

BKW 1981

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BRICKWORKS LIMITED =====

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1981
ANNUAL REPORT

BRICKWORKS LIMITED

(Incorporated in New South Wales)

**REGISTERED
OFFICE:**

32 Cheltenham Road, Croydon, N.S.W.
Telephone: 747 6533

DIRECTORS:

JAMES S. MILLNER (Chairman)
WILLIAM F. DAWES
HUGH DIXSON
LAURENCE W. TAYLOR
GEOFFREY G. TRAVIS

**GENERAL
MANAGER:**

WILLIAM F. DAWES

SECRETARY:

J. L. WILLIS, F.C.I.S.

SOLICITORS:

R. N. HENDERSON, TAYLOR & MITCHELL

AUDITORS:

STEWART & CADOGAN, Chartered Accountants

BANKERS:

THE COMMERCIAL BANKING COMPANY OF SYDNEY LTD.

**SUBSIDIARY
COMPANIES:**

(Incorporated in N.S.W.)

AUSTRAL BRICK COMPANY PTY. LTD.
CARRINGTON BRICK COMPANY PTY. LTD.
PUNCHBOWL PIPES PTY. LTD.
WARREN BRICK COMPANY LTD.
ROCHEDALE TRANSPORT PTY. LTD.

(Incorporated in A.C.T.)

STOCK REGISTERS:

Sydney:

32 CHELTENHAM ROAD, CROYDON, N.S.W.
Telephone 747 6533

Canberra:

C/- DELOITTE HASKINS & SELLS,
Canberra House,
Marcus Clarke Street,
Canberra City, A.C.T.

BRICKWORKS LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an extraordinary general meeting of stockholders of BRICKWORKS LIMITED will be held at the Rhodes Room, Gold Fields House, Sydney Cove on Friday, the 6th NOVEMBER 1981, immediately at the conclusion of the Annual General Meeting of the company which will commence at 12 noon on that day at the same address.

BUSINESS

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

1. That as recommended by the directors it is desirable to capitalise the sum of \$1,894,120 standing to the credit of the assets revaluation reserve being funds available for distribution and being amounts arising wholly and exclusively from the revaluation of properties, not purchased for the purpose of resale at a profit, and accordingly, that a dividend of \$1,894,120 be declared payable wholly and exclusively out of the sum so capitalised being part of the amount standing to the credit of the said assets revaluation reserve and that such dividend be applied on behalf of the stockholders of fully paid ordinary stock registered in each holding in their names on each separate register of the company as at 5 p.m. on the 30th day of November 1981 in payment in full of 947,060 ordinary stock units of \$2 each in the capital of the company, and that such new stock units be allotted as fully paid bonus stock units to such stockholders in the proportion of one new ordinary stock unit for each five fully paid ordinary stock units (fractions being disregarded) held by each such stock holder on the said date.
2. That all such new ordinary stock units rank pari passu with the issued ordinary share capital and have the right to participate in any dividend declared after the 30th day of November 1981.
3. That such fully paid stock units be accepted by the stock holders in full satisfaction of their respective interests in the said capitalised sum and dividend and that all such stock units be treated for all purposes as capital of the company held by such stock holders and not as income.

Dated this 25th day of September, 1981.

BY ORDER OF THE BOARD,
J. L. WILLIS
Secretary.

PROXIES

Any stockholder entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote in his stead: where more than one proxy is appointed each must be appointed to represent a specified proportion of the stockholder's voting right. A proxy holder need not be a stock holder of the company.

A form of Proxy is attached for use of members who may be unable to attend the meeting but who wish to be represented.

TRANSFER BOOKS AND REGISTER OF MEMBERS

Notice is hereby given that if the resolution set out above is passed the transfer books and register of members of the above company will be closed from 5 p.m. on 30th November 1981 to 5 p.m. on 4th December 1981, for the purpose of calculating members' entitlements to the stock units to be issued in accordance with the foregoing resolution.

Dated this 25th day of September 1981.

BY ORDER OF THE BOARD,
J. L. WILLIS
Secretary.

BRICKWORKS LIMITED

32 CHELTENHAM ROAD,
CROYDON, N.S.W., 2132

PROXY

I,
of
being a member of BRICKWORKS LIMITED and entitled to vote (or votes) hereby appoint

.....
or failing him the Chairman of the Meeting as my Proxy to vote for me and on my behalf at the Ordinary General Meeting of BRICKWORKS LIMITED to be held on Friday, 6th November 1981, and at any adjournment thereof.

If two Proxies are being appointed, the proportion of member's rights this proxy is appointed to represent is

DATED this day of 1981.

