PLAINTIFF'S EXHIBIT CSR-118

1960

PROFIT AND LOSS ACCOUNT

for the year ended 31st March, 1960

	1959	1960
	£	£
Transferred to General Reserve	1,000,000	1,000,000
Dividends:		
Interim Dividends Paid	748,800	897,449
Proposed Final Dividends	842,400	1,003,791
	2,591,200	2,901,240
Balance carried forward	1,098,278	1,079,671
	£3,689,478	£3,980,911

	1959	
	£	
Balance from previous year	1,150,194	1,0
Net Profit for the year after providing for taxation	2,539,284	2,9
	£3,689,478	£3,9

NOTE.—The total amount paid to the Directors as remuneration for their services was £9,500 of which sum £1,000 was paid by C.S.R. Chemicals Pty. Ltd.

J. VERNON,
General Manager

J. W. DUNLOP, Director
E. R. KNOX, Director

STATEMENT PURSUANT TO SECTION 106 (1) OF THE COMPANIES ACT, 1936.

Profits of subsidiary companies have been included in the attached accounts to the extent to which they have declared dividends during the period to which these accounts relate. Losses incurred by subsidiary companies for the periods covered by their last accounts have been fully provided for in the accounts of the holding Company.

J. W. DUNLOP, Director
E. R. KNOX, Director

AUDITORS' REPORT TO THE SHAREHOLDERS.

We report that we have examined the Balance Sheet herein with the Books of Account of the Company and with the copies and extracts from the Books and Accounts of the different Branches and Mills and such returns as have been transmitted to the Head Office of the Company. All the information and explanations that we have required have been supplied to us, and, in our opinion, the Balance Sheet herein is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of the information and explanations given to us and as shown by the Books of Account of the Company. The Register of Members and other records which the Company is required to keep in accordance with its Articles and the Companies Act, 1936, have, in our opinion, been properly kept.

YARWOOD, VANE & CO.,
Chartered Accountants

Sydney, 8th June, 1960

Registered under the Public Accountants Registration Act, 1945, as amended

Australia's exports and about one-third of Fiji's exports.

Building Materials

The value of sales of C.S.R. building materials increased by 20% for the year ended March, 1960, compared with the previous year. This increase does not take into account the sales by the companies acquired by C.S.R. during the past year.

A wide and still expanding range of materials and services for the building industry is provided by C.S.R. and we are continuing to consolidate our position as a major supplier to this industry. Building activity, both domestic and commercial, is high in all States. However, import competition, following the lifting of import licensing, may cause real difficulties for some products.

Masonite: The Masonite group of companies, now wholly-owned by C.S.R., is making good progress. The unprofitable production at Eildon has ceased and a full review of this project is being made. The Raymond Terrace factory has been working to capacity. The separate identity of the well-known and popular Masonite brand of hardboard is being maintained.

Bradford products: The Bradford rockwool group of companies in New South Wales and Victoria, in which through B.I. Holdings Pty. Ltd. we acquired a large majority interest during the year, has had a year of record sales. B.I. Fibertex rockwool insulation is an advantageous addition to our range of building products. An attractive acoustic tile, made from rockwool and so incombustible, is being introduced to the market by the Bradford group under the trade name of Sydtone. This product, new to Australia, is made under licence from Johns-Manville, U.S.A., and has wide application in commercial buildings and offices. C.S.R. also acquired during the year a minority holding in the Bradford Insulation Company in South Australia, and through B.I. Holdings, minority holdings in the Bradford Companies in Queensland and Western Australia.

