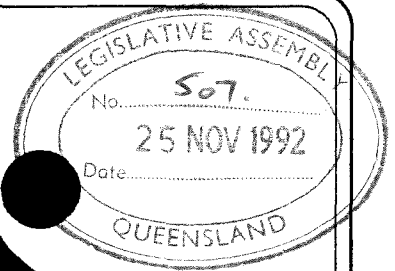


25/11/92



**SUNSHINE
MOTORWAY**

SUNSHINE MOTORWAY COMPANY LIMITED
A.C.N. 010 821 020

ANNUAL REPORT
FOR THE 15 MONTHS ENDED 30 JUNE 1992

SUNSHINE MOTORWAY COMPANY LIMITED
ACN 010 821 020

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SUNSHINE MOTORWAY COMPANY LIMITED

A.C.N. 010 821 020

COMPANY STRUCTURE AND OPERATIONS

Corporate Mission

The Sunshine Motorway Company Limited is effectively controlled by the terms of the Agreement dated 15 November 1988 between the company and the State of Queensland and accordingly the company's over-riding mission is to fulfil its obligations as detailed in that Agreement.

Directors

Mr G W Fraser, FCA (Chairman)
Mr J H Andrews, CMG, FIE Aust, B Econ
Mr J T Woods, ISO, MSc, F Aus IMM

Secretary

Mr J H Barton, B Com., CPA

Registered Office

c/- KPMG Peat Marwick
Level 30, Central Plaza One
345 Queen Street, Brisbane, Q. 4000

Telephone (07) 233 3111 Facsimile (07) 220 0074

Operations Office

c/- The Gateway Bridge Company Limited
Administration Road, Murrarie, Q. 4172

Telephone (07) 390 8633 Facsimile (07) 390 7242

Postal Address: PO Box 195
Cannon Hill, Q. 4170

Issued Capital

Five \$1 fully paid ordinary shares owned by Logan Motorway Company Limited.

**Construction Authority
to the Company**

Queensland Department of Transport

Project Manager for Capital Works Stage II — Crooks Michell Peacock Stewart (Qld) Pty Limited

Bankers

Queensland Treasury Corporation
Commonwealth Bank of Australia

Solicitors

Minter Ellison Morris Fletcher

Auditors

Auditor-General of Queensland

SUNSHINE MOTORWAY COMPANY LIMITED
A.C.N. 010 821 020

COMPANY STRUCTURE AND OPERATIONS

**Agreement with the State of
Queensland under the Motorways
Agreements Act 1987 – 1988**

Key features of the Agreement dated 15 November 1988
and the enabling legislation are:

- A franchise period of thirty (30) years after which date the assets of the company revert to the State of Queensland;
- Toll charges are determined by the Governor in Council or failing it, the Director-General, Department of Transport;
- The company shall construct, operate and maintain the Motorways;
- The company shall pay the State of Queensland a franchise fee;
- The State shall, if requested by the company and approved by the Governor in Council, provide guarantees or undertaking on terms and conditions approved by the Treasurer in relation to the raising of finance;
- If, at any time during the period of the company's franchise period, the company is unable to meet its obligations, the State of Queensland shall make available to the company the amount of the deficiency;
- The company shall also pay to the Director-General, Department of Transport, a sum of \$4,500,000 or such other amount as may be determined by the Director-General in consideration of the inclusion of sections of existing declared roads in the Motorway;
- The company shall at all times maintain and keep the Motorway in a sound and serviceable condition, fit and ready for public traffic and shall operate the Motorway in an efficient manner so as to incur minimum cost and shall comply with all requirements of the Director-General;
- The Director-General shall have the right to appoint at least one person as a Director of the company;
- A budget shall not be adopted by the company without the prior approval of the Director-General and each financial year the company shall submit to the Director-General full detailed and audited accounts of the company's operations for that financial and such other information as the Director-General may require.