.....
Signature of Stockholder

1. The Proxy need not be a member of the Company.
2. Where Proxies are appointed by a member's attorney, the Power of Attorney, together with evidence of non-revocation must be lodged with this Proxy Form.
3. Proxies for a Corporation must be appointed under the Seal of the Corporation.
4. Proxies must be received at the office of the Company, not less than 48 hours prior to the time appointed for holding the meeting.
5. Where a member wishes to appoint a second Proxy, an extra form will be supplied by the Company on request.
6. Should the member wish to direct how the votes are to be cast, insert "FOR" or "AGAINST" in the space appearing against each resolution hereunder:—
 - (1) Adoption of Reports and Accounts
 - (2) Declaration of Dividend
 - (3) To re-elect as a Director:
 - (i) Mr. W. F. Dawes
 - (ii) Mr. Hugh Dixon
 - (iii) Mr. L. W. Taylor

BRICKWORKS LIMITED

Registered Office: 32 Cheltenham Road, Croydon

PROXY FORM

I,
(Member's Full Name)

of

in the State of

being a member of BRICKWORKS LIMITED and entitled to vote do hereby appoint

..... of

or failing him the chairman of the meeting as my proxy to vote for me and on my behalf at the Extraordinary General Meeting of the company to be held on the 6th November 1981, and at any adjournment thereof.

As Witness my hand this day of 1981.

.....
(Member's Signature)

Should you desire to direct your proxy how to vote, please mark in the appropriate box against each item hereunder. Otherwise your proxy may vote as he thinks fit or abstain from voting.

BUSINESS

Capitalise \$1,894,120 and approve
bonus issue on conditions stated

For

Against

PLEASE NOTE:

1. Proxies must be received at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.
2. Any stockholder entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote in his stead: where more than one proxy is appointed each must be appointed to represent a specified proportion of the stockholder's voting rights. A proxy holder need not be a stockholder of the company.

BRICKWORKS LIMITED

NOTICE OF MEETING

BUSINESS

NOTICE IS HEREBY given that the ANNUAL ORDINARY GENERAL MEETING of the Stockholders of BRICKWORKS LIMITED will be held at the Rhodes Room, Gold Fields House, Sydney Cove, on FRIDAY, 6th NOVEMBER 1981 at 12 noon.

1. To receive and consider the Balance Sheet and Profit and Loss Account for the year ended 30th June 1981, and the Reports of the Directors and Auditors thereon.
2. To consider the declaration of Dividend as recommended by Directors.
3. Election of Directors:
 - (a) Mr. W. F. Dawes retires by rotation, and, being eligible, offers himself for re-election.
 - (b) Mr. Hugh Dixon, who was appointed by the Board to fill a casual vacancy, retires in accordance with Article 82, and, being eligible, offers himself for re-election.
 - (c) To consider the following Resolution pursuant to Section 121 (6) of the Companies Act 1961 —

That Mr. L. W. Taylor, aged 80 years, be re-appointed as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
4. To transact any other business which may be legally brought before the meeting.

BY ORDER OF THE BOARD,
J. L. WILLIS,
Secretary.

SYDNEY, 25th SEPTEMBER 1981.

The Transfer Books and Register of Members of Brickworks Limited will be closed from 26th October 1981 to 6th November 1981, both days inclusive, for the purpose of preparing and paying Dividends.

A Member entitled to attend and vote at the above meeting is entitled to appoint not more than two proxies; where more than one proxy is appointed each must be appointed to represent a specified proportion of the member's voting rights. A Proxy need not be a Member of the Company.

BRICKWORKS LIMITED

CHAIRMAN'S REVIEW

The continued high rate of activity in the building industry in New South Wales and Queensland enabled the Brickworks Limited group to maintain its strong growth, and to set new records in sales and profits.

FINANCIAL RESULTS

The Consolidated Operating Net Profit for the year was \$10,092,000 compared to \$7,736,000 for the previous year. In addition, there were extraordinary gains of \$2,469,000 resulting from the sale of properties and investments, and extraordinary losses of \$104,000, giving total earnings of \$12,457,000.

DIVIDENDS

A final dividend of 15% per stock unit has been recommended which, together with the interim dividend of 11%, makes 26% for the full year.

PREFERENCE SHARES

All the Preference Shares have now been redeemed.

BONUS ISSUE

It has been decided to recommend to stockholders that a bonus issue be made of one ordinary stock unit for every five ordinary stock units registered in each stockholder's name at 30th November 1981, to rank pari passu with the present issued ordinary capital, and to participate in any dividend declared after the 30th November 1981.

Directors expect to maintain the present dividend rate on the increased capital, subject to the continuation of reasonable economic conditions.

BRICKYARDS

Brickmaking plants worked at near capacity for most of the year, which assisted to improve manufacturing efficiency and profits.

Whilst every endeavour is made to control costs, it is extremely difficult to do so with the major items of energy and labour.

Rising prices of natural gas have made it necessary to investigate the feasibility of coal firing kilns. Pulverised coal has been used successfully in a number of brickmaking plants with considerable cost savings.

PIPE WORKS

Punchbowl Pipes Pty. Ltd. had another successful year with both sales and profits well above the previous year.

