AUSTRALIAN BLUE ASBESTOS LIMITED

ASBESTOS

PERTH, WESTERN AUSTRALIA

MANAGING AGENTS
THE COLONIAL SUGAR REFINING COMPANY LIMITED
1-7 O'CONNELL ST., SYDNEY, AUSTRALIA

560608·002

ADDRESS ALL LETTERS
BOX 483 G.P.O.
SYDNEY, AUSTRALIA
CABLES SUGAR, SYDNEY

MINES & MILLS
WITTENOOM GORGE
WESTERN AUSTRALIA

Private No. 15
8th June, 1956

The Manager,
Australian Blue Asbestos Ltd.,
89 St.Georges Terrace,
PERTH. W.A.

Dear Sir,

HIRED PLANT. It has been decided that A.B.A. Ltd. should purchase from C.S.R. Co. Ltd. all plant now on hire from C.S.R. Co., the total purchase price being £160,000. This transaction will take place immediately so that this plant will be part of A.B.A. Ltd. fixed assets in the June, 1956, balance sheet. No charge for hire will be made by the C.S.R. Co. for the quarter ending 30th June, 1956.

The purchase of this plant should help A.B.A. Ltd. to obtain taxation benefit from past losses. A.B.A.'s expenditure will be reduced and its anticipated profit for taxation purposes increased (provided no claim is made at present for depreciation) as follows :-

Reduced expenditure by A.B.A. 8½% on £328,000 now paid to C.S.R. Co. Ltd	£27,800 p.a.
Less 3% interest on £160,000 received from C.S.R.	£4,800 p.a.
Increase in A.B.A.'s anticipated profit for tax purposes	£23,000 p.a.

This increased profit will assist in making sure we get as much taxation advantage as possible from past losses. No claim for depreciation for taxation purposes should be made on our present assets or on these further assets until we have absorbed all possible past losses. Mr. Broadhurst should discuss this with our auditors to make sure the position is clear.

In A.B.A.'s books of course, depreciation on the £160,000 should be taken into account as for present plant and should be commenced as from 1st July, 1956.

Any Hired plant paid for by C.S.R. since 31st March will be included in C.S.R.'s May A/c to be rendered to you.

...2/

C 1858

The Manager,
Australian Blue Asbestos Ltd (Perth)

P. No. 15
8th June, 1956

The transaction for the take over of this Plant will be arranged through C.S.R. Co. Perth's account with A.B.A. Moneys owing by C.S.R. on account of fibre sales are accounted for in your Sundry Debtors' a/c. C.S.R.'s monthly a/c will therefore show.

By	Sundry Debtors Transfer of fibre sale proceeds	£160,000
To	Plant Take over of plant previously on hire from C.S.R. Co.	£160,000

Yours faithfully,

Managing Director.

C 1859