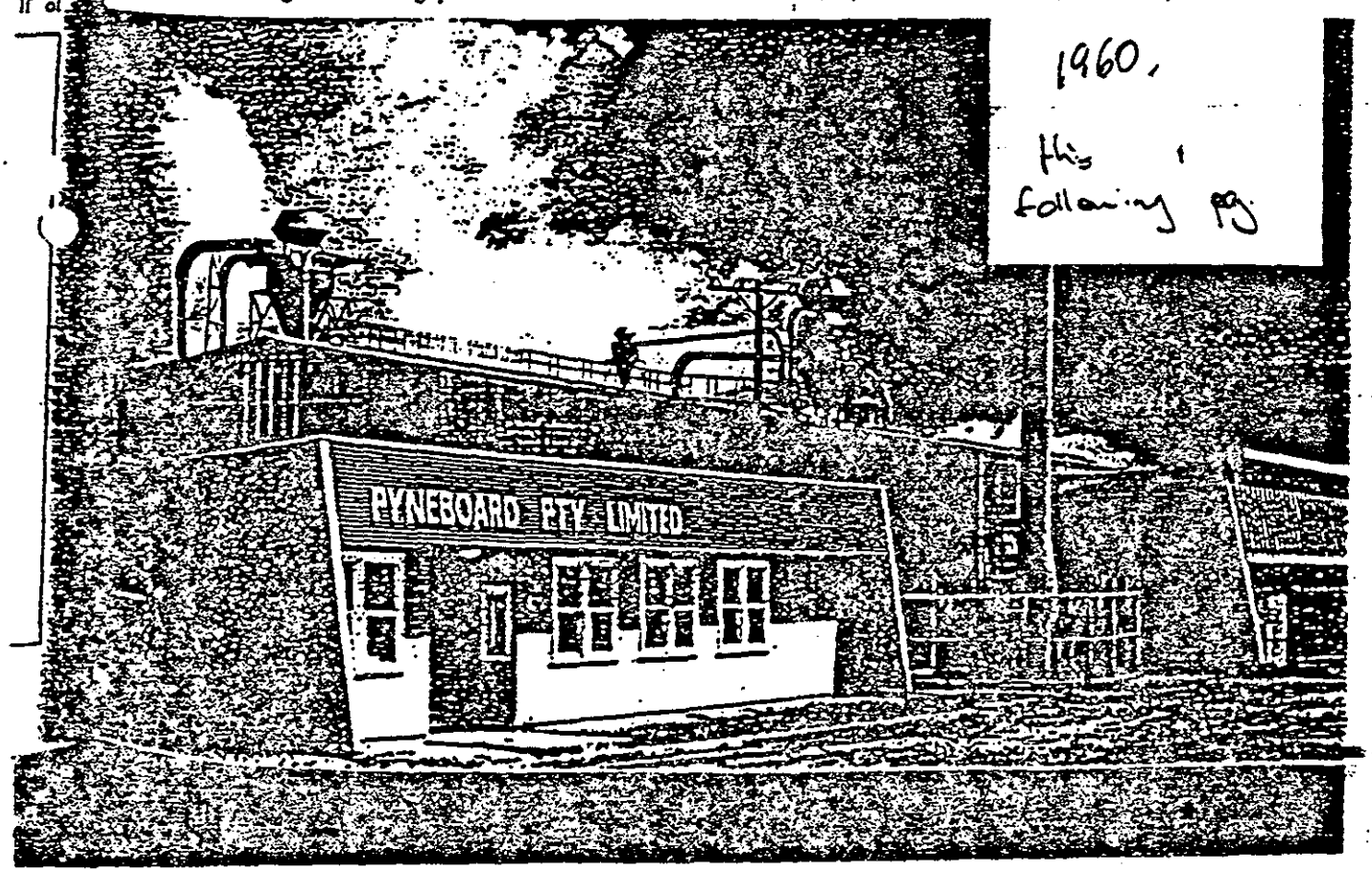
Pyneboard: The factory of Pyneboard Pty. Ltd. (60% C.S.R.) at Oberon was completed to schedule and has recently been officially declared open by the Premier, The Honourable R. J. Heffron. This factory makes flakeboard, under the trade name of Pyneboard. It is a strong rigid board which has rapidly developed a big market overseas, mainly in the field of high quality furniture and joinery.

Timbrock: Construction work has begun for the new £2 million Timbrock hardboard mill at Bacchus Marsh in Victoria. The factory is expected to commence operating in January, 1961.

Cane-ite: Business has been steady in Cane-ite insulating board and the development of Cane-ite Roofdek is promising.

Gypsum and Plaster: Construction work is in progress of the deep-sea loading jetty for gypsum at Kangaroo Island in South Australia, and of a plaster mill at New Farm in Brisbane. Both of these projects will come into use later this year.

The office and part of the Pyneboard factory at Oberon, N.S.W. The factory was opened by the Premier of N.S.W., The Hon. R. J. Heffron, on 27th May, 1960.



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Vinylflex floor tiles and Gyprock board: Although sales of all C.S.R. building products have improved during the year, the increase in sales of Vinylflex floor tiles and Gyprock plaster lining board has been quite outstanding.

Asbestos: Australian Blue Asbestos Ltd. is consolidating its position as a supplier of asbestos to the Australian and overseas market and production capacity is being raised. Sales for the year ended March, 1960, showed a further increase.

Industrial Chemicals

Overall sales of industrial chemicals and plastic and solvent materials produced at the Rhodes and Lane Cove factories of C.S.R. Chemicals (60% C.S.R.) again showed a substantial increase during the past year. However, the effect of the recent lifting of import licensing has yet to be fully felt. Prices of certain chemicals have been reduced to meet severe overseas competition. This has had to be done in the face of rising costs and will have an adverse effect on profits.

Joint Ventures in Petro-Chemicals: In March this year a company was formed jointly with the B.F. Goodrich Chemical Company of U.S.A. (to be known as B.F. Goodrich-C.S.R. Chemicals Pty. Ltd.), for the manufacture of the extensively used plastic, polyvinyl chloride (PVC). C.S.R. Chemicals has a 40% holding in this company. The factory will be erected on land adjacent to the site of the C.S.R.C.-Dow plant at Altona, Victoria.