The high standard of their product has led to a constant demand which at times has been in excess of capacity.

Another kiln is now under construction, and should be completed in approximately three months.

LAND

Sales of land at Alexandria, St. Peters and Thornleigh have been finalised resulting in a net capital gain of \$2,206,000.

The Alexandria property was not placed on the market, but was sold as the result of an offer by the Department of Environment and Planning. The New South Wales Government have plans to develop a large area of land at St. Peters for a recreation reserve similar to Centennial Park, and our property was a significant part of that area.

Pending sales of three other properties surplus to requirements may be finalised in the current year.

SHORT TERM DEPOSITS

Proceeds from the sale of properties and investments and increased funds generated from Trading profits, enabled larger sums to be invested in short term deposits.

Higher interest rates, and the larger investments, lifted interest earnings to \$2,446,000 for the year, compared to \$1,418,000 for 1980.

The market value of investments in public companies at 30th June 1981 reflects the upsurge in share prices over the past year.

Buoyant sales during the year reduced brick stocks to minimal levels at 30th June 1981.

During 1980/81 the building industry enjoyed one of the best years for some time. The prospects for this year are uncertain. The rapid increase in interest rates, the shortage of first mortgage finance, the prospect of sales tax on building material, and the probable effect of the Australian Government's deflationary budget do not give cause for much optimism.

The home building industry has always been susceptible to government economic policies, which have had a stop-go effect on activity.

At present the signs point to "slow", but if budget strategy works, and interest rates come down within a short time, then we may again see a period of growth ahead.

Increased earnings from short term deposits in the current half year will give us some slight comfort from high interest rates.

Holding charges on our properties will be lower as the result of the sales of land, and profits of future years will benefit.

DIRECTORS

It is with great sorrow that we record the death on Saturday, 1st August last, of our chairman, Mr. W. K. Dawes. The Directors of Brickworks Limited wish to pay tribute to the memory of their late colleague, whose passing marks the end of a great era, not only for this company and its subsidiaries, but for the Brick Industry in New South Wales and Queensland — the Dawes era. Brickmaking was Bill Dawes' life. From the time in the late twenties when, after a vigorous election campaign and a bout of equity court proceedings, he gained control of the Austral Brick Company Limited, he has been a powerful influence in the industry, and with the gradual acquisition of other companies and the incorporation of Brickworks Limited, for a period of more than 40 years he held successively the positions of Director, Managing Director, and Chairman of Directors of the company, during which time the Brickworks Limited Group has developed into the largest and most modern brickmaking organisation in Australia. He was universally respected in the community as a man who would not go back on his word. We have not only lost a man of dynamic energy and outstanding ability, but also of almost uncanny vision, and above all a loyal and dependable friend. The sound financial standing of the Group and its present prosperity are substantially the result of his foresight and planning. Brickworks Limited is a monument to his tireless and devoted efforts.

Mr. Hugh Dixon was appointed to fill the casual vacancy, and to hold office until the next Annual General Meeting.

STAFF

The results for the year indicate the progress achieved with the co-operation of our staff and employees.

On behalf of the Board, I wish to thank all employees for their dedicated assistance.

J. S. MILLNER,
Chairman of Directors.

BRICKWORKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30th JUNE, 1981

The Directors of Brickworks Limited herewith submit the Balance Sheet as at 30th June 1981, and the Profit and Loss Account for the Group for the year ended 30th June, 1981 and report as follows:--

The Directors in office at the date of this report are --

J. S. MILLNER (Chairman) W. F. DAWES L. W. TAYLOR
H. DIXSON G. G. TRAVIS

The principal activities of the corporations in the group are Brick and Pipe Manufacturing.

The Consolidated Profit of the Group, after providing for Income Tax, amounted \$10,092,000. In addition, extraordinary profits of \$2,469,000 were earned and extraordinary losses of \$104,000 incurred, making a total Consolidated Net Profit \$12,457,000.

The contributions by corporations in the Group to the consolidated profit are listed on page 12 of the attached report under note 21 which is to be read as forming part of this report.

No subsidiaries were acquired or disposed of during the year. During the year following material transfers to provisions and reserves have been made in the accounts of Brickworks Limited and its subsidiary companies --

Account	Amount \$000
From Provision Investment Fluctuations and Contingencies	100
To Capital Redemption Reserve	150
To Depreciation Provisions totalling	2,823
To Income Tax Provisions totalling	8,017
To Long Service Leave Provisions totalling	199
To Capital Profits Reserve	2,338
To General Reserves	10,100

The amounts paid or declared by way of Dividend by the Company to Shareholders since the end of the previous financial year --

1. Out of Profits for the year ended 30th June, 1980, provided for at that date, as referred to in a previous Directors' Report:--

Preference	4% paid on 31.8.80	\$000
Final Ordinary	15% paid on 31.10.80	10
		1,421

2. Out of Profits for year ended 30th June, 1981:

Interim Preference	4% paid on 27.2.81	6
Interim Ordinary	11% paid on 30.4.81	1,041
Final Preference	4% paid on 30.4.81	4

Recommended for payment on 6.11.81 a		
Final Ordinary Dividend of		1,421

Since 30th June, 1981, no subsidiary has declared a Dividend in favour of the Holding Company.

