



BKW 1984

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• **ANNUAL REPORT**
1984

BRICKWORKS LIMITED GROUP

LOCATIONS

BRICK YARDS:

N.S.W.

BRICKWORKS LIMITED

Brookvale, Federal Parade

Eastwood, Midson Road

QUEENSLAND

Rochedale, Gardner Road

N.S.W.

THE AUSTRAL BRICK CO. PTY. LTD.

Horsley Park, Wallgrove Road

GROUP BRICK DISPLAY CENTRES:

SYDNEY AREA

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

NEWCASTLE AREA

Metford, Metford Road

QUEENSLAND

Rochedale, Gardner Road

PIPE YARD:

N.S.W.

PUNCHBOWL PIPES PTY. LIMITED

Punchbowl, Belmore Road

PIPE SALES DEPOTS:

N.S.W.

Metford, Metford Road (Newcastle)

QUEENSLAND

Rochedale, Gardner Road

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)
GEOFFREY G. TRAVIS
HUGH DIXSON
ALBERT W. BURGIS
CEDRIC M. I. PEARSON

**GROUP GENERAL
MANAGER:**

ALBERT W. BURGIS

GROUP SECRETARY:

FRANCIS ELSWORTHY

SOLICITORS:

R. N. HENDERSON, TAYLOR & MITCHELL

AUDITORS:

TRAVIS & TRAVIS, Chartered Accountants

BANKERS:

NATIONAL COMMERCIAL BANKING CORPORATION OF AUSTRALIA
LIMITED

**SUBSIDIARY
COMPANIES:**

(Incorporated in N.S.W.)

THE AUSTRAL BRICK CO. PTY. LTD.
CARRINGTON BRICK CO. PTY. LTD.
PUNCHBOWL PIPES PTY. LTD.
ROCHEDALE TRANSPORT PTY. LTD.
THE WARREN BRICK CO. PTY. 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 2nd NOVEMBER, 1984, at 12 noon.

1. To receive and consider the balance sheet and profit and loss account for the year ended 30th June, 1984, 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. H. Dixson retires by rotation and being eligible offers himself for re-election.
 - (b) Mr. C. M. I. Pearson, who was appointed by the Board during the year retires in accordance with Article 73 and being eligible, offers himself for re-election.
4. SPECIAL RESOLUTION
To consider and if thought fit, to pass the following resolution as a special resolution:
 - (a) That as recommended by the directors it is desirable to capitalise the sum of \$1,420,528 standing to the credit of the assets revaluation reserve being funds available for distribution and being amounts arising 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, 1984, in payment in full of 710264 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 eight fully paid ordinary stock units (fractions being disregarded) held by each such stockholder on the said date.
 - (b) 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, 1984.
 - (c) 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.
5. To transact any other business which may be legally brought before the meeting.

BY ORDER OF THE BOARD,
F. ELSWORTHY,
Secretary.

SYDNEY, 24th SEPTEMBER, 1984.

The transfer books and register of members of Brickworks Limited will be closed from 22nd October, 1984, to 2nd November, 1984, 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

DIRECTORS' REPORT FOR THE YEAR ENDED 30th JUNE, 1984

The directors of Brickworks Limited herewith submit the balance sheet as at 30th June, 1984, 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) | G. G. TRAVIS | A. W. BURGIS |
| | H. DIXSON | C. M. I. PEARSON |

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 this 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 \$6,318,000 (1983 \$5,643,000). In addition extraordinary profits of \$377,000 were earned and extraordinary losses incurred of \$799,000 making a total consolidated net profit of \$5,867,000 (1983 \$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 | 2,714 |
| To Income Tax Provision totalling | 2,095 |
| To Long Service Leave Provision totalling | 314 |
| To Capital Profits Reserve totalling | 377 |

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 the profits for the year ended 30th June, 1983, 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, 1984:

| | |
|---|-------|
| Interim Ordinary 11% paid 27th April, 1984 | 1,250 |
| Recommended for payment on 2nd November, 1984, a Final Ordinary of 15% totalling | 1,705 |

Since 30th June, 1984, 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 were 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 other than interest paid to subsidiary companies.

