

9 November 1911.

Mr. Peat came in to say that he had no further news as to Lord Furness's intentions but brought with him a copy of the "Statist" of 20 May 1911, which contains an article on the operations of the Union Castle Mail Steamship Company for 1910 and gives figures, Mr. Peat thinks, not elsewhere published.

Mr. Peat says that the Union Castle Co. are asking £35 a share for the Ordinary shares and £12 a share for the Preferred. There are outstanding:

141,800 Ordinary shares	at 35	say	£ 4,963,000
24,000 Preferred "	at 12	"	288,000
Debentures			1,000,000
To which it is proposed to add for			
good will			500,000
Making a total of			<u>£ 6,751,000</u>

In conversation with Mr. Peat it seems that the total capital required to be raised was spoken of as £7,500,000, and it is not quite clear where the difference of £750,000 comes in.

The trading profits according to Sir W. Merrilees are £900,000 per annum, including of course the management fee, but whether or not including the Debenture interest and Preferred stock dividend (together about £60,000) Mr. Peat was not sure.

The value of the fleet is estimated to be £4,500,000, and £300,000 per annum is looked upon as an ample provision for depreciation (6% per annum depreciation would give about sixteen years as the life of a vessel).

The item of £92,694 "Investments at or under cost" in the Balance Sheet is said to be really worth £250,000, and the securities are said to be taken at about to-day's value.

M E M O R A N D U M.

The Property in question consists of -

The Union Castle Steam Ship Company
The Liverpool and Hamburg Steam Ship Company
and the business of the "Vendors".

The Union Castle Mail Steam Ship Company's Fleet as at 6 May 1911 consisted of -

41 ocean going steamers of 295,523 tons gross	
6 tugs etc. of	968 tons
and 3 steamers building of	<u>24,000 tons</u>
Total gross tonnage	<u>320,491</u>

The average age of the whole tonnage, including the steamers building in 1911, is 9.227 years

and

excluding the steamers building in 1911, is 9.983 years.

According to the statement left by "P" the 44 ocean going steamers have a gross tonnage of -

319,774 tons, of this

26,648 tons are over 15 years old

<u>115,931</u>	"	"	"	10	"	"	and not over 15 years old.
142,579	"	"	"	10	"	"	
<u>111,060</u>	"	"	"	5	"	"	and not over 10 years old.
253,639	"	"	"	5	"	"	
<u>66,135</u>	"	"	under	5	"	"	
<u>319,774.</u>							

The Fleet is valued in the last published Balance Sheet at

£2,339,915. 8. 8.

or approximately

£7. 6. - per ton

or, excluding ships building, at approximately

£7. 18. - per ton