The Directors (before the Profit and Loss Account and Balance Sheet were made) took reasonable steps to ascertain that all known bad debts were written off, and adequate provision had been made for doubtful debts.

At the date of this report the Directors are not aware of any circumstances which would render the amounts written off for bad debts, or the amount of the provision for doubtful debts in the group of Companies, inadequate to any substantial extent.

The Directors (before the Profit and Loss Account and Balance Sheet were made out) took reasonable steps to ascertain whether any current assets of the holding company, other than debtors, were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the company, and ascertained that none of such current assets were unlikely to do so.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to the current assets in the group accounts, misleading.

No charge on the assets of any company in the group has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability of any company in the group has arisen since the end of the financial year to the date of this report.

No contingent or other liability of any company in the group has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year, which, in the opinion of the Directors, will or may affect the ability of the holding company to meet its obligations as and when they fall due. At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in the report, or group accounts, which would render any amount stated in the group accounts, misleading.

The results of the operations of the group, or of any company in the group during the financial year, have not, in the opinion of the Directors, been substantially affected by any item, transaction or event of a material and unusual nature, excepting the extraordinary loss of \$104,000, following the sale of land and scrapping of kilns, and a capital profit of \$2,469,000 from the sale of land and investments.

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of any company in the group for the next succeeding financial year except as referred to in this report.

No options on shares in the Company, or its subsidiaries, were granted during the year, nor are any such options outstanding.

No Director, since the end of the previous financial year, has received or become entitled to receive, a benefit by reason of a contract made by the company or a related corporation with the Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than legal fees paid to a firm of solicitors of which one director is a member.

Signed in accordance with the resolution of the Directors of Brickworks Limited.

L. W. TAYLOR, Director
G. G. TRAVIS, Director

25th SEPTEMBER, 1981

BRICKWORKS LIMITED
AND SUBSIDIARY COMPANIES
BALANCE SHEET AS AT 30th JUNE, 1981

	NOTES	CONSOLIDATED		BRICKWORKS LIMITED	
		1981	1980	1981	1980
		\$000's	\$000's	\$000's	\$000's
CAPITAL & RESERVES					
Authorised Capital \$25,000,000 12,500,000 Shares of \$2 each		25,000	25,000	25,000	25,000
Issued Capital	2	9,471	9,621	9,471	9,621
Capital Reserves	3	38,587	36,099	23,449	20,961
General Reserves		22,467	12,367	17,221	7,221
Unappropriated Profits		12,916	15,419	6,599	9,995
Total Capital & Reserves		83,441	73,506	56,740	47,795
LONG TERM LIABILITIES	4	806	2,331	806	2,331
PROVISIONS	5	1,070	971	434	340
CURRENT LIABILITIES	6	13,306	8,470	7,430	4,145
TOTAL FUNDS		98,623	85,278	65,410	54,611
THESE FUNDS ARE INVESTED IN FIXED ASSETS					
	7				
Freehold Land, Buildings, Kilns, etc.		25,575	29,693	6,447	8,740
Plant & Equipment		13,176	13,197	4,230	4,780
NON CURRENT ASSETS					
Amount due on Sale of Land		2,000		2,000	
INVESTMENTS	8	24,929	22,966	22,986	21,090
INVESTMENTS IN SUBSIDIARIES	9			4,015	7,010
CURRENT ASSETS					
Cash and Bank Balances	10	49	116	180	270
Short Term Deposits & Loans		23,224	12,193	22,224	10,830
Debtors	11	6,456	3,608	2,506	980
Stock on Hand		2,720	2,911	579	550
Work in Progress		398	391	211	220
Land Development -- At Cost			45		40
Prepayments		96	158	32	60
TOTAL ASSETS		98,623	85,278	65,410	54,611

