

SECRET
17 OCT 1983
SECRET

FILE COPY
PLEASE RETURN

BKW 1983

BRICKWORKS LIMITED

62 BELMORE ROAD,
PUNCHBOWL, N.S.W. 2196

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, 4th November, 1983, 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 1983.

.....
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. G. G. Travis | |
| (ii) Mr. L. W. Taylor | |
| (iii) Mr. A. W. Burgis | |
| (4) To appoint an Auditor | |

BRICKWORKS LIMITED

(Incorporated in New South Wales)

**REGISTERED
OFFICE:**

62 Belmore Road, Punchbowl, N.S.W.
Telephone: 534 4611
Telex: 74262

DIRECTORS:

JAMES S. MILLNER A.M. (Chairman)
ALBERT W. BURGIS
HUGH DIXSON
LAURENCE W. TAYLOR
GEOFFREY G. TRAVIS

**GROUP GENERAL
MANAGER:**

ALBERT W. BURGIS

GROUP SECRETARY:

FRANCIS ELSWORTHY

SOLICITORS:

R. N. HENDERSON, TAYLOR & MITCHELL

AUDITORS:

STEWART & CADOGAN, Chartered Accountants

BANKERS:

NATIONAL COMMERCIAL BANKING CORPORATION OF AUSTRALIA
LIMITED

**SUBSIDIARY
COMPANIES:**

(Incorporated in N.S.W.)

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

(Incorporated in A.C.T.)

CANBERRA PIPES PTY. LTD.

**STOCK REGISTERS:
Sydney:**

62 BELMORE ROAD, PUNCHBOWL, N.S.W.
Telephone: 534 4611
Telex: 74262

Canberra:

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

BRICKWORKS LIMITED

ORDINARY BUSINESS

NOTICE IS HEREBY given that the ANNUAL GENERAL MEETING of BRICKWORKS LIMITED will be held at the Rhodes Room, Gold Fields House, Sydney Cove, on FRIDAY, the 4th NOVEMBER 1983 at 12 noon.

1. To receive and consider the Balance Sheet and Profit and Loss Account for the year ended 30th June, 1983, and the reports of the Directors and Auditors thereon.
2. To consider the declaration of Dividend as recommended by the Directors.
3. Election of Directors:
 - (a) Mr. G. G. Travis retires by rotation and being eligible offers himself for re-election.
 - (b) Mr. A. W. Burgis, who was appointed by the Board during the year retires in accordance with Article 73 and, being eligible, offers himself for re-election.
 - (c) To consider the following Resolution pursuant to Section 226 (6) of the Companies (N.S.W.) Code:—

“That Mr. L. W. Taylor, aged 82 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. Appointment of Auditor.

Having received notice, under S. 282 (6) of the Companies (N.S.W.) Code, of the resignation of Messrs. Stewart & Cadogan as auditors of the Group, Messrs. Stewart & Cadogan cease to be auditors as from the close of this meeting.

Messrs. Travis & Travis, the present auditors of The Austral Brick Co. Pty. Limited and Warren Brick Co. Limited, subsidiaries in the Group, having consented to act as auditors of the Group in accordance with S. 280 (7) of the Companies (N.S.W.) Code, offer themselves for appointment.
5. To transact any other business which may be legally brought before the meeting

BY ORDER OF THE BOARD

F. ELSWORTHY,
Secretary.

SYDNEY, 26th SEPTEMBER, 1983.

The Transfer Books and Register of Members of Brickworks Limited will be closed from 24th October, 1983, to 4th November, 1983, 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

On behalf of the Board, I should like to report on the period to 30th June, 1983, and the outlook ahead as we see it for the Company.

I reported to you, last year that the economic outlook for Australia was not encouraging and this assessment has been confirmed in that during the last twelve months Australia has experienced deepening depression, increased unemployment and a continuance of high interest rates. These factors have a direct bearing on building activity with a consequent slackening of demand for our products. Trading results for the Group have been significantly affected by these and other influences such as, lower prices from keen competition, increased fuel prices, resulting in a lower result than experienced in the last few years.

