1958

Report-

PLAINTIFF'S EXHIBIT 10232.0

PROFIT AND LOSS ACCOUNT

for the year ended 31st March, 1958

	1957	1958		1957	1958
	£	£		£	£
Transferred to General Reserve	400,000	750,000	Balance from previous year	895,378	1,062,73
Dividends:			Net Profit for the year after providing for taxation	1,971,358	2,335,05
Interim Dividends Paid	702,000	748,800			
Proposed Final Dividends	702,000	748,800			
	1,804,000	2,247,600			
Balance carried forward	1,062,736	1,150,194			
	£2,866,736	£3,397,794		£2,866,736	£3,397,79

NOTE.—The total amount paid to the Directors as remuneration for their services was £8,260, of which sum £500 was paid by C.S.R. Chemicals Pty. Ltd.

J. VERNON,
General Manager.

E. R. KNOX, Director.
G. B. KATER, 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 duri the period to which these accounts relate. Losses incurred by subsidiary companies for the periods covered by their last accounts have be fully provided for in the accounts of the holding Company.

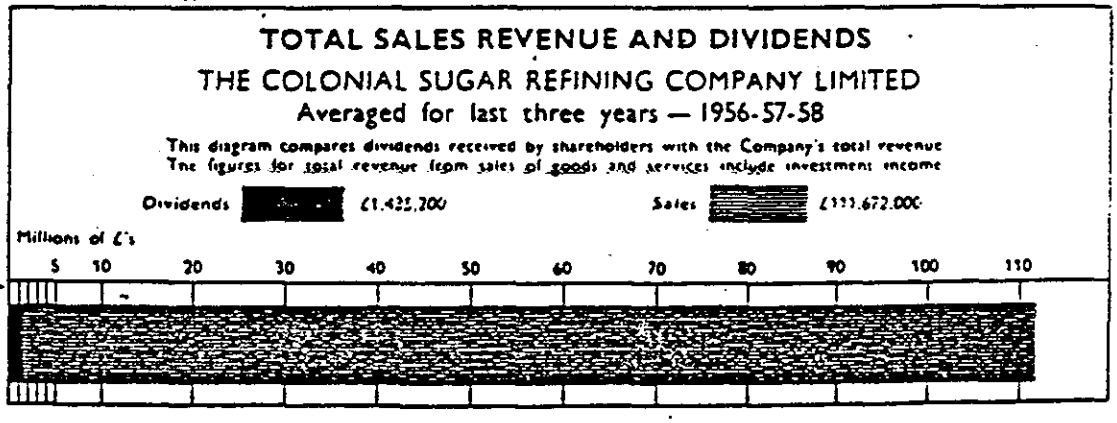
E. R. KNOX, Director.
G. B. KATER, Director.

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 extra from the Books and Accounts of the different Branches and Mills and such returns as have been transmitted to the Head Office of the Compa All the information and explanations that we have required have been supplied to us, and, in our opinion, the Balance Sheet herein is prope 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 explan tions given to us and as shown by the Books of Account of the Company. The Register of Members and other records which the Compa is required to keep in accordance with its Articles and the Companies Act, 1936, have, in our opinion, been properly kept.

Sydney, 26th May, 1958.

YARWOOD, VANE & CO.,
Chartered Accountants (Aust.).



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Moreover, as this price is below the "ceiling", exports will almost certainly be limited for the 1958 calendar year to the quota under the International Sugar Agreement and the British Commonwealth Sugar Agreement, viz. 637,000 tons for Australia.

The duration of the current International Sugar Agreement is five years, expiring at the end of 1958. Arrangements are in train with the United Nations for a conference to be called, probably in September this year, for the purpose of negotiating a new agreement.

Distilleries

As forecast last year, the level of sales of distillery products has continued to rise. The additional spirit demands have been met by supplementing our Sydney and Melbourne factory output with alcohol from the distillery of the Australian National Power Alcohol Company Pty., Ltd. at Sarina, North Queensland.

Ocean Vessels

The new "Rona" has now been in service for some months and is performing up to expectations. "Tambua" is giving satisfactory service, but "Fiona", a smaller and older vessel, is for sale.

Building Materials Division

Despite a lower volume of general building activity, the total value of sales of our building materials was 11% higher than for the previous year. Timbrock and Cane-ite sales were much the same as last year, but plaster and Gyprock wallboard sales improved and there was a marked increase in the sales of Vinylflex floor tiles.

To meet a demand for fire resistant partitioning with a one-hour fire rating, a new and thicker plaster board of the Gyprock type, which we have called "Fyrchek", has been developed; it has had a good reception.

A strong demand continues for blue asbestos and 12,550 tons were sold for the year, compared to 10,900 tons for the previous year. Additional plant is being installed at Wittenoom to meet the expanding market.

In February the Company purchased the whole of the shares in three companies in Western Australia which manufacture plaster products, fibrous plaster, lime and expanded vermiculite.

C.S.R. Chemicals Pty. Ltd. (60% C.S.R.)

The demand for chemicals made in the Rhodes and Lane Cove factories showed further appreciable improvement during the past twelve months, the value of sales exceeding that of the previous year by approximately 17%. The increased demand was fairly general, not being confined to any particular products.