SUNSHINE MOTORWAY COMPANY LIMITED

A.C.N. 010 821 020

COMPANY STRUCTURE AND OPERATIONS

Corporate Goals

Subject to operating and capital budget constraints the key corporate goals for the company are:

In The Market Place:

To provide motorists with:

- A premium quality, safe and disruption free transit along the motorway; and
- Time and cost savings that more than compensate for the toll charges applied for its use.

In Its Operations:

- To maximise utilisation of the facility over its seven day weekly operating cycle;
- To provide an efficient service at the toll plazas;
- To contain operating costs within the boundaries of approved budgets and the quality standards necessary to maintain an attractive level of service
- To provide infrastructure which would not normally be provided from State consolidated revenue sources; and
- To promote the philosophy of user pays for the provision of infrastructure.

Key Economic Indicators

	1992*	1991
Patronage	3,250,695	2,505,180
Toll Revenue	\$2,092,057	\$1,779,509
Motorway Investment — Stage I	\$96,983,354	\$95,365,575
— Stage II	\$ 9,256,258	—

* 1992 figures are for a fifteen month period.

SUNSHINE MOTORWAY COMPANY LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting the company's Annual Report including the financial statements and Auditors' report thereon of the Sunshine Motorway Company Limited for the fifteen month period ended 30 June 1992.

Directors

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

*G W Fraser, FCA
Chairman*

*Director since incorporation — elected Chairman
in September, 1988.*

Age 77

Mr Fraser is a Chartered Accountant with considerable business experience. He was a Partner of a major international accounting firm for over twenty years and, prior to his retirement in 1981, was Senior Partner in Queensland. Following his retirement from the accounting practice, Mr Fraser became Secretary of the Gateway Bridge Company Limited, a position he held until June, 1986. Mr Fraser is also Chairman of Directors of the Logan Motorway Company Limited.

J H Andrews, CMG, FIE Aust, B Econ

Director

Director since incorporation.

Age 72

Mr Andrews is a former Deputy Commissioner of the Queensland Main Roads Department and a former Queensland Agent General in London. Mr Andrews is also a Director of the Logan Motorway Company Limited.

J T Woods, ISO, M Sc, F Aus IMM

Director

Director since incorporation.

Age 66

Mr Woods is a former Director General of the Queensland Department of Mines. Following his retirement in 1985, Mr Woods has accepted a number of public company directorships as well as a directorship of Crooks Michell Peacock Stewart (Qld) Pty. Limited. Mr Woods is also a Director of the Logan Motorway Company Limited.

J Gralton B E (Hon), M Eng Sc, GD, BA, MIE, Aust

Alternate Director to Mr J H Andrews

Appointed 1991

Age 49

Mr Gralton holds the position of Regional Director, Metropolitan, Queensland Department of Transport. Mr Gralton is also an Alternate Director for Mr J H Andrews for the Logan Motorway Company Limited.

No Director undertakes any special responsibilities with respect to the company other than the collective corporate responsibilities attributed to the Board of Directors as a whole.

In accordance with the Articles of Association of the company, Mr J T Woods retires and offers himself for re-election.

Messrs G W Fraser and J H Andrews also retire in accordance with Section 228 of the Corporations Law and offer themselves for re-election.

Principal Activity

The principal activity of the company is the development and operation of the Sunshine Motorway and no significant change in the nature of this activity occurred during the fifteen month period.

The company has commenced the construction of Stage II of the Sunshine Motorway.

Result of Operations

The financial year end for the company has been changed from 31 March to 30 June. This report and the financial statements therefore cover a period of fifteen months from 1 April 1991 to 30 June 1992. Comparative figures are for the twelve months ended 31 March 1991.

The operating loss for the fifteen month period was \$24,241,152 (1991: \$17,633,002).

Borrowings at the 30 June 1992 totalled \$140,568,842 (1991: \$111,169,511) and interest paid for the period amounted to \$19,005,235 (1991: \$13,786,360).

The key highlights of the period are as follows:

- The total number of toll collections for the Sunshine Motorway for the fifteen months to 30 June 1992 was 3,250,695 (1991: 2,505,180) a growth of 20% which generated toll revenue of \$2,092,057 (1991: \$1,779,509).