FINANCIAL RESULTS

The Consolidated Operating Net Profit for the year is \$5,643,000 compared to \$9,120,000 for the previous twelve months. In addition extraordinary gains on the sale of land and securities of \$205,000 give total earnings of \$5,848,000.

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.

BRICKYARDS

Consequent upon the downturn in trade production has been reduced both in Sydney and in Brisbane. To improve efficiency and reduce production costs a programme of rationalisation has been undertaken. To this end the plant at St. Peters was closed on 31st May, 1983, and production in Dome Kilns was discontinued at Brookvale on the same date. Management is in the process of modernising plant facilities at Wallgrove and Rochedale which when completed will enable us to compete more effectively in the market place.

PIPE WORKS

The pipeworks experienced similar trading conditions as the brickyards returning a lower profit than the previous year.

LAND

Punchbowl Pipes Pty. Limited sold two small parcels of land from their Punchbowl holding resulting in a capital profit of \$148,860.

SHORT TERM DEPOSITS

Interest rates, on average, were lower than the preceeding period and interest receipts fell by 32%. The fall in profits and the financing of plant purchases caused a drop in funds being available for short term investment.

INVESTMENT IN PUBLIC COMPANIES

The book value of this asset at 30th June, 1983, is \$31,717,059 compared with a market value of \$33,874,059. Stock holders are reminded the policy of the Board is to show this asset in the Balance Sheet at cost irrespective of any increase or decrease in market value as it represents securities purchased for long term investment and not for resale.

DIRECTOR

Mr. Albert W. Burgis, Group General Manager, was appointed to the Board during the year.

STAFF

The Directors wish to thank the staff for their continued support throughout a difficult year.

PROSPECTS

The outlook for the remainder of the current financial year is one of cautious optimism. The present Federal Government has initiated programmes to re-vitalise the economy with particular attention to the home building industry and although there is little evidence of a positive upturn in demand as yet, we look forward to an improvement in trading conditions. Award wages for brick and pipe makers have risen recently and the cost of energy continues to increase. Any future increases in these costs will have a direct bearing on the effectiveness of the Governments' initiatives in this area of the economy.

J. S. MILLNER,
Chairman of Directors.

BRICKWORKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30th JUNE, 1983

The Directors of Brickworks Limited herewith submit the Balance Sheet as at 30th June 1983, and the Profit and Loss Account for the Group for the year ended on that date. The accounts of the Company and Group have been prepared in accordance with the provisions of Schedule 7 of the Companies (N.S.W.) Regulations and report as follows:

The Directors in office at the date of the report are:—

| | | |
|--------------------------|--------------|--------------|
| J. S. MILLNER (Chairman) | L. W. TAYLOR | G. G. TRAVIS |
| | H. DIXSON | A. W. BURGIS |

The principal activities of the corporations in the Group are brick and pipe manufacturing. As the company is the kind referred to in Regulation 58 (6) of the Companies (N.S.W.) Regulations, the Directors have chosen to round off amounts in the report, and the accompanying accounts, to the nearest one thousand dollars, in accordance with regulation 58 of the Companies (N.S.W.) Regulations.

The Consolidated Net Profit of the Group after providing for Income Tax amounted to \$5,643,000. In addition extraordinary profits of \$205,000 were earned making a total Consolidated Net Profit of \$5,848,000.

No subsidiaries were acquired or disposed of during the year.

During the year the following transfer to provisions and reserves have been made in the accounts of Brickworks Limited and its subsidiaries.

| | Amount \$000's |
|---|-------------------|
| To Depreciation Reserve totalling | 2,755 |
| To Income Tax Provision totalling | 3,111 |
| To Long Service Leave Provision totalling | 198 |
| To Capital Profits Reserve totalling | 179 |

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

1. Out of Profits for the year ended 30th June, 1982, provided for at that date and referred to in the previous Directors' Report —

| | Amount \$000's |
|---|-------------------|
| Final Ordinary | 1,705 |
| 2. Out of Profits for the year ended 30th June, 1983: | |
| Interim Ordinary 11% paid 29th April, 1983 | 1,250 |
| Recommended for payment on 4th November, 1983, a Final Ordinary of 15% totalling | 1,705 |

Since 30th June, 1983, 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 out) took reasonable steps to ascertain that all known bad debts were written off, and that adequate provision had been made for doubtful debts.