During March a Tariff Board Inquiry was held to consider whether further assistance should be given to cellulose acetate flake as the three year period of the present bounty of 10d. a lb. expires on 30th June, 1958. The result of the Inquiry is not yet known. The major part of the cellulose acetate production is used in the manufacture of rayon, and the textile market prospects, including those for acetate rayon, are unsatisfactory, mainly because of Japanese competition.

The production of Starex 475, a toughened form of polystyrene, has been successfully started at Rhodes. This product, produced under licence from The Dow Chemical Company, of U.S.A., is expected to take the place of polystyrene now being imported into Australia.

Very shortly the plant at Rhodes for the manufacture of vinyl acetate will be completed and this chemical will also become available from an internal Australian source. It is an important component of emulsion paints and of certain adhesives.

Accounts

A large programme of capital expenditure continues in refineries, mills and other divisions of the Company.

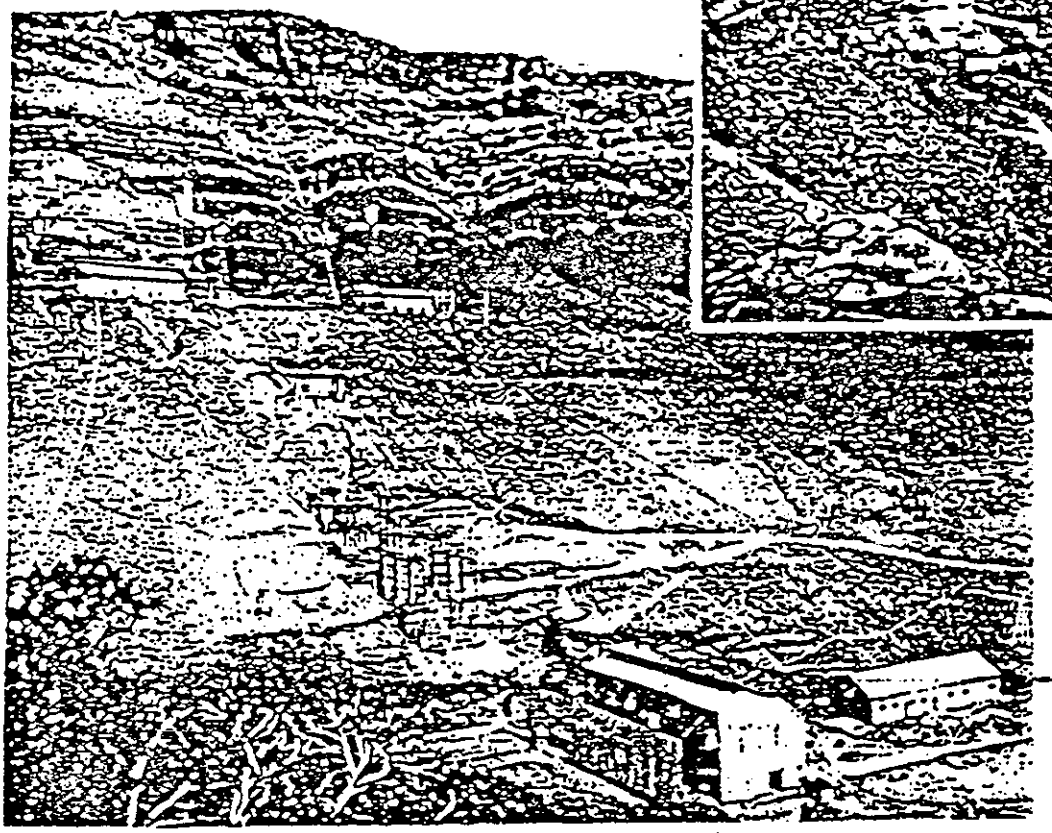
As regards the profits of the year under review, we experienced good seasons and large crops at both Australian and Fijian mills, supported by a higher than normal price for a considerable portion of the export sugar. There was more stability of costs than in recent years, and record or near-record sales were achieved in nearly every division of the Company. Therefore this was, in general, a favourable year. It is not usual to express an overall view because it is difficult to do so in respect of a business with such a geographic spread, subject to the vicissitudes of climatic conditions on crops, and with such a diversity of product and of industry. On this occasion, however, I would point out that the year's profit has resulted from a favourable conjunction of circumstances which may not recur.

