

BKW

1988

BZW MEARES LIMITED
LIBRARY COPY
PLEASE RETURN

ANNUAL REPORT

1988

BRICKWORKS LIMITED

(incorporated in New South Wales)

**REGISTERED
OFFICE:**

90 Longueville Road, Lane Cove, N.S.W.
Telephone: (02) 427 6555
Facsimile: (02) 427 5127

DIRECTORS:

JAMES S. MILLNER A.M.; Ph.C; MPS. (Chairman)
Director since 1969; Chairman since 1981

GEOFFREY G. TRAVIS BEc. (Syd); FCA.
Director since 1978

HUGH DIXSON MA (Cantab.); BA (Syd).
Director since 1981

ALBERT W. BURGIS AASA; ACIS; AAIM; JP.
Joined the company 1959. Director since 1983

MAJOR GENERAL (R. L.) CEDRIC M.I. PEARSON AO; DSO; OBE; MC.
Director since 1983

**GROUP GENERAL
MANAGER:**

ALBERT W. BURGIS (Retired 20th May, 1988)

SECRETARY:

ALEXANDER J. PAYNE B.Comm; AASA CPA; ACIS; JP.

SOLICITORS:

R. N. HENDERSON, TAYLOR & MITCHELL

AUDITORS:

TRAVIS & TRAVIS Chartered Accountants

BANKERS:

NATIONAL AUSTRALIA BANK LIMITED

**SUBSIDIARY
COMPANIES:**

CARRINGTON BRICK CO. PTY. LIMITED
THE WARREN BRICK CO. LIMITED

**STOCK
REGISTERS:
Sydney:**

TRANSMIT SECURITIES PTY. LIMITED
5th Floor, 220 George Street,
Sydney N.S.W. 2000
Telephone: (02) 251 5103
Telex: BENTLY AA75668
Facsimile: (02) 233 3721

Canberra:

C/- DELOITTE HASKINS & SELLS
5th Floor,
10 Rudd Street
Canberra City, A.C.T. 2601

BRICKWORKS LIMITED

NOTICE IS HEREBY given that the ANNUAL GENERAL MEETING of BRICKWORKS LIMITED, will be held at the Rhodes Room, Goldfields House, Circular Quay, Sydney on FRIDAY, 4th NOVEMBER, 1988 at 12 noon.

ORDINARY BUSINESS

1. To receive and consider the balance sheet and profit and loss statement for the year ended 30th June, 1988 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:
Mr. J. S. Millner retires by rotation and being eligible offers himself for re-election.
4. To consider and if thought fit, to pass, with or without modification the following ordinary resolution "that the directors' fees be increased from \$50,000 to \$100,000 per annum as from 1st July, 1988, and be divided amongst them in such manner as they may determine.
5. To transact any other business which may be legally brought before the meeting.

BY ORDER OF THE BOARD,

A. J. PAYNE,
Secretary.

The transfer books and register of members of Brickworks Limited will be closed from 5.00 p.m. 21st October, 1988 to 5.00 p.m. 4th November, 1988 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

The directors of Brickworks Limited present their report and the financial statements of the company and its subsidiaries for the financial year ended 30th June, 1988.

DIRECTORS

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

JAMES S. MILLNER A.M. (Chairman)
GEOFFREY G. TRAVIS
HUGH DIXSON
ALBERT W. BURGIS
MAJOR GENERAL (R. L.) C. M. I. PEARSON

Directors interests in contracts

No director holds an interest, whether directly or indirectly, in a contract or proposed contract with the company, or any subsidiary of the company.

Principal activities

The principal activities of the corporations in the group during the year were brickmaking, pipemaking, cartage contracting and investment.

Result of operations

The consolidated net profit for the year ended 30th June, 1988 after income tax expense and before extraordinary items, was \$4,177,357 compared with \$2,926,045 for the previous year. In addition extraordinary profits of \$52,249,298 (1987 \$1,028,475) were earned.

Dividends

The directors recommend that the following dividend be declared out of profits for the year:

ordinary shareholders	\$1,917,626
-----------------------	-------------

Dividends paid during the year under review were:

- (a) Final ordinary of \$1,917,626 out of profits for the year ended 30th June, 1987, and referred to in the previous directors' report and
- (b) A special dividend of \$37,649,357 paid 23rd March, 1988 and
- (c) Interim ordinary of \$1,406,258 paid 29th April, 1988.