At the date of this report the Directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, 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, and 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 contingency 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.

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 succeeding financial year.

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

No Director, since the end of the 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 Board of Directors of Brickworks Limited.

L. W. TAYLOR, Director.

G. G. TRAVIS, Director.

26th SEPTEMBER, 1983

**BRICKWORKS LIMITED
AND SUBSIDIARY COMPANIES**
BALANCE SHEET AS AT 30th JUNE, 1983

| | NOTES | CONSOLIDATED | | BRICKWORKS LIMITED | |
|--|-------|---------------------|---------------------|---------------------|---------------------|
| | | 1983 000's \$ | 1982 000's \$ | 1983 000's \$ | 1982 000's \$ |
| CAPITAL & RESERVES | | | | | |
| Authorised Capital \$25,000,000 12,500,000 Shares of \$2 each | 2 | 25,000 | 25,000 | 25,000 | 25,000 |
| Issued Capital | 2 | 11,364 | 11,364 | 11,364 | 11,364 |
| Capital Reserves | 3 | 38,568 | 38,389 | 22,606 | 22,576 |
| General Reserves | | 22,467 | 22,467 | 17,221 | 17,221 |
| Unappropriated Profits | | 21,805 | 19,091 | 13,761 | 11,710 |
| Total Capital & Reserves | | 94,204 | 91,311 | 64,952 | 62,871 |
| LONG TERM LIABILITIES | 4 | 717 | 801 | 717 | 801 |
| PROVISIONS | 5 | 917 | 1,090 | 434 | 434 |
| CURRENT LIABILITIES | 6 | 6,508 | 10,752 | 4,700 | 6,448 |
| TOTAL FUNDS | | 102,346 | 103,954 | 70,803 | 70,554 |
| THESE FUNDS ARE INVESTED IN FIXED ASSETS | 7 | | | | |
| Freehold Land, Buildings, Kilns, etc. | | 24,416 | 24,745 | 5,889 | 6,075 |
| Plant & Equipment | | 14,754 | 12,886 | 4,095 | 3,774 |
| NON CURRENT ASSETS | | | | | |
| Amounts due on Sale of Land | | — | 1,856 | — | 1,000 |
| INVESTMENTS | 8 | 37,751 | 33,024 | 34,808 | 31,081 |
| LONG TERM DEPOSIT | | 1,000 | — | 1,000 | — |
| INVESTMENTS IN SUBSIDIARIES | 9 | — | — | 7,863 | 4,711 |
| CURRENT ASSETS | | | | | |
| Cash and Bank Balances | | 413 | 1,020 | 200 | 284 |
| Short Term Deposits & Loans | | 12,867 | 20,110 | 12,300 | 20,105 |
| Debtors | 10 | 4,723 | 5,177 | 1,949 | 2,085 |
| Stock on Hand | 11 | 6,164 | 5,001 | 2,655 | 1,392 |
| Prepayments | | 258 | 135 | 44 | 47 |
| TOTAL ASSETS | | 102,346 | 103,954 | 70,803 | 70,554 |