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 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 was a member.

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

G. G. TRAVIS, Director.
C. M. I. PEARSON, Director.

24th SEPTEMBER, 1984.

BRICKWORKS LIMITED AND SUBSIDIARY COMPANIES

BALANCE SHEET AS AT 30th JUNE, 1984

| | NOTES | CONSOLIDATED | | BRICKWORKS LIMITED | |
|--|-------|---------------------|---------------------|---------------------|---------------------|
| | | 1984 000's \$ | 1983 000's \$ | 1984 000's \$ | 1983 000's \$ |
| CAPITAL & RESERVES | | | | | |
| Authorised Capital \$25,000,000 12,500,000 Shares of \$2 each | 2 | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> |
| Issued Capital | 2 | 11,364 | 11,364 | 11,364 | 11,364 |
| Capital Reserves | 3 | 38,944 | 38,568 | 22,626 | 22,606 |
| General Reserves | | 22,467 | 22,467 | 17,221 | 17,221 |
| Unappropriated Profits | | 24,340 | 21,805 | 14,616 | 13,761 |
| TOTAL CAPITAL & RESERVES | | <u>97,115</u> | <u>94,204</u> | <u>65,827</u> | <u>64,952</u> |
| LONG TERM LIABILITIES | 4 | 717 | 717 | 717 | 717 |
| PROVISIONS | 5 | 1,231 | 917 | 495 | 434 |
| CURRENT LIABILITIES | 6 | <u>5,996</u> | <u>6,508</u> | <u>3,478</u> | <u>4,700</u> |
| | | <u>105,059</u> | <u>102,346</u> | <u>70,517</u> | <u>70,803</u> |
| THESE FUNDS ARE INVESTED IN FIXED ASSETS | 7 | | | | |
| Freehold Land, Buildings, Kilns, etc. | | 26,980 | 24,416 | 6,053 | 5,889 |
| Plant & Equipment | | 16,505 | 14,754 | 5,141 | 4,095 |
| INVESTMENTS | 8 | 37,479 | 37,751 | 34,470 | 34,808 |
| LONG TERM DEPOSIT | | — | 1,000 | — | 1,000 |
| INVESTMENTS IN SUBSIDIARIES | 9 | — | — | 7,585 | 7,863 |
| CURRENT ASSETS | | | | | |
| Cash and Bank Balances | | 131 | 413 | 168 | 200 |
| Short Term Deposits & Loans | | 14,346 | 12,867 | 13,695 | 12,300 |
| Debtors | 10 | 4,834 | 4,723 | 1,478 | 1,949 |
| Stock on Hand | 11 | 4,638 | 6,164 | 1,848 | 2,655 |
| Prepayments | | 146 | 258 | 79 | 44 |
| TOTAL ASSETS | | <u>105,059</u> | <u>102,346</u> | <u>70,517</u> | <u>70,803</u> |