Review of operations

Brickworks Limited maintained its strong position in the market-place despite intense price competition and continued to make further improvements to the efficiency of its manufacturing operations.

During the year an offer was received from CSR Building Materials Limited for 50% of the brick and pipe manufacturing operations which was subsequently accepted by shareholders in general meeting. These operations are now successfully conducted jointly by CSR and ourselves.

The company also maintained its significant investment portfolio which despite the events in the stockmarket during October 1987 increased in value during the financial year.

Significant changes in activities

During the year the company disposed of 50% of all its brick and pipe manufacturing activities to CSR Building Materials Limited.

There were no other significant changes in the state of affairs of the group during the year.

Post balance date events

Matters or circumstances have not arisen since the end of the financial year that have affected, or may significantly affect in subsequent financial years:

- (i) the operations of the group;
- (ii) the results of those operations; or
- (iii) the state of affairs of the group.

Directors' Benefit

Since the end of the previous financial year no director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts or group accounts, or the fixed salary of a full-time employee of the company or a related corporation) by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has substantial financial interest.

Dated at Horsley Park this twenty sixth day of September, 1988.

Signed in accordance with a resolution of the directors.

J. S. MILLNER, Director

G. G. TRAVIS, Director.

BRICKWORKS LIMITED AND SUBSIDIARY COMPANIES

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30TH JUNE, 1988

	NOTES	GROUP		HOLDING COMPANY	
		1988 \$000	1987 \$000	1988 \$000	1987 \$000
Operating profit	3	5,291	3,161	17,313	3,183
Income tax attributable to operating profit		1,113	235	1,075	106
Operating profit after income tax		4,178	2,926	16,238	3,077
Profit on extraordinary items	6	52,249	1,106	51,005	776
Profit on extraordinary items after income tax		52,249	1,106	51,005	776
Operating profit and extraordinary items after income tax		56,427	4,032	67,243	3,853
Retained profits at the beginning of the year		28,111	28,432	18,215	18,462
Aggregate of amounts transferred from general reserve		10,717	—	6,221	—
Total available for appropriation		95,255	32,464	91,679	22,315
Dividend proposed and paid	7	40,973	3,324	40,973	3,324
Aggregate of amounts transferred to reserves		53,277	1,029	50,662	776
Retained profits at the end of the year		1,005	28,111	44	18,215

The accompanying notes form part of these financial statements

BRICKWORKS LIMITED AND SUBSIDIARY COMPANIES

BALANCE SHEET AS AT 30TH JUNE, 1988

	NOTES	GROUP		HOLDING COMPANY	
		1988 \$000	1987 \$000	1988 \$000	1987 \$000
CURRENT ASSETS					
Cash		5	180	5	7
Receivables	8	3	5,936	1	1,850
Investments	9	—	202	—	202
Inventories	10	—	9,028	—	1,964
Other	11	34,160	14,534	34,160	14,370
TOTAL CURRENT ASSETS		<u>34,168</u>	<u>29,880</u>	<u>34,166</u>	<u>18,393</u>
NON CURRENT ASSETS					
Investments	9	46,164	40,477	49,202	55,763
Property, plant and equipment	12	1,185	50,394	1,185	21,758
Other	13	80	—	80	—
TOTAL NON CURRENT ASSETS		<u>47,429</u>	<u>90,871</u>	<u>50,467</u>	<u>77,521</u>
TOTAL ASSETS		<u>81,597</u>	<u>120,751</u>	<u>84,633</u>	<u>95,914</u>
CURRENT LIABILITIES					
Creditors and borrowings	14	82	3,985	82	1,221
Provisions	15	2,986	3,997	2,986	3,024
TOTAL CURRENT LIABILITIES		<u>3,068</u>	<u>7,982</u>	<u>3,068</u>	<u>4,245</u>
NON CURRENT LIABILITIES					
Provisions	15	—	194	—	47
Other	16	1,402	76	3,201	13,256
TOTAL NON CURRENT LIABILITIES		<u>1,402</u>	<u>270</u>	<u>3,201</u>	<u>13,303</u>
TOTAL LIABILITIES		<u>4,470</u>	<u>8,252</u>	<u>6,269</u>	<u>17,548</u>
NET ASSETS		<u>77,127</u>	<u>112,499</u>	<u>78,364</u>	<u>78,366</u>
SHAREHOLDERS EQUITY					
Share capital	17	1,279	12,784	1,279	12,784
Reserves	18	74,843	71,604	77,041	47,367
Retained profits		1,005	28,111	44	18,215
TOTAL SHAREHOLDERS EQUITY		<u>77,127</u>	<u>112,499</u>	<u>78,364</u>	<u>78,366</u>
CAPITAL COMMITMENTS	19	—	863	—	—
CONTINGENT LIABILITIES	20	—	20	—	20