BRICKWORKS LIMITED
AND SUBSIDIARY COMPANIES
PROFIT AND LOSS STATEMENT FOR YEAR ENDED 30th JUNE, 1983

| | NOTES | CONSOLIDATED | | BRICKWORKS LIMITED | |
|---|-------|---------------------|---------------------|---------------------|---------------------|
| | | 1983 000's \$ | 1982 000's \$ | 1983 000's \$ | 1982 000's \$ |
| PROFIT FROM TRADING | | 8,754 | 15,930 | 6,736 | 9,775 |
| Dividends Received from Subsidiaries | | | | 659 | 2,343 |
| | | | | 7,395 | 12,118 |
| Provision for Income Tax | | 3,111 | 6,810 | 2,399 | 4,100 |
| | | 5,643 | 9,120 | 4,996 | 8,018 |
| ADD Extraordinary Item (Net of Income Tax) | 13 | 179 | 1,697 | 30 | 1,021 |
| | | 5,822 | 10,817 | 5,026 | 9,039 |
| LESS Extraordinary Item (Net of Income Tax) | 13 | — | 40 | — | — |
| | | 5,822 | 10,777 | 5,026 | 9,039 |
| ADD Income Tax over-provided previous years | | 26 | 48 | 10 | 48 |
| | | 5,848 | 10,825 | 5,036 | 9,087 |
| ADD Unappropriated Profits from previous years | | 19,091 | 12,916 | 11,710 | 6,599 |
| | | 24,939 | 23,741 | 16,746 | 15,686 |
| LESS Transfer to Capital Profits Reserve | | 179 | 1,695 | 30 | 1,021 |
| | | 24,760 | 22,046 | 16,716 | 14,665 |
| LESS Dividends — | | | | | |
| Interim Ordinary Paid | | 1,250 | 1,250 | 1,250 | 1,250 |
| Final Ordinary Payable | | 1,705 | 1,705 | 1,705 | 1,705 |
| | | 2,955 | 2,955 | 2,955 | 2,955 |
| UNAPPROPRIATED EARNINGS CARRIED FORWARD | | 21,805 | 19,091 | 13,761 | 11,710 |

BRICKWORKS LIMITED

AND SUBSIDIARY COMPANIES

NOTES FORMING PART OF THE 1983 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 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.

STOCK AND WORK IN PROGRESS are valued at the lower of cost or net realisable value. Cost in the case of manufactured stock consist 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 \$5,803,267.
- (2) The Balance Sheet would have contained an asset "Future Tax Benefit" of \$593,943 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 Regulation 58 (6) of the Companies (N.S.W.) Code and amounts have been rounded off in accordance with Section 271 of the code and this regulation.

2. SHARE CAPITAL — BRICKWORKS LIMITED

Authorised Capital:—

| | | |
|--|-------------------|-------------------|
| | 1983 | 1982 |
| 11,446,085 Ordinary Shares of \$2 each | 22,892,170 | 22,892,170 |
| 750,000 Cumulative Non-Participating 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> |
| Issued and Fully Paid — | | |
| 5,682,113 Ordinary Stock Units of \$2 each | <u>11,364,226</u> | <u>11,364,226</u> |