BRICKWORKS LIMITED AND SUBSIDIARY COMPANIES

PROFIT AND LOSS STATEMENT FOR YEAR ENDED 30th JUNE, 1981

	NOTES	CONSOLIDATED		BRICKWORKS LIMITED	
		1981 \$000's	1980 \$000's	1981 \$000's	1980 \$000's
PROFIT FROM TRADING	12	18,109	12,898	8,759	5,701
Dividends Received from Subsidiaries				4,136	2,665
				<u>12,895</u>	<u>8,366</u>
Provision for Income Tax		8,017	5,162	3,800	2,085
		<u>10,092</u>	<u>7,736</u>	<u>9,095</u>	<u>6,281</u>
ADD Extraordinary Items (Nett of Income Tax)	13	2,469	175	2,469	175
		<u>12,561</u>	<u>7,911</u>	<u>11,564</u>	<u>6,456</u>
LESS Extraordinary Items (Nett of Income Tax)	13	104	168		85
		<u>12,457</u>	<u>7,743</u>		<u>6,371</u>
ADD Income Tax Over-provided previous years			24		
			<u>7,767</u>		
ADD Unappropriated Profits from previous years		15,419	10,292	9,995	6,264
Transfer from Provision Investment Fluctuations & Contingencies		100			
		<u>27,976</u>	<u>18,059</u>	<u>21,559</u>	<u>12,635</u>
LESS Transfer to Capital Profits Reserve		2,338	100	2,338	100
Transfer to Capital Redemption Reserve		150	150	150	150
Transfer to General Reserve		10,100		10,000	
		<u>12,588</u>	<u>250</u>	<u>12,488</u>	<u>250</u>
		<u>15,388</u>	<u>17,809</u>	<u>9,071</u>	<u>12,385</u>
LESS Dividends —					
Interim Ordinary Paid		1,041	947	1,041	947
Interim Preference Paid		6	12	6	12
Final Ordinary Payable		1,421	1,421	1,421	1,421
Final Preference Paid		4	10	4	10
		<u>2,472</u>	<u>2,390</u>	<u>2,472</u>	<u>2,390</u>
UNAPPROPRIATED EARNINGS CARRIED FORWARD		<u>12,916</u>	<u>15,419</u>	<u>6,599</u>	<u>9,995</u>

BRICKWORKS LIMITED

AND SUBSIDIARY COMPANIES

NOTES FORMING PART OF THE 1981 ACCOUNTS

These notes form part of and should be read in conjunction with the Consolidated Accounts and Accounts of Brickworks Limited.

1. STATEMENT OF ACCOUNTING POLICIES

The ACCOUNTS have been prepared in accordance with conventional historical cost principles.

CONSOLIDATION. The Group's subsidiary companies are all wholly owned and are included in the group consolidation.

DEPRECIATION is provided on various bases (applied consistently) so as to write off the cost over the estimated useful life of the assets. Rates of depreciation on modern brickmaking plant have been increased to bring them into line with the rates allowable for income tax purposes. These rates have been increased to take into account the additional wear on modern brickmaking plant.

STOCK AND WORK IN PROGRESS are valued at the lower of cost or net realisable value. Cost in the case of manufactured stock consists of direct material and labour costs plus an appropriate proportion of fixed and variable costs.

INCOME TAX provided has been calculated in accordance with the Income Tax Assessment Act.

TAX EFFECT ACCOUNTING has not been adopted. This method of charging income tax is not considered appropriate for the company or its subsidiaries, as the realisation of the asset "Future Tax Benefit" and the profit are indefinite.

If Tax Effect Accounting had been adopted —

- (1) The net Profit from Trading after providing for Income Tax Expense would have been \$10,341,000.
- (2) The Balance Sheet would have contained an asset "Future Tax Benefit" of \$788,000 which would have been reflected as an increase in Shareholders' Funds.

INVESTMENTS in listed companies are shown at cost price. The shares are held for long term investment, and no provision has been made for variation in value due to market fluctuations.

All shares held are in first-class companies which have long term growth prospects.

ROUNDING AMOUNTS. The parent company is a company of the kind specified in the order made by the Commissioner for Corporate Affairs permitting the rounding off to the nearest \$000 of amounts in the accounts and Directors' report.

2. SHARE CAPITAL — BRICKWORKS LIMITED

Authorised Capital: —

	1981	1980
11,446,085 Ordinary Shares of \$2 each	22,892,170	22,892,170
750,000 8% Redeemable Preference Shares of \$2 each	1,500,000	1,500,000
303,915 Shares of \$2 each (Unclassified)	607,830	607,830
	<u>\$25,000,000</u>	<u>\$25,000,000</u>
	1981	1980
Issued and Fully Paid —		
4,735,302 Ordinary Stock Units of \$2 each	9,470,604	9,470,604
(75,000) 8% Cumulative Preference Stock Units of \$2 each--	—	150,000
	<u>\$9,470,604</u>	<u>\$9,620,604</u>