C.S.R.C.-Dow Pty. Ltd. (50% C.S.R. Chemicals) is expected to start manufacturing styrene monomer in 1961 and meantime further expansion has been announced. The raw material for PVC is ethylene dichloride and this also is to be made by C.S.R.C.-Dow. This manufacture involves the use of the two gases, ethylene and chlorine; the former will be available from the adjacent Standard Vacuum petro-chemical plant, and a chlorine-caustic soda plant will be built by C.S.R.C.-Dow.

Other Matters

Distilleries

Sales of distillery products have continued to increase and both our Pyrmont and Melbourne distilleries achieved record production. During the year the Company purchased the Frome CO_2 & Dry Ice Works in Sydney.

Ocean Vessels

Our vessels, "Tambua" and "Rona", are operating efficiently. While "Rona" is new, "Tambua" is now getting old and her replacement is being considered.

Rice in Fiji

Rewa Rice Limited, a wholly-owned small subsidiary, is progressing. Plant and machinery have been installed in the old sugar mill buildings at Nausori and padi rice is being received from Rewa growers whose farms were previously producing sugar cane. More than half of the former sugar cane lands now carry rice crops. The rice growers have received much assistance and advice from our agricultural advisory officers and from the Fiji Department of Agriculture. Improved methods of cultivating the rice and of controlling diseases and pests have been introduced to enable higher yields to be obtained. There are now reasonable prospects of rice becoming the major crop of the Rewa district, thus providing ex-cane farmers with a substitute livelihood, and at the same time enabling the Colony to be less dependent on imports of this basic foodstuff.

Cement in Fiji

The Company has taken a 10% interest in Fiji Industries Ltd., a company set up to make cement in Fiji. Several other companies have taken similar proportions and shares have been placed with the public in Fiji and Australia.

Office buildings

Our Head Office accommodation is insufficient and three floors are being added to Chatsworth House, Bent Street, Sydney. No. 1 O'Connell Street itself will probably be replaced in a few years. Planning of the necessary development to meet our needs is now in progress.

Good progress is being made with the new office building in Fort Street, Auckland, and it should be ready for occupation at the end of this year.

Accounts

Until recently a high proportion of the total business of C.S.R. has been carried on in Divisions of the main Company—notably our business in sugar mills and refineries, also our distilleries and ships and most of the building materials. More recently and particularly in the last year, there has been considerable growth in the proportion handled by subsidiaries; our New Zealand sugar business has been placed in a subsidiary formed for the purpose and the Masonite and Bradford companies have been acquired as subsidiaries. It

B. I. Fibertex: Sales of rockwool insulation have increased satisfactorily and additional plant capacity is being installed in Sydney. B. I. Styltone fissured acoustic tiles are now being marketed and have been well received by the building trade.

Gypsum and Plaster: The Kangaroo Island bulk gypsum loading plant in South Australia and the new plaster mill in Brisbane have commenced operations.

Gyprock: The use of this gypsum lining board is now well accepted in the building trade and sales continue to increase markedly. Plant capacity is being increased at our factory at Concord, Sydney.

Sales and Costs: While almost all building materials lines continue to sell satisfactorily, rising costs are giving us considerable concern. In addition, the production of building materials is attracting new manufacturers into the field and this continued expansion of capacity is resulting in keen price competition.

INDUSTRIAL CHEMICALS

Demand for chemical products from both the Lane Cove and Rhodes factories of C.S.R. Chemicals Pty. Ltd. (60% C.S.R.) has continued at a fairly high level. However, as a result of the abolition of import licensing, a number of products are experiencing very severe competition from imports, and for some of them a difficult period lies ahead.

Satisfactory progress is being made with the erection for C.S.R.C.-Dow Pty. Ltd. (50% C.S.R. Chemicals) of the factory at Altona, Victoria, where styrene monomer, ethylene dichloride, caustic soda and chlorine will be made. Styrene monomer is expected to be produced in August, 1961.

The other joint chemical venture at Altona, B. F. Goodrich-C.S.R. Chemicals Pty. Ltd. (40% C.S.R. Chemicals), to manufacture the well-known plastic, polyvinyl chloride (PVC), is making good progress and production is expected to start early in 1961.

OFFICE BUILDINGS

Due to the Company's increased activities in South Australia, it has been necessary to move to larger office premises. The Branch and the offices and showroom of the Building Materials Division are now in Daigety's new building in Currie Street, Adelaide.

The new office building in Fort Street, Auckland, is expected to be ready for occupation in February next year.

In order to increase Head Office accommodation, No. 1 O'Connell Street is to be demolished and a new building, 185 feet high, erected on the site. The two neighbouring buildings, Harwood House in O'Connell Street and Chatsworth House in Bent Street, are now being adapted to house the staff during the demolition and rebuilding period.

Yours very truly,

J. VERNON,

General Manager

10th November, 1960

1960