| | CONSOLIDATED | | BRICKWORKS LIMITED | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 1983 000's \$ | 1982 000's \$ | 1983 000's \$ | 1982 000's \$ |
| 3. CAPITAL RESERVES COMPRISE | | | | |
| Re-Valuation of Assets | 5,375 | 5,375 | 2,509 | 2,509 |
| Capital Profits | 6,581 | 6,402 | 3,785 | 3,755 |
| Surplus on Consolidation | 10,300 | 10,300 | — | — |
| Share Premiums | 14,812 | 14,812 | 14,812 | 14,812 |
| Capital Redemption | 1,500 | 1,500 | 1,500 | 1,500 |
| | <u>38,568</u> | <u>38,389</u> | <u>22,606</u> | <u>22,576</u> |
| 4. LONG TERM LIABILITIES | | | | |
| Registered Debenture Stock Repayable 1984-1987 | <u>717</u> | <u>801</u> | <u>717</u> | <u>801</u> |
| 5. PROVISIONS | | | | |
| Long Service Leave & Retirement Benefits | <u>917</u> | <u>1,090</u> | <u>434</u> | <u>434</u> |
| 6. CURRENT LIABILITIES | | | | |
| Trade Creditors | 1,609 | 2,244 | 513 | 643 |
| Income Tax | 3,110 | 6,803 | 2,398 | 4,100 |
| Dividends | 1,705 | 1,705 | 1,705 | 1,705 |
| Debentures | 84 | — | 84 | — |
| | <u>6,508</u> | <u>10,752</u> | <u>4,700</u> | <u>6,448</u> |
| 7. FIXED ASSETS | | | | |
| (a) Freehold Land, Buildings, Kilns | | | | |
| At Officers' Valuation 1961 | 1,562 | 1,562 | 336 | 336 |
| At Independent Valuation 1964 | 106 | 106 | — | — |
| At Independent Valuation 1967 | 641 | 646 | 116 | 116 |
| At Independent Valuation 1972 | 2,798 | 2,810 | 514 | 514 |
| At Valuer-General's Valuation 1974 | 5,734 | 5,755 | 896 | 896 |
| At Cost | <u>22,371</u> | <u>21,984</u> | <u>6,737</u> | <u>6,737</u> |
| | 33,212 | 32,863 | 8,599 | 8,599 |
| Less Depreciation | <u>8,796</u> | <u>8,118</u> | <u>2,710</u> | <u>2,524</u> |
| | <u>24,416</u> | <u>24,745</u> | <u>5,889</u> | <u>6,075</u> |
| (b) Plant & Equipment | | | | |
| At Officers' Valuation 1961 | 1,179 | 1,179 | 579 | 579 |
| At cost | <u>28,042</u> | <u>27,225</u> | <u>8,149</u> | <u>8,014</u> |
| | 29,221 | 28,404 | 8,728 | 8,593 |
| Less Depreciation | <u>17,428</u> | <u>15,518</u> | <u>5,220</u> | <u>4,819</u> |
| | <u>11,793</u> | <u>12,886</u> | <u>3,508</u> | <u>3,774</u> |
| (c) Plant & Equipment Work in Progress at Cost | <u>2,961</u> | <u>—</u> | <u>587</u> | <u>—</u> |

| | CONSOLIDATED | | BRICKWORKS LIMITED | |
|--|--------------|--------------|--------------------|---------------|
| | 1983 | 1982 | 1983 | 1982 |
| | 000's \$ | 000's \$ | 000's \$ | 000's \$ |
| 8. INVESTMENTS | | | | |
| Shares in Quoted Companies at Cost | 31,717 | 31,056 | 29,774 | 29,113 |
| Market Value — Quoted Shares | 33,874 | 28,294 | 30,079 | 25,351 |
| Preference Shares Unlisted Companies at Cost | 4,000 | 1,000 | 4,000 | 1,000 |
| Semi-Government Bonds at Cost | 834 | 968 | 834 | 968 |
| Semi-Government Bonds Market Value | 932 | 988 | 932 | 988 |
| Government Savings Bonds | 1,200 | — | 200 | — |
| 9. INVESTMENT IN SUBSIDIARIES | | | | |
| Shares in Subsidiaries at Cost | | | 17,020 | 17,020 |
| Amounts owing by Subsidiaries | | | 117 | 174 |
| | | | <u>17,137</u> | <u>17,194</u> |
| Less Amounts owing to Subsidiaries | | | 9,274 | 12,483 |
| | | | <u>7,863</u> | <u>4,711</u> |
| 10. DEBTORS | | | | |
| Trade Debtors | 4,384 | 4,966 | 1,046 | 1,141 |
| Less Provision for Doubtful Debts | 702 | 702 | 55 | 55 |
| | <u>3,682</u> | <u>4,264</u> | <u>991</u> | <u>1,086</u> |
| Other Debtors | 188 | 197 | 18 | 64 |
| Amounts owing on Sale of Land | 1,000 | 1,000 | 1,000 | 1,000 |
| | <u>4,870</u> | <u>5,461</u> | <u>2,009</u> | <u>2,150</u> |
| Less Advance payments by Customers | 147 | 284 | 60 | 65 |
| | <u>4,723</u> | <u>5,177</u> | <u>1,949</u> | <u>2,085</u> |
| 11. STOCKS ON HAND | | | | |
| Finished Stocks | 5,611 | 3,921 | 2,558 | 1,079 |
| Work in Progress | 216 | 452 | 85 | 257 |
| Raw Materials | 149 | 445 | — | — |
| Stores | 188 | 183 | 12 | 56 |
| | <u>6,164</u> | <u>5,001</u> | <u>2,655</u> | <u>1,392</u> |
| 12. PROFIT FROM TRADING AFTER CHARGING | | | | |
| Depreciation | 2,755 | 2,844 | 699 | 771 |
| Interest to Other Persons | 61 | 150 | 61 | 150 |
| Bad Debts Written Off Against Profits | 71 | 192 | 2 | 27 |
| Auditors' Remuneration | 14 | 80 | 31 | 23 |
| Directors' Remuneration | 15 | 50 | 45 | 45 |
| Provision for Long Service Leave and Crediting | | 198 | — | — |
| Dividends from Other Companies | | 1,635 | 1,533 | 1,082 |
| Interest from Deposits | | 2,626 | 3,804 | 3,699 |
| Profit on Sale of Fixed Assets | | 11 | 6 | — |