SUNSHINE MOTORWAY COMPANY LIMITED

DIRECTORS' REPORT

- On 3 December 1991 the company was authorised to proceed with the construction of the Sunshine Motorway Stage II. Stage II consists of 14.6 km of two lane motorway from the terminus of Stage I at Pacific Paradise, north of the Maroochy River, to a terminus at Peregian; a two lane connection to the David Low Way and a 9 km two lane road to the Eumundi-Noosa Road from the Peregian terminus; and an upgrade of the David Low Way north of Peregian. The first contract was awarded in March 1992 to the Maroochy Shire Council for the preload earthworks at Pacific Paradise and the works were completed in July 1992. Work also commenced on the trial embankments prior to the end of the period. The results from this research are being included into the major earthworks on Stage II with an estimated \$2-3 million capital cost saving. Construction of Stage II originally scheduled for completion by December 1994 is now scheduled for completion by April 1994, more than six months early. This has been achieved by rescheduling activity and bringing forward contracts thereby generating earlier employment.

Since 30 June 1992 two further tenders covering road and bridgeworks have been accepted and work is due to commence shortly. The balance of the major road and bridgeworks tenders close this month.

During the period, although the effect has greatly decreased, operations of the Sunshine Motorway continued to be hampered by a local toll avoidance group who have, at times, mounted an active campaign to encourage the avoidance of tolls. These activities have caused traffic hazards involving a programme of trespass, harassment and property damage, including toll plaza invasion, the poisoning of young trees and potential damage to pavement shoulders.

The Directors are very appreciative of the operations personnel, under the direction of Mr S A. Schollay, who, on occasion, have had to work in a difficult and hostile environment created by this toll avoidance group.

Dividends

Payment of a dividend is not recommended by the Directors, and no dividend has been declared or paid since the end of the previous financial year.

State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the company that occurred during the fifteen month period under review not otherwise disclosed in this report or the financial statements.

Directors' Interests and Benefits

As at the date of this statement, the company is a wholly owned subsidiary of Logan Motorway Company Limited and none of the Directors has a relevant interest in any shares in the company.

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 financial statements or the fixed salary of a full-time employee of the company or of 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 he is a member, or with a company in which he has a substantial financial interest, except any benefit which may be deemed to accrue to Mr J T Woods by reason of fees payable in the ordinary course of business to Crooks Michell Peacock Stewart (Qld) Pty Limited which is the Project Manager for the construction of the Sunshine Motorway — Stage II and of which Mr Woods is a Director.

No other benefits have been received other than emoluments received or due and receivable by Directors as disclosed in the financial statements.

Post Balance Date Events

The Queensland Cabinet has decided to consolidate the company, the Logan Motorway Company Limited and The Gateway Bridge Company Limited under a company to be named Queensland Motorways Limited. At the date of this report there is no further information available on this decision.

SUNSHINE MOTORWAY COMPANY LIMITED

DIRECTORS' REPORT

The Department of Transport has advised that it is proposed to restructure the capital of the Logan Motorway Group with the injection of additional equity. Although the amount of equity to be subscribed has not yet been determined, it will be used in reducing the company's current gearing ratio.

Subject to these there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect in subsequent financial years:

- the operation of the company;
- the result of these operations; or
- the state of affairs of the company;

except as referred to in this report or the financial statements.

Future Developments

The company will continue:

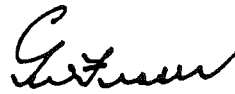
- the operation of the Sunshine Motorway — Stage I; and
- the construction of the Sunshine Motorway — Stage II.

Except for the information set out in this annual report, it is the opinion of the Directors that the disclosure of further information as to future developments in the operations of the company and the expected results of those operations in subsequent years would prejudice the interests of the company and therefore such information has not been included in this annual report.

General

In forming the opinion that there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due, the Directors have relied upon Part II Clause 4 of Schedule Two to the Motorways Agreements Act 1987-1988.

Signed at Brisbane this 7th day of October 1992 in accordance with a resolution of the Directors made pursuant to Section 310(2) of the Corporations Law.