BRICKWORKS LIMITED
AND SUBSIDIARY COMPANIES
PROFIT AND LOSS STATEMENT FOR YEAR ENDED 30th JUNE, 1984

| | NOTES | CONSOLIDATED | | BRICKWORKS LIMITED | |
|--|-------|---------------------|---------------------|---------------------|---------------------|
| | | 1984 000's \$ | 1983 000's \$ | 1984 000's \$ | 1983 000's \$ |
| PROFIT FROM TRADING | 12 | 8,413 | 8,754 | 4,517 | 6,736 |
| Dividends Received from Subsidiaries | | | | 500 | 659 |
| | | | | <u>5,017</u> | <u>7,395</u> |
| Provision for Income Tax | | 2,095 | 3,111 | 1,160 | 2,399 |
| | | <u>6,318</u> | <u>5,643</u> | <u>3,857</u> | <u>4,996</u> |
| ADD Extraordinary Item (Net of Income Tax) | 13 | 377 | 179 | 20 | 30 |
| | | <u>6,695</u> | <u>5,822</u> | <u>3,877</u> | <u>5,026</u> |
| LESS Extraordinary Item (Net of Income Tax) | 13 | 779 | — | — | — |
| | | <u>5,916</u> | <u>5,822</u> | <u>3,877</u> | <u>5,026</u> |
| ADD Income Tax over-provided previous years | | | | | |
| (LESS) Income Tax under-provided previous years | | (49) | 26 | (47) | 10 |
| | | <u>5,867</u> | <u>5,848</u> | <u>3,830</u> | <u>5,036</u> |
| ADD Unappropriated Profits from previous years | | 21,805 | 19,091 | 13,761 | 11,710 |
| | | <u>27,672</u> | <u>24,939</u> | <u>17,591</u> | <u>16,746</u> |
| LESS Transfer to Capital Profits Reserve | | 377 | 179 | 20 | 30 |
| | | <u>27,295</u> | <u>24,760</u> | <u>17,571</u> | <u>16,716</u> |
| LESS Dividends — | | | | | |
| Interim ordinary paid | | 1,250 | 1,250 | 1,250 | 1,250 |
| Final ordinary payable | | 1,705 | 1,705 | 1,705 | 1,705 |
| | | <u>2,955</u> | <u>2,955</u> | <u>2,955</u> | <u>2,955</u> |
| UNAPPROPRIATED EARNINGS CARRIED FORWARD | | <u>24,340</u> | <u>21,805</u> | <u>14,616</u> | <u>13,761</u> |

BRICKWORKS LIMITED

AND SUBSIDIARY COMPANIES

NOTES FORMING PART OF THE 1984 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.

CHANGE IN POLICY. Interest was paid by the parent company to subsidiary companies on funds advanced. The effect on the accounts of the group is nil.

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 brick making 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 \$6,253,861.
- (2) The balance sheet would have contained an asset "Future Tax Benefit" of \$529,483 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.

EQUITY ACCOUNTING. Where the group has a material investment in a company outside the group and has capacity to significantly influence the policies of that company that investment, and the results of that company, are dealt with in accordance with the equity method of accounting. Equity retained earnings are not available for appropriation by Brickworks Limited.

This information is shown by way of a supplementary note and is not included in the profit and loss statement and balance sheet prepared in accordance with the Companies (N.S.W.) Code. Refer note 20.

2. SHARE CAPITAL — BRICKWORKS LIMITED

Authorised Capital:—

| | 1984 | 1983 |
|--|-------------------|-------------------|
| | \$ | \$ |
| 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 | 11,364,226 | 11,364,226 |

| | CONSOLIDATED | | BRICKWORKS LIMITED | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 1984 000's \$ | 1983 000's \$ | 1984 000's \$ | 1983 000's \$ |
| 3. CAPITAL RESERVES COMPRISE | | | | |
| Re-valuation of assets | 5,507 | 5,495 | 2,509 | 2,509 |
| Capital profits | 6,825 | 6,461 | 3,805 | 3,785 |
| 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>38,944</u> | <u>38,568</u> | <u>22,626</u> | <u>22,606</u> |
| 4. LONG TERM LIABILITIES | | | | |
| Registered debenture stock repayable 1987 | <u>717</u> | <u>717</u> | <u>717</u> | <u>717</u> |
| 5. PROVISIONS | | | | |
| Long service leave & retirement benefits | <u>1,231</u> | <u>917</u> | <u>495</u> | <u>434</u> |
| 6. CURRENT LIABILITIES | | | | |
| Trade creditors | 2,196 | 1,609 | 613 | 513 |
| Income tax | 2,095 | 3,110 | 1,160 | 2,398 |
| Dividends | 1,705 | 1,705 | 1,705 | 1,705 |
| Debentures | — | 84 | — | 84 |
| | <u>5,996</u> | <u>6,508</u> | <u>3,478</u> | <u>4,700</u> |
| 7. FIXED ASSETS | | | | |
| (a) Freehold land, buildings, kilns | | | | |
| At officers' valuation 1961 | 898 | 1,562 | 336 | 336 |
| At independent valuation 1964 | 106 | 106 | — | — |
| At independent valuation 1967 | 602 | 641 | 116 | 116 |
| At independent valuation 1972 | 2,718 | 2,798 | 514 | 514 |
| At Valuer-General's valuation 1974 | 5,603 | 5,734 | 896 | 896 |
| At cost | 26,356 | 22,371 | 7,067 | 6,737 |
| | <u>36,283</u> | <u>33,212</u> | <u>8,929</u> | <u>8,599</u> |
| Less Depreciation | <u>9,303</u> | <u>8,796</u> | <u>2,876</u> | <u>2,710</u> |
| | <u>26,980</u> | <u>24,416</u> | <u>6,053</u> | <u>5,889</u> |
| (b) Plant & equipment | | | | |
| At officers' valuation 1961 | 581 | 1,179 | 579 | 579 |
| At cost | 34,620 | 28,042 | 10,120 | 8,149 |
| | <u>35,201</u> | <u>29,221</u> | <u>10,699</u> | <u>8,728</u> |
| Less depreciation | <u>18,733</u> | <u>17,428</u> | <u>5,595</u> | <u>5,220</u> |
| | <u>16,468</u> | <u>11,793</u> | <u>5,104</u> | <u>3,508</u> |
| (c) Plant & equipment work in progress at cost | <u>37</u> | <u>2,961</u> | <u>37</u> | <u>587</u> |