| | CONSOLIDATED | | BRICKWORKS LIMITED | |
|--------------------------------|--------------|-------------|--------------------|-------------|
| | 1983 | 1982 | 1983 | 1982 |
| | 000's \$ | 000's \$ | 000's \$ | 000's \$ |
| 13. EXTRAORDINARY ITEMS | | | | |
| (a) Extraordinary Profit — | | | | |
| Sale of Land | 149 | 979 | — | 305 |
| Investments | 30 | 716 | 30 | 716 |
| Plant | — | 2 | — | — |
| (b) Extraordinary Losses | — | 40 | — | — |

Extraordinary Losses resulted from the scrapping of Plant & Equipment. Amounts written off are Net of Income Tax applicable thereto.

14. AUDITORS' REMUNERATION

| | | | | |
|--------------------|-----------|-----------|-----------|-----------|
| Amounts Received — | | | | |
| Auditing Accounts | 73 | 60 | 31 | 23 |
| Other Services | 7 | 6 | — | — |
| | <u>80</u> | <u>66</u> | <u>31</u> | <u>23</u> |

15. DIRECTORS' REMUNERATION

| | | | | |
|---------------------------|-----------|-----------|-----------|-----------|
| Non Executive Directors — | | | | |
| Holding Company | 45 | 45 | 45 | 45 |
| Subsidiaries | 5 | 5 | — | — |
| | <u>50</u> | <u>50</u> | <u>45</u> | <u>45</u> |

16. REVENUE

| | | | | |
|---|--------|--------|--|-------|
| (a) Group Sales | 31,993 | 43,920 | | |
| (b) Non-Trading Income comprising Interest and Dividends Received | 4,261 | | | 5,006 |

17. DIRECTORS' SHAREHOLDING AT 26th SEPTEMBER, 1983

| Name of Director | Beneficiary Interest Ordinary Shares Brickworks Limited |
|------------------|---|
| J. S. Millner | 720 |
| L. W. Taylor | 792 |
| G. G. Travis | 720 |
| H. Dixson | 600 |
| A. W. Burgis | 500 |

The closing date for the receipt of nominations for election to the office of Director at the Annual General Meeting is 25th October, 1983.

8. SERVICE AGREEMENTS

The contingent liability for a service agreement with a full time Executive Officer is \$20,000.

9. PROVISION FOR FINAL DIVIDEND

| | | |
|--------------------------------------|---------------------|---------------------|
| Proposed 30 cents per Share Ordinary | 1983 \$1,704,634 | 1982 \$1,704,634 |
|--------------------------------------|---------------------|---------------------|

20. **STATEMENT OF SHAREHOLDERS AT 26th SEPTEMBER, 1983**
(A.A.S.E. Listing Requirements 3C (11))

| | |
|---|--|
| | \$2 Fully Paid Ordinary Shares 1,140 (See Article 69 page 12) |
| No. of Holders | |
| Voting Rights | |
| % of Total Holdings by or on behalf of Twenty Largest Shareholders | 81% |
| Distribution of Schedule of Holdings | |
| 1 — 1,000 | 887 |
| 1,001 — 5,000 | 192 |
| 5,001 — 10,000 | 23 |
| 10,000 and over | 38 |