The accompanying notes form part of these financial statements

BRICKWORKS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO AND PART OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1988

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 the provisions of applicable approved accounting standards, the requirements of Sch. 7 as stated at October 1, 1986 and applicable legislation. The accounts have also been prepared in accordance with the historical cost convention.

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

In these accounts:

- (i) Results of subsidiaries which the group disposed of during the year are included to the date of disposal;
- (ii) Shareholdings in unlisted companies which are not subsidiaries are treated as investments. Only dividend income received from these investments is included in the profit (other than equity accounting profit).

DEPRECIATION was 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 was 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. The amount provided for Income Tax has been affected by claims for rebate on dividends received (\$2,625,595), the deductibility of provision for employee entitlements (\$523,655) and other minor adjustments.

NON CURRENT ASSETS disposed of during the year are reported in the Consolidated Profit and Loss Statement. Gains on the sales of land, buildings, investments and shares in subsidiaries are shown as an extraordinary item. Gains and losses on sales of other non current assets are shown as operating revenue or expenses.

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.

The groups interest in a company, other than its subsidiaries, is shown as an investment and dividend income only is taken into profit as it is received.

ROUNDING AMOUNTS. The parent company is a company of the kind specified in Regulation 58 (b) of the Companies (New South Wales) Code and amounts have been rounded off in accordance with Section 271 of the Code and this regulation.

NOTE 24 contains equity supplementary financial statements whereby investments in associated companies are brought to account in accordance with the equity method of accounting.

2. OPERATING REVENUE

	GROUP		HOLDING COMPANY	
	1988 \$000	1987 \$000	1988 \$000	1987 \$000
(a) Sales Revenue	32,281	47,785	9,698	15,176
(b) Other Operating Revenue				
Interest received				
Other corporations	3,673	1,537	3,670	1,525
Dividend received				
Related corporations	—	—	12,652	120
Other corporations	2,626	3,141	2,517	3,031
Proceeds on sale of non current assets	14,887	6,212	13,353	4,919
Other	436	255	15	172
Total Revenue	53,903	58,930	41,905	24,943

	GROUP		HOLDING COMPANY	
	1988 \$000	1987 \$000	1988 \$000	1987 \$000
3. OPERATING PROFIT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:				
(a) Charging as Expenses:				
Interest paid or payable to:				
Other persons	1	47	—	42
Depreciation of non current assets	3,576	8,082	1,549	3,740
Directors' remuneration	Note 4 50	50	47	45
Auditors' remuneration	Note 5 128	99	81	40
Bad debts	109	201	78	55
Loss on sale of non current assets	509	10	505	4
Transfers to provision for:				
Employee entitlements	805	236	205	631
Bad debts	24	—	16	—
(b) Crediting as Income:				
Dividend received from:				
Related corporations	—	—	12,652	120
Other corporations	2,626	3,141	2,517	3,031
Interest received from:				
Other persons	3,673	1,537	3,670	1,525
Profit on sale of non current assets	491	270	50	22
4. DIRECTORS' REMUNERATION				
Amount received, or due and receivable, by directors of the group	<u>50</u>	<u>50</u>	<u>47</u>	<u>45</u>
The number of directors and executive officers whose total income fell within the following band:				
Directors				
\$10,000 to \$19,999	3	3	3	3
\$20,000 to \$29,999	1	1	1	1
Executives				
\$95,000 to \$104,999	1	1	1	1
Total amounts received by executive officers on their retirement including amounts in respect of accrued annual and long service leave	<u>101</u>	<u>—</u>	<u>101</u>	<u>—</u>
5. AUDITORS' REMUNERATION				
Amount receivable by the auditors for:				
Auditing the accounts	86	99	39	40
Other services	42	—	42	—
	<u>128</u>	<u>99</u>	<u>81</u>	<u>40</u>
6. EXTRAORDINARY ITEMS				
Capital profit on sale of freehold property (no income tax expense applicable)	7,166	510	7,166	260
Capital profit on sale of investments (no income tax expense applicable)	45,818	518	43,496	516
Provisions no longer required	562	—	343	—
Income tax refund previous years	15	—	—	—
Income tax overprovided	—	78	—	—
Provision for capital loss	(1,312)	—	—	—
	<u>52,249</u>	<u>1,106</u>	<u>51,005</u>	<u>776</u>