| | CONSOLIDATED | | BRICKWORKS LIMITED | |
|---|--------------|--------------|--------------------|---------------|
| | 1984 | 1983 | 1984 | 1983 |
| | 000's | 000's | 000's | 000's |
| | \$ | \$ | \$ | \$ |
| 8. INVESTMENTS | | | | |
| Shares in quoted companies at cost | 32,525 | 31,717 | 30,516 | 29,774 |
| Market value — quoted shares | 45,209 | 33,874 | 41,255 | 30,079 |
| Preference shares unlisted companies at cost | 3,000 | 4,000 | 3,000 | 4,000 |
| Semi-government bonds at cost | 754 | 834 | 754 | 834 |
| Semi-government bonds market value | 847 | 932 | 847 | 932 |
| Government savings bonds | 1,200 | 1,200 | 200 | 200 |
| 9. INVESTMENTS IN SUBSIDIARIES | | | | |
| Shares in subsidiaries at cost | | | 17,020 | 17,020 |
| Amounts owing by subsidiaries | | | 1 | 117 |
| | | | <u>17,021</u> | <u>17,137</u> |
| Less Amounts owing to subsidiaries | | | 9,436 | 9,274 |
| | | | <u>7,585</u> | <u>7,863</u> |
| 10. DEBTORS | | | | |
| Trade Debtors | 5,619 | 4,384 | 1,621 | 1,046 |
| Less Provision for doubtful debts | 702 | 702 | 55 | 55 |
| | <u>4,917</u> | <u>3,682</u> | <u>1,566</u> | <u>991</u> |
| Other debtors | 176 | 188 | 18 | 18 |
| Amounts owing on sale of land | — | 1,000 | — | 1,000 |
| | <u>5,093</u> | <u>4,870</u> | <u>1,584</u> | <u>2,009</u> |
| Less Advance payments by customers | 259 | 147 | 106 | 60 |
| | <u>4,834</u> | <u>4,723</u> | <u>1,478</u> | <u>1,949</u> |
| 11. STOCKS ON HAND | | | | |
| Finished stocks | 3,839 | 5,611 | 1,750 | 2,558 |
| Work in progress | 260 | 216 | 93 | 85 |
| Raw materials | 371 | 149 | — | — |
| Stores | 168 | 188 | 5 | 12 |
| | <u>4,638</u> | <u>6,164</u> | <u>1,848</u> | <u>2,655</u> |
| 12. PROFIT FROM TRADING AFTER CHARGING | | | | |
| Depreciation | 2,714 | 2,755 | 618 | 699 |
| Interest to subsidiary companies | | | 1,182 | |
| Interest to other persons | 61 | 61 | 61 | 61 |
| Bad debts written off against profits | 145 | 71 | 26 | 2 |
| Auditors' remuneration | 14 | 93 | 80 | 31 |
| Directors' remuneration | 15 | 49 | 50 | 44 |
| Provision for long service leave | | 314 | 198 | 61 |
| AND CREDITING | | | | |
| Dividends from other companies | | | | |
| | 1,887 | 1,635 | 1,780 | 1,533 |
| Interests from deposits | 1,716 | 2,626 | 1,576 | 2,516 |
| Profit on sale of fixed assets | 15 | 11 | 4 | 6 |