Director



Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUNSHINE MOTORWAY COMPANY LIMITED**

Scope

I have audited the financial statements of Sunshine Motorway Company Limited for the period ended 30 June 1992, consisting of the profit and loss account, balance sheet, statement of cash flows, accompanying notes, and the statement by directors set out on pages 8 to 17. The company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. An independent audit of these financial statements has been conducted in order to express an opinion on them to the members of the company.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Procedures adopted included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian accounting concepts and standards and statutory requirements so as to present a view which is consistent with my understanding of the company's financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

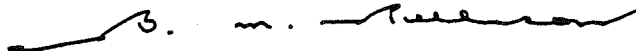
In my opinion, the financial statements of Sunshine Motorway Company Limited are properly drawn up:

(a) so as to give a true and fair view of:

- (i) the state of affairs of the company at 30 June 1992, and the result and cash flows of the company for the fifteen month period ended on that date;
- (ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements;

(b) in accordance with

- (i) the provisions of the Corporations Law; and
- (ii) Statements of Accounting Concepts and applicable Accounting Standards.



B M Rollason
ACTING AUDITOR GENERAL

Brisbane
7 October 1992

SUNSHINE MOTORWAY COMPANY LIMITED
STATEMENT BY DIRECTORS

- 1 In the opinion of the Directors of the company:
 - (a) the financial statements as set out on pages 9 to 17 are drawn up so as to give a true and fair view of the result and cash flows for the fifteen month period ended 30 June 1992 and the state of affairs of the company as at 30 June 1992;
 - (b) 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.
- 2 The financial statements have been made out in accordance with Statements of Accounting Concepts and applicable Accounting Standards.

Dated at Brisbane this 7th day of October 1992

Signed in accordance with a resolution of the Directors.



Director



Director

SUNSHINE MOTORWAY COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE 15 MONTHS ENDED 30 JUNE 1992

	Note	1992 \$	1991 \$
Operating loss	2,3	24,241,152	17,633,002
Income tax attributable to operating loss	1,15	—	—
Operating loss after income tax		24,241,152	17,633,002
Accumulated losses at the beginning of the financial period		<u>20,335,473</u>	<u>2,702,471</u>
Accumulated losses at the end of the financial period		<u>44,576,625</u>	<u>20,335,473</u>

The accompanying notes numbered 1 to 16 form part of these financial statements.

SUNSHINE MOTORWAY COMPANY LIMITED

**BALANCE SHEET
AS AT 30 JUNE 1992**

	Note	1992 \$	1991 \$
CURRENT ASSETS			
Cash		117,347	97,145
Receivables	4	18,214	16,140
Other	6	<u>25,187</u>	<u>—</u>
Total Current Assets		<u>160,748</u>	<u>113,285</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	<u>96,952,126</u>	<u>91,014,420</u>
Total Assets		<u>97,112,874</u>	<u>91,127,705</u>
CURRENT LIABILITIES			
Creditors and borrowings	7	<u>1,120,652</u>	<u>293,662</u>
NON-CURRENT LIABILITIES			
Creditors and borrowings	7,8	<u>140,568,842</u>	<u>111,169,511</u>
Total Liabilities		<u>141,689,494</u>	<u>111,463,173</u>
Net Liabilities		<u>(44,576,620)</u>	<u>(20,335,468)</u>
SHAREHOLDERS' EQUITY			
Share capital	9	5	5
Accumulated losses		<u>(44,576,625)</u>	<u>(20,335,473)</u>
Deficiency In Shareholders' Equity		<u>(44,576,620)</u>	<u>(20,335,468)</u>

The accompanying notes numbered 1 to 16 form part of these financial statements.