	GROUP		HOLDING COMPANY	
	1988 \$000	1987 \$000	1988 \$000	1987 \$000
7. DIVIDEND PROPOSED AND PAID				
Special dividend of \$5.89 per share paid (unfranked)	37,649	—	37,649	—
Interim ordinary dividend of 22 cents per share paid (franked to 80%)	1,406	1,406	1,406	1,406
Final ordinary dividend of 30 cents per share proposed	1,918	1,918	1,918	1,918
	<u>40,973</u>	<u>3,324</u>	<u>40,973</u>	<u>3,324</u>
8. RECEIVABLES				
Current				
Trade debtors	6	6,153	6	1,125
Less: provision for doubtful debts	5	598	5	75
	1	5,555	1	1,050
Other debtors	2	960	—	825
	3	6,515	1	1,875
Less: Advance payments by customers	—	579	—	25
	<u>3</u>	<u>5,936</u>	<u>1</u>	<u>1,850</u>
9. INVESTMENTS				
(a) Current				
At cost				
Semi-government bonds listed on a prescribed stock exchange	—	202	—	202
At market value	—	226	—	226
(b) Non Current				
Shares in subsidiaries not listed, at cost	—	—	3,721	17,021
Investments in other corporations at cost listed on a prescribed stock exchange not listed on a prescribed stock exchange	32,031	29,977	31,348	28,242
	14,133	10,500	14,133	10,500
	<u>46,164</u>	<u>40,477</u>	<u>49,202</u>	<u>55,763</u>
At market value — listed	<u>116,268</u>	<u>94,136</u>	<u>112,320</u>	<u>86,984</u>
10. INVENTORIES				
Current				
Raw materials and stores	—	1,363	—	109
Work in progress	—	754	—	272
Finished goods	—	6,911	—	1,583
	—	9,028	—	1,964
11. OTHER ASSETS				
Current				
Short term deposits & loans	34,100	14,228	34,100	14,228
Prepayments	60	306	60	142
	<u>34,160</u>	<u>14,534</u>	<u>34,160</u>	<u>14,370</u>

	GROUP		HOLDING COMPANY	
	1988 \$000	1987 \$000	1988 \$000	1987 \$000
12. PROPERTY, PLANT AND EQUIPMENT				
(a) Freehold land, buildings, kilns etc				
At officers valuation 1961	—	398	—	336
At independent valuation 1967	27	305	27	115
At independent valuation 1972	187	2,272	187	505
At valuer generals valuation 1974	794	5,514	794	860
At cost	178	38,775	178	16,539
	<u>1,186</u>	<u>47,264</u>	<u>1,186</u>	<u>18,355</u>
Less: depreciation	1	13,699	1	4,202
	<u>1,185</u>	<u>33,565</u>	<u>1,185</u>	<u>14,153</u>
(b) Plant and equipment				
At officers valuation 1961	—	581	—	579
At cost	—	37,952	—	14,033
	<u>—</u>	<u>38,533</u>	<u>—</u>	<u>14,612</u>
Less: depreciation	—	21,721	—	7,007
	<u>—</u>	<u>16,812</u>	<u>—</u>	<u>7,605</u>
Add: work in progress — at cost	—	17	—	—
	<u>—</u>	<u>16,829</u>	<u>—</u>	<u>7,605</u>
Total property, plant and equipment	<u>1,185</u>	<u>50,394</u>	<u>1,185</u>	<u>21,758</u>
13. NON CURRENT ASSETS				
Other				
Deposit — associated corporation	80	—	80	—
	<u>80</u>	<u>—</u>	<u>80</u>	<u>—</u>
14. CREDITORS AND BORROWINGS				
Current				
Bank balances	—	149	—	149
Trade creditors	82	3,836	82	1,072
	<u>82</u>	<u>3,985</u>	<u>82</u>	<u>1,221</u>
15. PROVISIONS				
(a) Current				
Dividends	1,918	1,918	1,918	1,918
Taxation	1,068	235	1,068	106
Employee entitlements	—	1,844	—	1,000
	<u>2,986</u>	<u>3,997</u>	<u>2,986</u>	<u>3,024</u>
(b) Non Current				
Employee entitlements	—	194	—	47
	<u>—</u>	<u>194</u>	<u>—</u>	<u>47</u>
16. OTHER				
Non Current				
Amounts owing to subsidiaries	—	—	1,799	13,256
Lands — conditional purchase	—	76	—	—
Non recourse loan — associated corporation	1,402	—	1,402	—
	<u>1,402</u>	<u>76</u>	<u>3,201</u>	<u>13,256</u>