| | CONSOLIDATED | | BRICKWORKS LIMITED | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 1984 000's \$ | 1983 000's \$ | 1984 000's \$ | 1983 000's \$ |
| 13. EXTRAORDINARY ITEMS | | | | |
| (a) Extraordinary profit — | | | | |
| Sale of land | 357 | 149 | — | — |
| Investments | 20 | 30 | 20 | 30 |
| (b) Extraordinary losses | — | — | — | — |
| Plant | 779 | — | — | — |
| 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 | 83 | 73 | 36 | 31 |
| Other services | 10 | 7 | — | — |
| | <u>93</u> | <u>80</u> | <u>36</u> | <u>31</u> |
| 15. DIRECTORS' REMUNERATION | | | | |
| Non executive directors — | | | | |
| Holding company | 44 | 45 | 44 | 45 |
| Subsidiaries | 5 | 5 | — | — |
| | <u>49</u> | <u>50</u> | <u>44</u> | <u>45</u> |
| 16. REVENUE | | | | |
| (a) Group sales | 32,736 | 31,993 | | |
| (b) Non-trading income comprising Interest and dividends received | 3,603 | 4,261 | | |

17. DIRECTORS' SHAREHOLDING AT 24th September, 1984

| Name of Director | Beneficiary Interest Ordinary Shares Brickworks Limited |
|------------------|---|
| J. S. Millner | 720 |
| G. G. Travis | 720 |
| H. Dixon | 600 |
| A. W. Burgis | 500 |
| C. M. I. Pearson | 600 |

The closing date for the receipt of nominations for election to the office of director at the Annual General Meeting is 23rd October, 1984.

18. SERVICE AGREEMENTS

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

19. PROVISION FOR FINAL DIVIDEND

Proposed 30 cents per share ordinary

| 1984 | 1983 |
|-------------|-------------|
| \$1,704,634 | \$1,704,634 |

20. EQUITY ACCOUNTING INFORMATION

PROFIT AND LOSS STATEMENT INFORMATION.