	CONSOLIDATED		BRICKWORKS LIMITED	
	1981 \$000's	1980 \$000's	1981 \$000's	1980 \$000's
3. CAPITAL RESERVES COMPRISE				
Re-Valuation of Assets	7,268	7,268	4,403	4,403
Capital Profits	4,707	2,369	2,734	396
Surplus on Consolidation	10,300	10,300		
Share Premiums	14,812	14,812	14,812	14,812
Capital Redemption	1,500	1,350	1,500	1,350
	<u>38,587</u>	<u>36,099</u>	<u>23,449</u>	<u>20,961</u>
4. LONG TERM LIABILITIES				
Registered Debenture Stock Repayable 1984-1987	806	2,331	806	2,331
	<u>806</u>	<u>2,331</u>	<u>806</u>	<u>2,331</u>
5. PROVISIONS				
Long Service & Retirement Benefits	1,070	871	434	340
Investment Fluctuations & Contingencies		100		
	<u>1,070</u>	<u>971</u>	<u>434</u>	<u>340</u>
6. CURRENT LIABILITIES				
Trade Creditors	2,591	1,928	937	685
Income Tax	7,769	5,111	3,547	2,033
Dividends	1,421	1,431	1,421	1,431
Debentures	1,525		1,525	
	<u>13,306</u>	<u>8,470</u>	<u>7,430</u>	<u>4,149</u>
7. FIXED ASSETS				
(a) Freehold Land, Buildings, Kilns				
At Officers' Valuation 1961	1,940	3,242	336	1,424
At Independent Valuation 1964	106	374		268
At Independent Valuation 1967	724	760	123	123
At Independent Valuation 1972	2,878	4,693	551	1,586
At Valuer-General's Valuation 1974	6,066	6,186	1,012	1,012
At Cost	21,259	21,388	6,741	6,723
	<u>32,973</u>	<u>36,643</u>	<u>8,763</u>	<u>11,136</u>
Less Depreciation	7,398	6,950	2,316	2,389
	<u>25,575</u>	<u>29,693</u>	<u>6,447</u>	<u>8,747</u>
(b) Plant & Equipment - -				
At Officers' Valuation 1961	1,379	1,823	579	1,010
At Cost	25,311	23,764	7,913	7,791
	<u>26,690</u>	<u>25,587</u>	<u>8,492</u>	<u>8,801</u>
Less Depreciation	13,514	12,390	4,262	4,014
	<u>13,176</u>	<u>13,197</u>	<u>4,230</u>	<u>4,787</u>

	NOTES	CONSOLIDATED		BRICKWORKS LIMITED	
		1981 \$00's	1980 \$000's	1981 \$000's	1980 \$000's
8. INVESTMENTS					
Shares in Quoted Companies at Cost		24,929	22,966	22,986	21,090
Market Value Quoted Shares		35,118	26,555	30,306	22,200
9. INVESTMENT IN SUBSIDIARIES					
Shares in Subsidiaries at Cost				17,020	17,020
Amounts owing by Subsidiaries				148	218
				<u>17,168</u>	<u>17,238</u>
Less Amounts owing to Subsidiaries				<u>13,153</u>	<u>10,224</u>
				<u>4,015</u>	<u>7,014</u>
10. CASH AND BANK BALANCES					
Credit Balances		347	421	180	279
Less Overdraft		298	305		
		<u>49</u>	<u>116</u>	<u>180</u>	<u>279</u>
11. DEBTORS					
Trade Debtors		6,621	4,645	1,728	1,181
Less Provision for Doubtful Trade Debts		702	702	55	55
		<u>5,919</u>	<u>3,943</u>	<u>1,673</u>	<u>1,126</u>
Other Debtors		201	186	39	26
Amounts owing on Sale of Land		1,000		1,000	
		<u>7,120</u>	<u>4,129</u>	<u>2,712</u>	<u>1,152</u>
Less Advance Payments by Customers		664	521	206	171
		<u>6,456</u>	<u>3,608</u>	<u>2,506</u>	<u>981</u>
12. PROFIT FROM TRADING AFTER CHARGING					
Depreciation		2,823	2,802	891	880
Interest to Other Persons		180	203	180	203
Bad Debts Written Off Against Profits		129	94	25	71
Auditors' Remuneration	14	65	54	22	19
Directors' Remuneration	15	55	35	45	25
Provision for Long Service Leave		199	62	94	12
Dividends from Listed Companies		1,027	807	864	670
Interest from Deposits		2,446	1,418	2,302	1,311
Profit on Sale of Assets		47	42		19
13. EXTRAORDINARY ITEMS					
(a) Extraordinary Profit — Profit on Sale Fixed Assets & Investments		2,469	100	2,469	100
Profit on Debentures Purchased			75		75
(b) Extraordinary Losses		104	168		85

Extraordinary Losses resulted from the Sale of Land and the scrapping of Kilns. Amounts written off are Net of Income Tax applicable thereto.