SUNSHINE MOTORWAY COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE 15 MONTHS ENDED 30 JUNE 1992

	Note	1992 \$	1991 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		2,092,057	1,779,509
Cash payments in the course of operations		<u>(1,597,277)</u>	<u>(5,535,959)</u>
Net cash provided by operating activities	16(ii)	<u>494,780</u>	<u>(3,756,450)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		5,363	57,539
Payments for property, plant and equipment		<u>(10,874,037)</u>	<u>(9,675,267)</u>
Net cash used in investing activities		<u>(10,868,674)</u>	<u>(9,617,728)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		<u>(19,005,235)</u>	<u>(13,786,360)</u>
Proceeds from borrowings		<u>29,399,331</u>	<u>26,486,359</u>
Net cash used in financing activities		<u>10,394,096</u>	<u>12,699,999</u>
Net increase (decrease) in cash held		20,202	(674,179)
Cash at the beginning of the financial year	16(i)	<u>97,145</u>	<u>771,324</u>
Cash at the end of the financial year	16(i)	<u>117,347</u>	<u>97,145</u>

The accompanying notes numbered 1 to 16 form part of these financial statements.

SUNSHINE MOTORWAY COMPANY LIMITED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 30 JUNE 1992**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the financial statements are:

(A) BASIS OF PREPARATION

The accounts of the company have been drawn up in accordance with Statements of Accounting Concepts, applicable Accounting Standards and the provisions of Schedule 5 to the Corporations Regulations. The accounts have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied.

The carrying amounts of all non-current assets are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

(B) CHANGE OF FINANCIAL YEAR

By a resolution of directors the financial year end of the Company has been changed to 30 June. These financial statements are for the fifteen months ended 30 June 1992 and the comparative amounts are for the year ended 31 March 1991.

(C) GOING CONCERN

Whilst the company has a deficiency in shareholders' equity, the accounts have been prepared on the basis of a going concern (note 12).

(D) VALUATION OF NON-CURRENT ASSETS

All property, plant and equipment is included in the accounts at cost less accumulated depreciation. Depreciation is provided so as to write-off the assets over their estimated useful lives. Assets are first depreciated in the year of first use in operation.

Leasehold Land, Roads, Bridges and Buildings are amortised over the period of the franchise, being thirty (30) years from the date of commencement of operations.

(E) INCOME TAX

The Company adopts the liability method of tax-effect accounting.

(F) CAPITALISATION OF DEVELOPMENT COSTS

The accounting policy with respect to capitalisation of costs relating to the Tollway construction to the date of practical completion is stated as follows:

Design and Construction Expenditure

These items of expenditure have been capitalised in full as part of the cost of road, buildings, bridges and associated facilities;

Interest and Borrowing Expenses

Interest and borrowing expenses incurred in respect of the acquisition of land and the design and construction of the Tollway have also been capitalised. Interest received on surplus funds deposited on the short term money market is offset against interest capitalised; and

Financial Advisory Fees, Legal Expenses and Insurance

These expenses have been capitalised in full to the extent that they related directly to the construction of the Tollway.

SUNSHINE MOTORWAY COMPANY LIMITED
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE 15 MONTHS ENDED 30 JUNE 1992**

	1992 \$	1991 \$
2 OPERATING REVENUE		
Toll revenue	2,092,057	1,779,509
Interest received — other persons	<u>5,363</u>	<u>57,539</u>
	2,097,420	1,837,048
3 OPERATING LOSS		
Included in the operating loss are the following items of expense:		
Depreciation of buildings, plant and equipment	1,350,183	957,985
Amortisation of leasehold land roads and bridges	3,586,148	2,835,793
Amounts received or due and receivable by the auditors for:		
Auditing the accounts	14,117	8,201
Bad debts written off	239	—
Amounts set aside to the provision for doubtful debts	50	250
Interest expense — other	19,025,492	13,786,360
less capitalised	<u>20,259</u>	<u>—</u>
	19,005,233	13,786,360
4 RECEIVABLES		
CURRENT		
Trade debtors	9,326	7,202
Less: provision for doubtful debts	<u>300</u>	<u>250</u>
	9,026	6,952
Other debtors	<u>9,188</u>	<u>9,188</u>
	18,214	16,140
5 PROPERTY, PLANT & EQUIPMENT		
Leasehold land — at cost	4,986,889	4,885,219
Less: accumulated amortisation	<u>389,861</u>	<u>183,884</u>
	4,597,028	4,701,335
Roads and bridges — at cost	81,772,327	80,273,725
Less: accumulated amortisation	<u>6,472,676</u>	<u>3,092,506</u>
	75,299,651	77,181,219
Buildings — at cost	6,232,061	6,232,061
Less: accumulated depreciation	<u>373,654</u>	<u>170,026</u>
	5,858,407	6,062,035
Plant and equipment — at cost	3,992,077	3,974,570
Less: accumulated depreciation	<u>2,051,295</u>	<u>904,739</u>
	1,940,782	3,069,831
Work in progress	<u>9,256,258</u>	<u>—</u>
Total property, plant and equipment — net book value	96,952,126	91,014,420

