was carried unanimously.

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