	GROUP		HOLDING COMPANY	
	1988 \$000	1987 \$000	1988 \$000	1987 \$000
17. SHARE CAPITAL				
(a) Authorised Capital				
125,000,000 ordinary shares of 20 cents each	25,000	—	25,000	—
11,446,085 ordinary shares of \$2 each	—	22,892	—	22,892
750,000 cumulative non-participating 10% redeemable preference shares of \$2 each	—	1,500	—	1,500
303,915 shares of \$2 each (unclassified)	—	608	—	608
	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
(b) Issued Capital				
6,392,081 ordinary shares of 20 cents each fully paid	1,279	12,784	1,279	12,784
	<u>1,279</u>	<u>12,784</u>	<u>1,279</u>	<u>12,784</u>
(c) A special resolution of shareholders on 5 February, 1988 was passed to reduce the issued capital of the company from 6,392,081 fully paid ordinary shares of \$2.00 each to 6,392,081 fully paid ordinary shares of 20 cents each by returning to shareholders the sum of \$1.80 per share.				
(d) An ordinary resolution of shareholders on 5 February, 1988 was passed to				
(i) Reduce the authorised capital of the company to \$22,892,170 by cancelling 750,000 8% cumulative redeemable preference shares of \$2.00 each and 303,915 unclassified shares of \$2.00 each				
(ii) Divide each of the 5,054,004 unissued ordinary shares of \$2.00 each into 10 unissued shares of 20 cents each and then				
(iii) Increase the authorised capital of the company to \$25,000,000 by the creation of a further 68,067,879 ordinary shares of 20 cents each.				
(e) A special resolution of shareholders on 5 February, 1988 was passed so that Article 4 of the Company's Articles of Association be "the capital of the company is \$25,000,000 divided into 125,000,000 ordinary shares of 20 cents each".				
18. RESERVES				
Capital Reserves				
Share premium	47	14,813	47	14,813
Capital profits	60,673	18,436	63,486	12,743
Asset revaluation	1,008	4,087	1,008	1,090
Capital redemption	1,500	1,500	1,500	1,500
Surplus on consolidation	—	10,300	—	—
Revenue Reserves				
General	11,615	22,468	11,000	17,221
	<u>74,843</u>	<u>71,604</u>	<u>77,041</u>	<u>47,367</u>
Movements in Reserves				
Share premium				
Balance 30th June, 1987	14,813	14,813	14,813	14,813
Returned to shareholders \$2.31 per share	14,766	—	14,766	—
Balance 30th June, 1988	<u>47</u>	<u>14,813</u>	<u>47</u>	<u>14,813</u>
A special resolution of shareholders on 5 February, 1988 was passed to return to shareholders the sum of \$2.31 per share on each of 6,392,081 issued ordinary shares, such sum to be paid from the share premium preserve.				
Capital profits				
Balance 30th June, 1987	18,436	17,407	12,743	11,967
Profits on sales of non current assets	—	1,029	—	776
Transfer from retained earnings	53,277	—	50,662	—
Transfer from asset revaluation reserve	132	—	81	—
Less: adjustment on disposal of subsidiary	(11,172)	—	—	—
Balance 30th June, 1988	<u>60,673</u>	<u>18,436</u>	<u>63,486</u>	<u>12,743</u>

	GROUP		HOLDING COMPANY	
	1988 \$000	1987 \$000	1988 \$000	1987 \$000
18. RESERVES (Continued)				
Asset revaluation				
Balance 30th June, 1987	4,087	4,087	1,090	1,090
Less: adjustment on disposal of subsidiaries	(2,947)	—	—	—
Transfer to capital profits	(132)	—	(82)	—
Balance 30th June, 1988	<u>1,008</u>	<u>4,087</u>	<u>1,008</u>	<u>1,090</u>
General				
Balance 30th June, 1987	22,468	22,468	17,221	17,221
Less: adjustment on disposal of subsidiaries	(136)	—	—	—
Transfer to retained earnings	(10,717)	—	(6,221)	—
Balance 30th June, 1988	<u>11,615</u>	<u>22,468</u>	<u>11,000</u>	<u>17,221</u>

19. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure projects	<u>—</u>	<u>863</u>	<u>—</u>	<u>—</u>
------------------------------	----------	------------	----------	----------

20. CONTINGENT LIABILITY

A contingent liability exists for a service agreement with a full time executive officer	<u>—</u>	<u>20</u>	<u>—</u>	<u>20</u>
--	----------	-----------	----------	-----------

21. STATEMENT OF OPERATIONS BY SEGMENTS

	AUSTRALIA BRICKS		AUSTRALIA PIPES		S.E. ASIA PIPES		CONSOLIDATED GROUP	
	1988 \$000	1987 \$000	1988 \$000	1987 \$000	1988 \$000	1987 \$000	1988 \$000	1987 \$000
Sales to customers outside the group	28,596	40,749	3,528	6,759	157	277	32,281	47,785
Intersegment sales	—	—	—	—	—	—	—	—
Total Revenue	<u>28,596</u>	<u>40,749</u>	<u>3,528</u>	<u>6,759</u>	<u>157</u>	<u>277</u>	<u>32,281</u>	<u>47,785</u>
Segment result	2,723	3,675	782	1,453	37	60	3,542	5,188
Unallocated expenses							(5,478)	(7,229)
Other revenue							7,226	5,202
Group operating profit							<u>5,290</u>	<u>3,161</u>
Segment assets	<u>69,942</u>	<u>108,861</u>	<u>11,655</u>	<u>11,890</u>	<u>—</u>	<u>—</u>	<u>81,597</u>	<u>120,751</u>

22. PAYMENTS TO PRESCRIBED SUPERANNUATION FUNDS AND SUPERANNUATION COMMITMENTS

	GROUP		HOLDING COMPANY	
	1988 \$000	1987 \$000	1988 \$000	1987 \$000
A superannuation plan has been established by the company for the provision of superannuation benefits to employees. These employees contribute on a percentage of gross income basis which in turn is at least matched by the company	<u>123</u>	<u>149</u>	<u>92</u>	<u>95</u>

23. PARTICULARS RELATING TO SUBSIDIARY COMPANIES

Name of Company	Place of Incorporation	Class of Shares	Investment of Parent Company at Cost		Brickworks Limited Beneficial Interest		Contribution to Consolidated Profits	
			1988	1987	1988	1987	1988	1987
			\$000	\$000	%	%	\$000	\$000
Brickworks Ltd. (Parent Company)	N.S.W.						50,624	3,734
The Austral Brick Co. Pty. Ltd. (Disposed of 31st January, 1988)	N.S.W.	Ordinary	—	13,645	—	100	4,930	98
The Warren Brick Co. Ltd.	N.S.W.	Ordinary	621	45	100	100	473	—
Carrington Brick Co. Pty. Ltd.	N.S.W.	Ordinary	3,101	2	100	100	163	61
Rochedale Transport Pty. Ltd. (Disposed of 31st January, 1988)	N.S.W.	Ordinary	—	1	—	100	17	12
Punchbowl Pipes Pty. Ltd. (Disposed of 31st January, 1988)	N.S.W.	Ordinary	—	3,327	—	100	220	50
Subsidiary of Punchbowl Pipes Pty. Ltd. Canberra Pipes Pty. Ltd. (Disposed of 31st January, 1988)	A.C.T.	Ordinary	—	—	—	100	—	—
			<u>\$3,722</u>	<u>\$17,020</u>			<u>\$56,427</u>	<u>\$3,955</u>
							1988	1987
							\$000	\$000
DIVIDENDS RECEIVED FROM SUBSIDIARY COMPANIES:								
The Austral Brick Co. Pty. Ltd.							12,590	—
Punchbowl Pipes Pty. Ltd.							—	120
							<u>12,590</u>	<u>120</u>

24. STATEMENT OF SHAREHOLDERS AT 16th SEPTEMBER, 1988

(A.S.X. Listing Rule 3C(3))

No. of holders	20 cents Fully Paid Ordinary Shares
Voting rights	848
% of total holdings by or on behalf of twenty largest shareholders	(See Article 59 page 15)
Distribution of shareholdings	86.70%
1 — 1,000	642
1,001 — 5,000	154
5,001 — 10,000	17
10,000 and over	35

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.