Subject to any rights or restriction, for the time being attached to any class or classes of shares --

- (1) At meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney or by a representative; and
- (2) On a show of hands every member present in person or by proxy or representative shall have one vote and upon a poll every member present in person or by proxy or by representative shall have one vote for every share registered in his name PROVIDED THAT if at any time there is in issue any share which has not been fully paid as to both par value and premium (if any) and which was not part of an issue of shares which was offered to all members in proportion to the numbers of shares held by them such share shall upon a poll confer only that fraction of one vote which the amount paid up on that share on account of par value and premium bears to the total issue price thereof.

Washington H. Soul, Pattinson & Company Limited is a substantial shareholder of this Company, and at 26th September, 1983, held 2,718,762 Ordinary Stock Units.

21. **PARTICULARS RELATING TO SUBSIDIARY COMPANIES**

| Name of Company | Place of Incor- poration | Class of Shares | Investment of Parent Company at Cost | | Brickworks Limited Beneficial Interest | | Contribution to Consolidated Profits | | |
|---|--------------------------------|-----------------------|--|-----------------|---|------|---|----------------|-----------------|
| | | | \$000's | \$000's | % | | \$000's | \$000's | |
| | | | 1983 | 1982 | 1983 | 1982 | 1983 | 1982 | |
| Brickworks Ltd. (Parent Company) | N.S.W. | | | | | | | 4,367 | 6,696 |
| †*Austral Brick Co. Pty. Ltd. | N.S.W. | Ordinary | 13,645 | 13,645 | 100 | 100 | 742 | 2,361 | |
| †*Warren Brick Co. Ltd. | N.S.W. | Ordinary | 45 | 45 | 100 | 100 | 11 | | 1 |
| †Carrington Brick Co. Pty. Ltd. | N.S.W. | Ordinary | 2 | 2 | 100 | 100 | 39 | | 38 |
| Rochedale Transport Pty. Ltd. | N.S.W. | Ordinary | 1 | 1 | 100 | 100 | 19 | | 71 |
| Punchbowl Pipes Pty. Ltd. | N.S.W. | Ordinary | 3,327 | 3,327 | 100 | 100 | 637 | | 1,610 |
| Subsidiary of Punchbowl Pipes Pty. Ltd.: | | | | | | | | | |
| †Canberra Pipes Pty. Ltd. | A.C.T. | Ordinary | — | — | 100 | 100 | 7 | | — |
| | | | <u>\$17,020</u> | <u>\$17,020</u> | | | | <u>\$5,822</u> | <u>\$10,777</u> |
| | | | | | | | | 1983 | 1982 |
| | | | | | | | | \$000's | \$000's |

DIVIDENDS RECEIVED FROM SUBSIDIARY COMPANIES:

| | | |
|-----------------------------|------------|--------------|
| Austral Brick Co. Pty. Ltd. | 329 | 1,793 |
| Punchbowl Pipes Pty. Ltd. | 330 | 550 |
| | <u>659</u> | <u>2,343</u> |

*Subsidiary Companies not audited by Stewart & Cadogan

†Shares also held by Brickworks Ltd. subsidiaries.