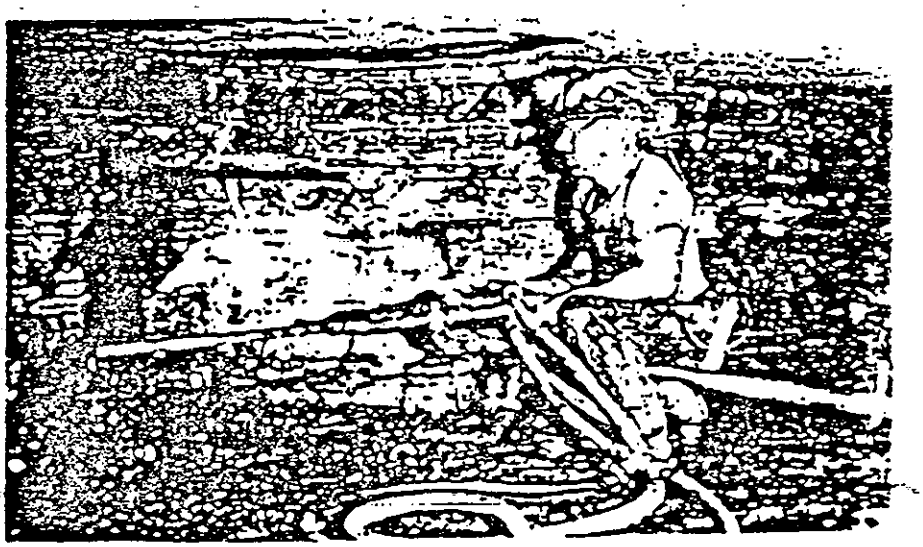
It will be observed that several changes involving large amounts have taken place in this year's balance sheet. Apart from those resulting from last year's operations, the changes are the result, in the main, of the revaluation of assets in Fiji, the 1 for 3 issue of shares, and the other matters dealt with at the Extraordinary General Meeting held on 11th September, 1957. In a printed addendum to be published with this address attention is drawn to certain changes in

Expansion at the Company's asbestos mine in Western Australia

Right: Wittenoom crude asbestos mill built by the Company in 1943. It produced £1,300,000 worth of blue asbestos fibre during the past year.







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British Commonwealth Sugar Agreement

At present the Commonwealth sugar producers are holding their annual discussions in London with the British Ministry of Agriculture, Fisheries and Food. The principal business of the conference is the determination of the "negotiated price" to be paid by the United Kingdom during 1959.

International Sugar Agreement

The International Sugar Agreement expires at the end of 1958. A new agreement, to operate for five years, but subject to review in the third year of its operation, has just been negotiated by delegates who met at Geneva in September and October. The new agreement has a wider and sounder basis of membership among exporting countries than the previous agreement, and contains some new features desired by importing countries.

It was agreed that British Commonwealth exports would be restricted to 2,500,000 long tons in 1959 (i.e., the same figure as at present), and to 2,575,000 tons in both 1960 and 1961. The increase of 75,000 tons for 1960 has to be divided among the various Commonwealth territories by mutual agreement. If it is divided in the same proportions as previously, Australia's share will be about 19,000 tons and Fiji's share about 5,500 tons. One of the principal objectives of the agreement is to stabilise prices in a certain range, and the range in the new agreement is the same as before. These prices affect the prices obtainable for exports from Australia and Fiji other than the exports sold to the United Kingdom at the "negotiated price".

New Zealand

Sales of refined products from our Auckland refinery for the year ended 30th September, 1958, were 105,900 tons, an increase of 3,400 tons over the previous year.

Bulk receiving of raw sugar at Chelsea Refinery, which began in April, has proceeded satisfactorily. The construction programme for this work was a major one, involving the building of a new wharf, a crane and conveying equipment, and a new store for bulk raw sugar.

Building Materials Division

Sales of C.S.R. building materials have increased moderately during the last six months in the face of strong competition in all lines. Building activity in Australia has been at a steady level overall with a trend to an increase in home building and some slackening in commercial building.

Lay-it-yourself Vinylflex floor and wall tiles were recently introduced to the market and have had a very pleasing reception. A number of the large retail stores in each of the capital cities are distributing this new line.

Gyprock plasterboard is steadily gaining wider acceptance as a high quality interior lining for walls and ceilings of homes and offices.

The Company has acquired a controlling interest in the Ingham Plaster Co. Ltd., of Adelaide. The Ingham Plaster Company has been engaged in the manufacture of high quality plaster and fibrous plaster products for many years and has extensive gypsum reserves. We now have plaster mills and related activities in four Australian States.

New blue asbestos milling plant has been brought into production at Wittenoom in Western Australia, increasing the capacity to 20,000 tons of asbestos fibre per annum. There has been a slight weakening of the overseas market for blue asbestos, but local consumption is increasing.

C.S.R. Chemicals Pty. Ltd. (60% C.S.R.)

Production and sales of "Starex 475", a toughened polystyrene made under licence from The Dow Chemical Company, are proceeding satisfactorily.

The production of vinyl acetate was successfully started early in August and the demand for this chemical, which is the base for most of the present emulsion type paints and the newer adhesives, has been at a high rate from the commencement of operations. By the successful launching of this project another base chemical, which had hitherto been imported, became available locally.

The bounty on the production of cellulose acetate flake sold for the manufacture of acetate yarn in Australia, which expired on the 30th June last, has been extended for a further twelve months, or a lesser time should the Government so decide. The Tariff Board report on the public enquiry which was held in March last was not available at the time the amendment to the Bounty Act was passed, but the Government considered it reasonable to extend the benefits of the bounty until it was in a position to examine the recommendations of the Tariff Board.

Overall sales of products made at both the Rhodes and Lane Cove factories showed further improvement over the past six months.

Yours very truly,

J. VERNON,

General Manager.