The names of the substantial shareholders listed in the holding company's register as at 16th September, 1988

Shareholder	Ordinary
Washington H. Soul Pattinson & Co. Ltd.	3,193,607
Australian Mutual Provident Society	866,984
	<u>4,060,591</u>

BRICKWORKS LIMITED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS
FOR THE YEAR ENDED 30TH JUNE, 1988

	1988 \$000	1987 \$000
SOURCES OF FUNDS		
Funds from operations		
Inflows of funds from operations	39,016	52,719
Outflows of funds from operations	29,303	40,216
	9,713	12,503
Operating profit before income tax	5,290	3,161
ADD non fund items:		
Depreciation	3,576	8,082
(Profit) loss on disposal etc. non-current assets	18	(260)
Provision for doubtful debts	24	—
Provision for employee entitlements	805	1,520
	9,713	12,503
Reduction in Assets		
Current Assets		
Cash	89	—
Receivables	—	659
Investments	202	195
Inventories	1,180	—
	1,471	854
Proceeds from sales of:		
Non Current Assets		
Investments	6,863	4,374
Property, plant and equipment	2,032	1,837
	8,895	6,211
Disposal 50% of brick & pipe manufacturing activity	74,225	—
	94,304	19,568
APPLICATIONS OF FUNDS		
Increase in Assets		
Current Assets		
Cash	—	31
Receivables	484	—
Inventories	—	945
Other	20,074	3,989
	20,558	4,965
Non Current Assets		
Investments	473	5,058
Property, plant and equipment	2,958	2,876
Other	80	—
	3,511	7,934
Decrease in Liabilities		
Current Liabilities		
Creditors and borrowings	1,551	996
Non Current Liabilities		
Other	1	—
Dividends paid	40,973	3,324
Income tax paid	233	1,065
Employee entitlements paid	1,206	1,284
Return of capital and share premium reserve to shareholders	26,271	—
	94,304	19,568

STATEMENT BY DIRECTORS

In the opinion of the directors:

- (a) 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 financial year ended 30th June, 1988;
- (b) 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 the end of 30th June, 1988;
- (c) as at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due; and
- (d) the accompanying group accounts are drawn up so as to give a true and fair view of the profit of the company and its subsidiaries for the financial year and the state of affairs of the company and its subsidiaries as at the end of the financial year so far as they concern the members of the holding company.

The accounts of the company and the group accounts have been prepared in accordance with applicable approved accounting standards.

Signed in accordance with a resolution of the directors.

Dated at Horsley Park this twenty sixth day of September 1988.

J. S. MILLNER, Director

G. G. TRAVIS, Director

AUDITOR'S REPORT

To the members of Brickworks Limited.

We have audited the attached accounts, set out on pages 4 to 17, in accordance with Australian Auditing Standards.

In our opinion the accounts of Brickworks Limited, and group accounts, 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, 1988 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;
- (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.

TRAVIS & TRAVIS,
Chartered Accountants
A. R. PIERCE
Partner

26th September, 1988.

BRICKWORKS LIMITED

FIVE YEAR SUMMARY

	1984 \$000	1985 \$000	1986 \$000	1987 \$000	1988 \$000
Consolidated net profit before tax	8,413	7,656	8,580	3,161	5,290
Taxation	2,095	2,140	1,499	235	1,113
Net Profit after tax	<u>6,318</u>	<u>5,516</u>	<u>7,081</u>	<u>2,926</u>	<u>4,177</u>
Net Profit as a % of:—					
Shareholder's funds	6.50	5.65	6.33	2.60	5.42
Ordinary capital	55.59	43.15	55.39	22.89	326.84
Capital:					
Ordinary	11,364	12,784	12,784	12,784	1,278
Dividend Rate: % (on reduced ordinary capital — 1988)					
Ordinary Stock	26	26	26	26	260
Special Dividend	—	—	—	—	2,946
Total Assets	105,059	107,977	121,709	120,751	81,597
Total Liabilities	7,944	10,418	9,920	8,252	4,470
Total Stockholders' Equity	97,115	97,559	111,789	112,499	77,127

BRICKWORKS LIMITED

90 LONGUEVILLE ROAD,
LANE COVE, N.S.W. 2066

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 November 4, 1988, 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 1988.

.....
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:
Mr. J. S. Millner
 - (4) Increase directors fees