SUNSHINE MOTORWAY COMPANY LIMITED
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE 15 MONTHS ENDED 30 JUNE 1992**

	1992 \$	1991 \$
<p>Under the terms of the Motorways Agreements Act (1987— 1988), at the expiration of the 30 year Franchise period the leasehold land and buildings will, at the same time as the roads and bridges become the absolute property of the State. Transfer to the State will be without compensation to the company.</p> <p>The Directors consider that it is not practical to attribute a separate market value to the leasehold land and buildings as required under Clause 32 of Schedule 5 to the Corporations Regulations because they form an integral part of the toll facility and in any event are not material to the total assets of the company.</p>		
6 OTHER CURRENT ASSETS		
Prepayments	<u>25,187</u>	<u>—</u>
7 CREDITORS AND BORROWINGS		
CURRENT		
Other creditors and accruals	<u>1,120,652</u>	<u>293,662</u>
NON CURRENT		
Term Loans — Unsecured	<u>140,568,842</u>	<u>111,169,511</u>
All term loans are provided by the Queensland Treasury Corporation.		
8 BORROWING FACILITIES		
All borrowings since 1 April 1990 have been made through a pool funding arrangement with the Queensland Treasury Corporation. Amounts drawn under these facilities are regarded as non-current liabilities.		
Advances under facility		
— book value	140,568,842	111,169,511
— unrealised costs	<u>18,403,056</u>	<u>6,235,409</u>
	<u>158,971,898</u>	<u>117,404,920</u>
<p>The unrealised costs of \$18,403,056 (1991: \$6,235,409) have not been included in the accounts as they are only payable, in this amount, in the event that the loan from the Queensland Treasury Corporation was repaid at 30 June 1992. When the loan is finalised an amount may be payable to or receivable from the Queensland Treasury Corporation. However at the date of these accounts it is impracticable to quantify what amount, if any, is payable or receivable at that time.</p>		
9 SHARE CAPITAL		
AUTHORISED		
100,000,000 ordinary shares of \$1 each	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED AND PAID UP		
5 ordinary shares of \$1 each, fully paid	<u>5</u>	<u>5</u>
10 CAPITAL COMMITMENTS		
The estimated liability for capital commitments not provided for in the accounts as at 30 June 1992 is \$7,052,000 (1991: \$9,585,000).		
11 SEGMENT REPORTING		
The company operates the Sunshine Motorway and operates only in Australia.		

SUNSHINE MOTORWAY COMPANY LIMITED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 30 JUNE 1992**

12 ECONOMIC DEPENDENCY

In forming their opinion that there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due and that the company is able to continue as a going concern, the Directors have relied upon Part II Clause 4 of Schedule Two to the Motorways Agreements Act 1987-1988 with the State of Queensland which states that:

"If at any time, and notwithstanding the termination of the Franchise Period pursuant to clause 4 of Part VII, the amount of funds available to the Owner (by way of Toll, interest from investments if any, loans raisings or borrowings or otherwise) is insufficient to meet:

- (i) the obligations of the Owner in relation to this Agreement;
 - (ii) obligations of the Owner pursuant to any contracts approved by the Commissioner and entered into by the Owner for the purposes of this Agreement;
 - (iii) amounts required to maintain a level of working capital approved by the Commissioner; or
 - (iv) other amounts as may be approved by the Commissioner from time to time,
- the State shall make available to the Owner the amount of such deficiency."