22. **CAPITAL COMMITMENTS**

Capital Expenditure Commitment at 30th June, 1983 totalled \$6,143,714.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

| | 1983 \$000's | 1982 \$000's |
|--|-----------------|-----------------|
| SOURCE OF FUNDS: | | |
| Profit for Year after Tax but before Extraordinary Items | 5,643 | 9,120 |
| ADD Items not involving the outlay of Funds — | | |
| Depreciation | 2,755 | 2,844 |
| Provision for Long Service Leave | 198 | 20 |
| Proceeds of Disposal of Fixed Assets and Investments | 690 | 2,773 |
| Over-provision for Income Tax from Prior Year | 26 | 48 |
| Repayment of Mortgage Loan | 1,000 | 1,000 |
| Decrease in Working Capital | 3,201 | — |
| | <u>13,513</u> | <u>15,805</u> |
| APPLICATION OF FUNDS: | | |
| Expenditure on Fixed Assets | 4,459 | 2,281 |
| Investments | 5,727 | 8,455 |
| Payment of Dividends | 2,955 | 2,671 |
| Mortgage back on Sale of Property | — | 856 |
| Increase in Working Capital | — | 1,542 |
| Payment of Gratuities | 372 | — |
| | <u>13,513</u> | <u>15,805</u> |

STATEMENT BY DIRECTORS

In the opinion of the Directors of BRICKWORKS LIMITED —

- (a) the accompanying Profit and Loss Account of the Company is drawn up so as to give a true and fair view of the results of the Company for the year ended 30th June, 1983,
- (b) the accompanying Balance Sheet of the Company is drawn up so as to give a true and fair view of the state of affairs of the Company as at 30th June, 1983, and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

- (a) the results of the Company and its subsidiary companies for the year ended 30th June, 1983; and
- (b) the state of affairs of the Company and its subsidiary companies as at 30th June, 1983, so far as they concern members of the Company.

DATED at SYDNEY this 26th day of SEPTEMBER, 1983.

SIGNED in accordance with the Resolution of Directors:

L. W. TAYLOR, Director.

G. G. TRAVIS, Director.

AUDITORS' REPORT TO THE MEMBERS OF BRICKWORKS LIMITED —

We wish to report that in our opinion —

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 Companies (New South Wales) Code 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, 1983, 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 269 of the Code 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 Code 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 Code 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 Company and Group have not adopted Tax Effect Accounting as required by Accounting Standard AAS 3. If the Standard had been adopted —

- (i) the net Profit from trading, after providing for Income Tax Expense, would have been \$5,040,878 for the Company and \$5,803,267 for the Group.
- (ii) The Balance Sheet would have contained an asset "Future Tax Benefit" of \$279,267 Company and \$593,943 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 Section 285 (4) of the Code.

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)
J. D. SPENCER, F.C.A.
(A Member of the Firm)

Registered under the Public Accountants' Registration Act, 1945 (as amended).
SYDNEY, 26th SEPTEMBER, 1983.

BRICKWORKS LIMITED

FIVE YEAR SUMMARY

| | 1979 | 1980 | 1981 | 1982 | 1983 |
|------------------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| | (Thousands \$'s) | | | | |
| Consolidated Net Profit Before Tax | 7,417 | 12,898 | 18,109 | 15,930 | 8,754 |
| Taxation | <u>2,928</u> | <u>5,162</u> | <u>8,017</u> | <u>6,810</u> | <u>3,111</u> |
| Net Profit after Tax | <u><u>4,489</u></u> | <u><u>7,736</u></u> | <u><u>10,092</u></u> | <u><u>9,120</u></u> | <u><u>5,643</u></u> |
| Net Profit as a % of:— | | | | | |
| Shareholders' Funds | 6.6 | 10.52 | 12.09 | 9.99 | 6.0 |
| Ordinary Capital | 56.4 | 81.45 | 106.45 | 80.25 | 49.66 |
| Capital: | | | | | |
| Ordinary | 7,892 | 9,471 | 9,471 | 11,364 | 11,364 |
| Preference | 300 | 150 | — | — | — |
| Dividend Rate: % | | | | | |
| Ordinary Stock | 22.5 | 25 | 26 | 26 | 26 |
| Preference Stock | 8 | 8 | 8 | — | — |
| Total Assets | 78,019 | 85,278 | 98,623 | 103,954 | 102,346 |
| Total Liabilities | 9,741 | 11,772 | 15,182 | 12,643 | 8,142 |
| Total Stockholders' Funds | 68,278 | 73,506 | 83,441 | 91,311 | 94,204 |

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)