| | Consolidated | | Share of Associated Companies | | Consolidated and Share of Associated Companies | |
|--|---------------------|---------------------|-------------------------------|---------------------|--|---------------------|
| | 1984 000's \$ | 1983 000's \$ | 1984 000's \$ | 1983 000's \$ | 1984 000's \$ | 1983 000's \$ |
| Operating profit before tax | 8,413 | 8,754 | 4,354 | 3,671 | 11,897 | 11,604 |
| Income tax expense | 2,095 | 3,111 | 1,797 | 1,406 | 3,892 | 4,517 |
| Operating profit before extraordinary items | 6,318 | 5,643 | 2,557 | 2,265 | 8,005 | 7,087 |
| Extraordinary items — net of tax | (402) | 179 | 400 | 837 | (2) | 1,016 |
| Income tax over (under) provided | (49) | 26 | — | — | (49) | 26 |
| Net profit and extraordinary items | 5,867 | 5,848 | 2,957 | 3,102 | 7,954 | 8,129 |
| Profit retained at beginning of year | 21,805 | 19,091 | 7,046 | — | 28,851 | 19,091 |
| Adjustment on introduction of equity accounting | — | — | — | 4,765 | — | 4,765 |
| Net profit and extraordinary items (shown above) | 5,867 | 5,848 | 2,957 | 3,102 | 7,954 | 8,129 |
| Adjustments to reserves | (377) | (179) | 8 | — | (369) | (179) |
| Dividends paid and proposed | (2,955) | (2,955) | — | — | (2,955) | (2,955) |
| Adjustments for dividends received from associated companies | — | — | (870) | (821) | — | — |
| Profits retained at end of year | 24,340 | 21,805 | 9,141 | 7,046 | 33,481 | 28,851 |
| BALANCE SHEET INFORMATION | | | | | | |
| Issued capital | 11,364 | 11,364 | — | — | 11,364 | 11,364 |
| Retained earnings | 24,340 | 21,805 | 9,141 | 7,046 | 33,481 | 28,851 |
| Other reserves | 61,411 | 61,035 | 414 | (620) | 61,825 | 60,415 |
| | 97,115 | 94,204 | 9,555 | 6,426 | 106,670 | 100,630 |
| Investment in associated company at cost | 24,498 | 24,412 | — | — | 24,498 | 24,412 |
| Retained earnings | — | — | 9,141 | 7,046 | 9,141 | 7,046 |
| Post acquisition reserves | — | — | 414 | (620) | 414 | (620) |
| Aggregate carrying amount | 24,498 | 24,412 | 9,555 | 6,426 | 34,053 | 30,838 |
| other investments | 12,981 | 13,339 | — | — | 12,981 | 13,339 |
| other assets | 67,580 | 64,595 | — | — | 67,580 | 64,595 |
| Total liabilities and provisions | 105,059 | 102,346 | 9,555 | 6,426 | 114,614 | 108,772 |
| | 7,944 | 8,142 | — | — | 7,944 | 8,142 |
| | 97,115 | 94,204 | 9,555 | 6,426 | 106,670 | 100,630 |

Equity accounting information

Associate company — Washington H. Soul Pattinson & Co. Ltd.

Associate company's year end July 31, 1983.

Group equity at June 30, 1984 — 42.68%; 1983 — 42.56%.

Book value of investment — \$24,498,000.

Brickwork's share of associate's profit and extraordinary items after tax — \$2,957,000.

Dividends received by Brickworks Limited from associated company; 1984 — \$870,000; 1983 — \$821,000.

The equity accounts are based on the published accounts of the associated company for the years ended July 31, 1983 and 1982, respectively. The group is not aware of any significant events or transactions which have occurred after the year end of the associated company which could materially affect the financial position or operating performance of that company.

21. STATEMENT OF SHAREHOLDERS AT 24th SEPTEMBER, 1984
(A.A.S.E. Listing Requirements 3C (11))

| | |
|---|--|
| | \$2 Fully Paid Ordinary Shares 1,083 |
| No. of Holders | |
| Voting Rights | (See Article 59 page 15) |
| % of Total Holdings by or on behalf of Twenty Largest Shareholders | 82% |
| Distribution of Schedule of Holdings | |
| 1 — 1,000 | 847 |
| 1,001 — 5,000 | 179 |
| 5,001 — 10,000 | 21 |
| 10,000 and over | 36 |

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 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 24th September, 1984, held 2,838,762 ordinary stock units.

22. 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 | | |
| | | | 1984 | 1983 | 1984 | 1983 | 1984 | 1983 | | |
| Brickworks Ltd. (Parent Company) | N.S.W. | | | | | | | | | |
| The Austral Brick Co. Pty. Ltd. | N.S.W. | Ordinary | 13,645 | 13,645 | 100 | 100 | 3,377 | 4,367 | 1,026 | 742 |
| The Warren Brick Co. Ltd. | N.S.W. | Ordinary | 45 | 45 | 100 | 100 | 16 | 11 | 16 | 11 |
| Carrington Brick Co. Pty. Ltd. | N.S.W. | Ordinary | 2 | 2 | 100 | 100 | 39 | 39 | 39 | 39 |
| Rochedale Transport Pty. Ltd. | N.S.W. | Ordinary | 1 | 1 | 100 | 100 | 40 | 19 | 40 | 19 |
| Punchbowl Pipes Pty. Ltd. | N.S.W. | Ordinary | 3,327 | 3,327 | 100 | 100 | 1,403 | 637 | 1,403 | 637 |
| Subsidiary of Punchbowl Pipes Pty. Ltd. | | | | | | | | | | |
| Canberra Pipes Pty. Ltd. | A.C.T. | Ordinary | — | — | 100 | 100 | 15 | 7 | 15 | 7 |
| | | | <u>\$17,020</u> | <u>\$17,020</u> | | | <u>\$5,916</u> | <u>\$5,822</u> | | |