13 DIRECTORS' REMUNERATION

REMUNERATION OF DIRECTORS

The number of directors of the company who received or in respect of whom income is due and receivable from the company, within the following range is:

Range	Company		Economic Entity (includes remuneration from Logan Motorway)	
	1992 No.	1991 No.	1992 No.	1991 No.
\$0 - \$ 9,999	—	2	—	—
\$10,000 - \$19,999	3	1	—	—
\$20,000 - \$29,999	—	—	2	3
\$30,000 - \$39,999	—	—	1	—
	\$	\$	\$	\$

Total income received, or due and receivable, by the directors, from the company and from the Economic Entity amounted to

32,500	26,000	81,250	65,000
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14 RELATED PARTY DISCLOSURES

DIRECTORS

The Directors believe the ultimate parent entity of Sunshine Motorway Company Limited to be Logan Motorway Company Limited.

The shares in the Logan Motorway Company Limited are beneficially held in favour of the Director General, Department of Transport.

The names of each person who held the position of Director of the Sunshine Motorway Company Limited during the financial period are set out below:

G W Fraser
 J H Andrews
 J T Woods
 I Mathers (alternate for J H Andrews) resigned 30.5.91
 J Galton (alternate for J H Andrews) appointed 30.5.91

SUNSHINE MOTORWAY COMPANY LIMITED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 30 JUNE 1992**

	1992 \$	1991 \$
OTHER RELATED PARTY TRANSACTIONS		
During the period the following contractual fees, charged on the basis of recovery of costs incurred were paid or became payable to the Department of Transport as follows:		
Repairs and maintenance	<u>385,196</u>	<u>419,472</u>
15 TAXATION		
INCOME TAX EXPENSE		
Prima facie income tax credit calculated at 39% (1991: 39%) on the operating loss	9,454,051	6,876,870
Increase (decrease) in income tax credit due to on tax deductible items		
Amortisation	(1,398,598)	(1,105,959)
Research and development	730,628	—
Sundry items	(1,624)	(1,001)
Future tax benefit not brought to account	<u>(8,784,457)</u>	<u>(5,769,910)</u>
Income tax expense on operating loss	—————	—————
FUTURE INCOME TAX BENEFIT NOT TAKEN TO ACCOUNT		
The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery is not virtually certain.		
Timing differences	(170,152)	(199,669)
Tax losses carried forward	<u>15,584,697</u>	<u>6,829,757</u>
	<u>15,414,545</u>	<u>6,630,088</u>

The potential future income tax benefit will only be obtained if:

- (i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another company in the economic entity in accordance with Section 80G of the Income Tax Assessment Act 1936;
- (ii) the company continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the company in realising the benefit.

16 NOTES TO THE STATEMENT OF CASH FLOWS

(i) RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank. Cash as at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheets as follows:

Cash	<u>117,347</u>	<u>97,145</u>
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SUNSHINE MOTORWAY COMPANY LIMITED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 30 JUNE 1992**

	1992 \$	1991 \$
(ii) RECONCILIATION OF OPERATING LOSS AFTER INCOME TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss after income tax	(24,241,152)	(17,633,002)
Add (less) items classified as investing/financing activities:		
Interest paid	19,005,235	13,786,360
Interest received	(5,363)	(57,539)
Add (less) non-cash items:		
Amortisation	3,586,148	2,835,793
Amounts set aside to provisions	50	250
Depreciation	<u>1,350,183</u>	<u>957,985</u>
Net cash provided by operating activities before changes in assets and liabilities	(304,899)	(110,153)
Change in assets and liabilities during the financial period:		
(Increase) Decrease in prepayments	(25,187)	—
(Increase) Decrease in trade debtors	(2,124)	(824)
(Decrease) Increase in trade creditors	<u>826,990</u>	<u>(3,645,473)</u>
Net cash provided by operating activities	<u>494,780</u>	<u>(3,756,450)</u>