	CONSOLIDATED		BRICKWORKS LIMITED	
	1981 \$000's	1980 \$000's	1981 \$000's	1980 \$000's
14. AUDITORS' REMUNERATION				
Amounts Received —				
Auditing Accounts	58	51	22	19
Other Services	7	3		
	<u>65</u>	<u>54</u>	<u>22</u>	<u>19</u>
15. DIRECTORS' REMUNERATION				
Non Executive Directors —				
Holding Company	45	25	45	25
Subsidiaries	10	10		
	<u>55</u>	<u>35</u>	<u>45</u>	<u>25</u>
16. REVENUE				
(a) Group Sales	48,551	37,397		
(b) Non-trading Income comprising Interest and Dividends Received	3,473	2,225		

17. DIRECTORS' SHAREHOLDING AT 21st JULY, 1981

Name of Director	Beneficiary Interest Ordinary Shares Brickworks Limited
W. F. Dawes	600
J. S. Millner	600
L. W. Taylor	660
G. G. Travis	600

The closing date for receipt of nominations for election to the office of Director at the Annual General Meeting is 26th October, 1981.

18. SERVICE AGREEMENTS

The contingent liability for a service agreement with a full time executive officer is \$80,000.

19. PROVISION FOR FINAL DIVIDEND

Proposed 30 cents per share Ordinary \$1,420,591

20. STATEMENT OF SHAREHOLDERS AT 25th SEPTEMBER, 1981

(A.A.S.E. Listing Requirements 3C (11))

No. of Holders	\$2 Fully Paid Ordinary Shares 1,148
Voting Rights	(See Article 69 page 12)
% of Total Holdings by or on behalf of Twenty Largest Shareholders	81%
Distribution of Schedule of Holdings	
1 — 1,000	938
1,001 — 5,000	156
5,001 — 10,000	25
10,000 and over	29

Article 69. On a show of hands every member present in person or by Representative appointed pursuant to Section 96 of the Act shall have one vote. Upon a poll every member present in person or by attorney or proxy shall have one vote in respect of every five shares held by him up to one hundred shares, one additional vote for every ten shares beyond one hundred up to two hundred shares, and one additional vote for every twenty-five shares in excess of two hundred shares, and up to one quarter of the total shares issued, but no holding beyond one quarter of total shares issued shall carry any further voting power.

Washington H. Soul, Pattinson & Company Limited is a substantial shareholder of this Company, and at 25th September, 1981, held 2,265,635 Ordinary Stock Units.

21. SUBSIDIARY COMPANIES

(Listed as required by Ninth Schedule Companies Act 1961)

Name of Company	Place of Incorporation	Class of Shares	Investment of Parent Company at Cost \$000's	Brickworks Limited Beneficial Interest %	Contribution to Consolidated Profits \$000's
Brickworks Ltd. (Parent Company)	N.S.W.				4,958
Austral Brick Co. Pty. Ltd.	N.S.W.	Ordinary	13,645	100	4,125
Warren Brick Co. Ltd.	N.S.W.	Ordinary	45	100	8
Carrington Brick Co. Pty. Ltd.	N.S.W.	Ordinary	2	100	38
Rochedale Transport Pty. Ltd.	N.S.W.	Ordinary	1	100	67
Punchbowl Pipes Pty. Ltd.	N.S.W.	Ordinary	3,327	100	894
Subsidiary of Punchbowl Pipes Pty. Ltd:					
Canberra Pipes Pty. Ltd.	A.C.T.	Ordinary		100	2
					<u>10,092</u>

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1981 \$000's	1980 \$000's
SOURCE OF FUNDS:		
Profit for Year after Tax but before Extraordinary Items	10,092	7,736
ADD Items not involving the outlay of Funds —		
Depreciation	2,823	2,802
Provision for Long Service Leave	199	62
Proceeds of Disposal of Fixed Assets and Investments	3,456	325
Over-provision for Income Tax from prior years		24
Decrease in Working Capital		1,388
	<u>16,570</u>	<u>12,337</u>
APPLICATION OF FUNDS:		
Expenditure on Fixed Assets	2,534	2,102
Investments	2,052	7,454
Payment of Dividends	2,483	2,159
Redemption of Preference Shares	150	150
Debentures Redeemed and Purchased		472
Increase in Working Capital	9,351	
	<u>16,570</u>	<u>12,337</u>

STATEMENT PURSUANT TO SECTION 162 (12) OF THE COMPANIES ACT, NEW SOUTH WALES

I, JACK LLOYD WILLIS, being the officer in charge of the preparation of the accompanying accounts of Brickworks Limited and the Consolidated Accounts of Brickworks Limited and its Subsidiaries for the year ended 30th June, 1981, state that to the best of my knowledge and belief such accounts and group accounts give a true and fair view of the matters required by Section 162 of the Companies Act, New South Wales, to be dealt with therein.

DATED AT SYDNEY this 25th day of SEPTEMBER, 1981.

J. L. WILLIS.

STATEMENT OF DIRECTORS

In the opinion of the Directors of Brickworks Limited the accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of the Company as at 30th June, 1981, and the accompanying Profit and Loss Statement is drawn up so as to give a true and fair view of the Profit of the Company for the year ended 30th June, 1981.

It is also the opinion of the Directors that the accompanying group accounts are drawn up so as to give a true and fair view of —

- the profit or loss of the company and its subsidiaries for the respective last financial years; and
- the state of the affairs of the company and its subsidiaries at the end of their respective financial years, so far as they concern members of the holding Company.