DIVIDENDS RECEIVED FROM SUBSIDIARY COMPANIES:

| | |
|---------------------------------|------------|
| The Austral Brick Co. Pty. Ltd. | 329 |
| Punchbowl Pipes Pty. Ltd. | 330 |
| | <u>500</u> |
| | <u>659</u> |

23. CAPITAL COMMITMENTS

| | | |
|---|-----------|-------------|
| | 1984 | 1983 |
| Capital expenditure commitment at 30th June, totalled | \$362,000 | \$6,143,714 |

BRICKWORKS LIMITED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS

| | 1984 \$000's | 1983 \$000's |
|---------------------------------------|-----------------|-----------------|
| SOURCE OF FUNDS | | |
| Funds from Operations | | |
| Operating profit before tax | 8,413 | 8,754 |
| ADD (subtract) non-fund items: | | |
| Depreciation | 2,714 | 2,755 |
| Provision for long service leave | 380 | 198 |
| Profit on sale of non-current assets | (15) | (11) |
| | 3,079 | 2,942 |
| Reduction in Assets | 11,492 | 11,696 |
| Current Assets | | |
| Cash and bank balances | 282 | 607 |
| Short term deposits and loans | — | 7,243 |
| Debtors | — | 454 |
| Stock on hand | 1,526 | — |
| Prepayments | 112 | — |
| | 1,920 | 8,304 |
| Proceeds from sale of fixed assets | | |
| Land, plant and equipment | 404 | 2,184 |
| Investments | 1,106 | 173 |
| Long term deposit | 1,000 | — |
| Increase in liabilities | | |
| Current liabilities | | |
| Trade creditors | 503 | — |
| | 16,425 | 22,357 |
| | 16,425 | 22,357 |
| APPLICATION OF FUNDS | | |
| Increase in Assets | | |
| Current Assets | | |
| Short term deposits and loans | 1,479 | — |
| Debtors | 111 | — |
| Stock on hand | — | 1,163 |
| Prepayments | — | 123 |
| | 1,590 | 1,286 |
| Fixed Assets | | |
| Buildings, kilns, plant and equipment | 7,840 | 4,462 |
| Investments | 814 | 4,870 |
| Long term deposit | — | 1,000 |
| Reduction in Liabilities | | |
| Current liabilities | | |
| Trade creditors | — | 551 |
| Non-current liabilities | | |
| Debenture stock | — | 84 |
| Dividends paid | 2,955 | 2,955 |
| Income tax paid | 3,160 | 6,778 |
| Long service leave paid | 66 | 371 |
| | 16,425 | 22,357 |
| | 16,425 | 22,357 |

DIRECTORS' STATEMENT

In accordance with a resolution of the Directors pursuant to Section 269 (9) of the Companies (New South Wales) Code, we state that in the opinion of the directors of Brickworks Limited:—

- (a) the accompanying profit and loss account for the company is drawn up so as to give a true and fair view of the profit of the company for the year ended 30th June, 1984;
- (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, 1984; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

In accordance with the resolution of directors pursuant to Section 269 (10) of the Companies (New South Wales) Code we state that in the opinion of the directors of Brickworks Limited, the group accounts are drawn up so as to give a true and fair view of:

- (a) the profit of the company and its subsidiaries for the financial year ended 30th June, 1984; and
- (b) the state of affairs of the company and its subsidiaries as at 30th June, 1984.

The accounts of the Company to which this statement relates have been made out in accordance with approved accounting standards, Viz. A.A.S.

- (a) In forming an opinion for the purpose of this statement, the directors have regard to:—
 - circumstances that have arisen; and
 - information that has become available,since the end of the financial year, being circumstances or information that would, if the accounts had been made out on this date, have affected the determination of an amount or particular in the accounts.
- (b) No such circumstances have arisen, and no such information has become available.

Dated this 24th day of September, 1984.

G. G. TRAVIS, Director.

C. M. I. PEARSON, Director.

AUDITOR'S REPORT

To the members of Brickworks Limited.

We have audited the attached accounts in accordance with Australian Auditing Standards.

As reported in previous years, the Company and the Group have not adopted Tax Effect Accounting as required by Australian Accounting Standard AAS3. If the Standard had been adopted:—

- (i) the net profit from trading, after providing for Income Tax Expenses, would have been \$3,923,541 for the Company and \$6,253,861 for the Group; and
- (ii) the Balance Sheet would have contained an asset termed "Future Tax Benefit" of \$301,650 for the Company and \$529,483 for the Group.

In our opinion:

- (a) the account of Brickworks Limited, and Group accounts of the Company and its subsidiaries, which have been prepared under the historical cost convention as stated in note 1, are properly drawn up in accordance with the provisions of the Companies (NSW) 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, 1984 and of the profit of the Company and of the Group for the year ended on that date so far as they concern members of the Holding Company; and
 - (ii) the other matters required by section 269 of that Code to be dealt with in the accounts and in the Group accounts;and are in accordance with Australian Accounting Standards and applicable approved accounting standards.
- (b) the accounting records and other records, and the registers required by that Code to be kept by the Company and by its subsidiaries 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, in accordance with the provisions of the Act of that Territory.

We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's accounts are in a 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.

No auditor's report on the accounts of the subsidiaries was made subject to any qualification, or included any comment made under the subsection (4) of section 285 of the Code.

TRAVIS & TRAVIS,
Chartered Accountants
A. R. PIERCE
A Member of the Firm

Dated: 24th SEPTEMBER, 1984.

BRICKWORKS LIMITED

FIVE YEAR SUMMARY

| | 1980 | 1981 | 1982 | 1983 | 1984 |
|------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| | (Thousands \$'s) | | | | |
| Consolidated net profit before tax | 12,898 | 18,109 | 15,930 | 8,754 | 8,413 |
| Taxation | <u>5,162</u> | <u>8,017</u> | <u>6,810</u> | <u>3,111</u> | <u>2,095</u> |
| Net Profit after tax | <u><u>7,736</u></u> | <u><u>10,092</u></u> | <u><u>9,120</u></u> | <u><u>5,643</u></u> | <u><u>6,318</u></u> |
| Net Profit as a % of:— | | | | | |
| Shareholder's funds | 10.52 | 12.09 | 9.99 | 6.0 | 6.50 |
| Ordinary capital | 81.45 | 106.45 | 80.25 | 49.66 | 55.59 |
| Capital: | | | | | |
| Ordinary | 9,471 | 9,471 | 11,364 | 11,364 | 11,364 |
| Preference | 150 | — | — | — | — |
| Dividend Rate: % | | | | | |
| Ordinary stock | 25 | 26 | 26 | 26 | 26 |
| Preference stock | 8 | 8 | — | — | — |
| Total Assets | 85,278 | 98,623 | 103,954 | 102,346 | 105,059 |
| Total Liabilities | 11,772 | 15,182 | 12,643 | 8,142 | 7,944 |
| Total Stockholders' Funds | 73,506 | 83,441 | 91,311 | 94,204 | 97,115 |

BRICKWORKS LIMITED

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

PROXY

I,

of

being a member of BRICKWORKS LIMITED and entitled to vote 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 2nd November, 1984, 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 1984.

.....
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. 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.
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. H. Dixon
 - (ii) Mr. C. M. I. Pearson
 - (4) Capitalise \$1,420,528 and approve bonus issue on conditions stated.