DATED at SYDNEY this 25th day of SEPTEMBER, 1981.

On behalf of the Board,

L. W. TAYLOR, Director.

G. G. TRAVIS, Director.

AUDITORS' REPORT TO THE MEMBERS OF BRICKWORKS LIMITED —

We wish to report that in our opinion —

- (a) The attached accounts, being the Balance Sheet and Profit and Loss Statement of Brickworks Limited and Group Accounts, being the Consolidated Balance Sheet and Profit and Loss Statement of the Company and its subsidiaries, together with the accompanying notes thereon and if taken with our further comments herewith, are properly drawn up in accordance with the provisions of the New South Wales Companies Act, 1961 (as amended) and so as to give a true and fair view of:
- (i) the state of affairs of the Company and of the Group as at 30th June, 1981, and of the results of the Company and of the Group for the year ended on that date, so far as they concern the members of the Holding Company; and
 - (ii) the other matters required by Section 162 of the Act to be dealt with in the accounts and in the group accounts.
- (b) The accounting records and other records and the registers required by that Act to be kept by the Company and by those subsidiaries of which we are the auditors, have been properly kept in accordance with the provisions of that Act, or in the case of the subsidiary incorporated in the Australian Capital Territory and of which we are the auditors, in accordance with the corresponding law of that Territory.

The Directors consider that the adoption of Tax Effect Accounting, as recommended by the Institute of Chartered Accountants, is not appropriate to the Group. If this recommendation had been adopted —

- (i) The net Profit from trading, after providing for Income Tax Expense, would have been \$9,186,387 for the Company and \$10,340,653 for the Group.
- (ii) The Balance Sheet would have contained an asset "Future Tax Benefit" of \$287,452 Company and \$788,175 Group.

We have not acted as Auditors to the Austral Brick Company Pty. Limited or the Warren Brick Co. Ltd. and we have examined the accounts thereof and the Auditors' Report thereon in which advice is given (in respect of the Austral Brick Company Pty. Limited) that Tax Effect Accounting has not been adopted, otherwise the reports are not subject to any qualification or include any comment made under Sub-Section (3) of Section 167 of that Act.

We are satisfied that the accounts of the subsidiaries that have been consolidated with other accounts are in form and content appropriate, and proper, for the purposes of the preparation of the Consolidated Accounts, and we have received satisfactory information and explanations required by us for that purpose.

STEWART & CADOGAN,
(Chartered Accountants)

R. C. MOFFITT, F.C.A.
(A Member of the Firm)

Registered under the Public Accountants' Registration Act, 1945 (as amended).

SYDNEY, 25th SEPTEMBER, 1981.

BRICKWORKS LIMITED

FIVE YEAR SUMMARY

	1977	1978	1979	1980	1981
	(Thousands \$'s)				
Consolidated Net Profit before Tax	4,232	5,009	7,417	12,898	18,109
Taxation	<u>1,836</u>	<u>1,901</u>	<u>2,928</u>	<u>5,162</u>	<u>8,017</u>
Net Profit after Tax	<u><u>2,396</u></u>	<u><u>3,108</u></u>	<u><u>4,489</u></u>	<u><u>7,736</u></u>	<u><u>10,092</u></u>
Net Profit as a % of:					
Shareholders' Funds	3.6	4.7	6.6	10.52	12.09
Ordinary Capital	29.6	38.8	56.4	81.45	106.45
Capital:					
Ordinary	7,892	7,892	7,892	9,471	9,471
Preference	600	450	300	150	—
Dividend Rate %:					
Ordinary Stock	17½	20	22½	25	26
Preference Stock	8	8	8	8	8
Total Assets	75,857	74,788	78,019	85,278	98,623
Total Liabilities	9,236	8,745	9,741	11,772	15,182
Total Stockholders' Funds	66,621	66,043	68,278	73,506	83,441

BRICKWORKS LIMITED GROUP

LOCATIONS

BRICK YARDS:

N.S.W.

BRICKWORKS LIMITED

Brookvale, Federal Parade
Eastwood, Midson Road

QUEENSLAND

Rochedale, Gardner Road

N.S.W.

AUSTRAL BRICK CO. PTY. LTD.

St. Peters, Princes Highway
Wallgrove, Wallgrove Road

BRICK DISPLAY CENTRES:

N.S.W.

Brookvale, Federal Parade
Eastwood, Midson Road
Punchbowl, Belmore Road
St. Peters, Princes Highway
Sutherland, Princes Highway
Wallgrove, Wallgrove Road
Rochedale, Gardner Road

QUEENSLAND

PIPE YARD:

N.S.W.

PUNCHBOWL PIPES PTY. LTD.

Punchbowl, Belmore Road

PIPE DEPOT:

N.S.W.

Metford, Metford Road (Newcastle)