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**SUNSHINE  
MOTORWAY**

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

***ANNUAL REPORT***  
***FOR THE YEAR ENDED 30 JUNE 1994***

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

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

**COMPANY STRUCTURE AND OPERATIONS**

<b>Corporate Mission</b>	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.
<b>Directors</b>	Mr G W Fraser, FCA (Chairman) Mr J H Andrews, CMG, FIE Aust, B.Econ Mr J T Woods, ISO, M Sc, F Aus IMM, FAIP, FAIE
<b>Secretary</b>	Mr J H Barton, B. Com., CPA
<b>Registered Office</b>	c/- KPMG Peat Marwick Level 30, Central Plaza One 345 Queen Street, Brisbane, Q. 4000 Telephone (07) 233 3111 Facsimile (07) 220 0107
<b>Operations Office</b>	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
<b>Issued Capital</b>	Five \$1 fully paid ordinary shares owned by Logan Motorway Company Limited.
<b>Construction Authority to the Company</b>	Queensland Department of Transport
<b>Project Manager for Capital Works</b>	Stage II — CMPS&F Pty Limited
<b>Bankers</b>	Queensland Treasury Corporation Commonwealth Bank of Australia
<b>Solicitors</b>	Middletons Moore & Bevins Minter Ellison Morris Fletcher
<b>Auditors</b>	Auditor-General of Queensland

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

**COMPANY STRUCTURE AND OPERATIONS**

**Agreement with the  
State of Queensland**

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 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 year 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 quality, safe and disruption free transit along the motorway; and
- Time and cost savings that 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**

	1994	1993
Patronage	5,975,916	3,735,857
Toll Revenue	\$5,083,123	\$2,059,632
Motorway Investment		
– Stage I	\$96,851,472	\$96,851,472
– Stage II	\$40,374,128	\$38,784,847
– Other facilities provided	\$15,217,061	—

## 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 financial year ended 30 June 1994.

#### 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 79*

Mr Fraser is a Chartered Accountant with considerable 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 74*

Mr Andrews, the State appointed Director, 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, FAIP, FAIE*

*Director*

*Director since incorporation.*

*Age 68*

Mr Woods is a former Director General of the Queensland Department of Mines. Following his retirement in 1985, Mr Woods accepted a number of public company directorships. 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 51*

Mr Gralton holds the position of Regional Director, Metropolitan South Coast, 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.

#### Directors' Meetings

The number of directors' meetings held and number of meetings attended by each of the directors of the company during the financial year are:

Director	No. of Meetings Attended	No. of Meetings Held*
G W Fraser	12	12
J H Andrews	12	12
J T Woods	12	12
J Gralton #	—	—

\* Reflects the number of meetings held during the time the director held office during the year which the director was entitled to attend.

# Alternate Director for J H Andrews

#### 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 financial year.

The company completed construction of Stage II of the Sunshine Motorway which opened to traffic on 29 December 1993.

#### Result of Operations

The operating loss for the financial year was \$16,749,315 (1993: \$17,585,175).

Borrowings at the 30 June 1994 totalled \$210,732,516 (1993: \$183,307,590) and total interest paid for the year amounted to \$16,524,485 (1993: \$15,324,196).

## **SUNSHINE MOTORWAY COMPANY LIMITED**

### **DIRECTORS' REPORT**

#### **Review of Operations**

- The strong growth during the previous year continued during the financial year ending 30 June 1994. Toll collections at the Mountain Creek and Mooloolah Plazas increased 19% for the year and with the opening of the Maroochy River Plaza the total number of toll collections was 5,975,916 (1993: 3,735,857).
- Toll charges were reviewed and increased at Mountain Creek and Mooloolah Plazas as from 29 December 1993 in conjunction with the opening of Stage II. The increases amounted to 10 cents per car. These revised toll charges will form the basis for future reviews which will be made regularly in future. Toll revenue amounted to \$5,083,123 (1993: \$2,059,632) including the six months of operation of the Maroochy River Plaza.
- Stage II of the Sunshine Motorway was officially opened, three months early, on 29 December 1993 by the Hon. D J Hamill, MLA, Minister for Transport and Minister Assisting the Premier on Economic and Trade Development. The current cost of the project is \$55,591,189, including a cost of \$15,217,061 in providing the upgraded Emu Mountain Road and David Low Way, as State facilities. This cost is well under the original budget of \$62 million.
- In April 1994, a section of the Sunshine Motorway was made available for the cycling leg of the Mooloolaba Triathlon. Preliminary discussions have been held regarding an expanded event in 1995.

The proposal to consolidate the company, the Logan Motorway Company Limited and The Gateway Bridge Company Limited under a company to be named Queensland Motorways Limited has not yet been implemented. In the interim the Department of Transport has made interest free loans, repayable at call, to the company. This loan arrangement is expected to terminate on completion of the proposed restructure.

The Directors are very appreciative of the operations personnel, under the direction of Mr S.A. Schollay, and look forward to their continuing involvement in the expanded operations now that Stage II of the Sunshine Motorway is complete.

#### **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 financial year 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 a Director or with a firm of which a Director 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 CMPS&F (Qld) Pty Limited which company was the Project Manager for the construction of the Sunshine Motorway — Stage II and of which Mr Woods was a Director until November 1993.

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

#### **Contingent Liability**

The Department of Transport has yet to finalise all of the costs covering property requirements for the Motorway. The amount and timing of any costs which are to be borne by the company cannot be estimated with any certainty at this time.

**SUNSHINE MOTORWAY COMPANY LIMITED**  
**DIRECTORS' REPORT**

**Post Balance Date Events**

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 to operate and upgrade the Sunshine Motorway to provide a safe cost effective transport route on the Sunshine Coast.

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 the Agreement between the State of Queensland and the Sunshine Motorway Company Limited dated 15 November 1988 and a debt containment arrangement by the Director-General, Department of Transport, to the Queensland Treasury Corporation to underwrite the repayment of all project debt within an agreed term by contributing funds, if necessary, following annual review of the company's financial position.

Signed at Brisbane this twelfth day of October 1994 in accordance with a resolution of the Directors made pursuant to Section 310(2) of the Corporations Law.



G W Fraser  
Director



J H Andrews  
Director



**AUDITOR-GENERAL'S REPORT TO THE MEMBERS OF  
SUNSHINE MOTORWAY COMPANY LIMITED**

**Scope**

I have audited the financial statements of the Sunshine Motorway Company Limited for the financial year ended 30 June 1994, comprising the Profit and Loss account, Balance Sheet, Statement of Cash Flows, Notes and Directors Statement as set out on pages 8 to 18. The Directors of the company are responsible for the preparation and the presentation of the financial statements and the information they contain. I have audited these financial statements in order to express an opinion on them to the members of the Company.

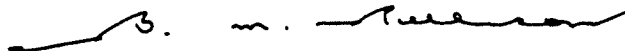
The audit has been conducted in accordance with QAO Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures adopted included examination, on a test basis, of evidence supporting the amounts and other disclosures in 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 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 and its cash flows.

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

**Audit Opinion**

In my opinion, the financial statements of the 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 1994 and the results and cash flows of the Company for the financial year ended on that date; and
  - (ii) the 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) applicable Australian Accounting Standards.



B M Rollason  
Auditor General

Brisbane

14 October 1994

**SUNSHINE MOTORWAY COMPANY LIMITED**  
**STATEMENT BY DIRECTORS**

- 1 In the opinion of the Directors of the Sunshine Motorway Company Limited:
  - (a) the financial statements as set out on pages 9 to 18 are drawn up so as to give a true and fair view of the result and cash flows for the year ended 30 June 1994 and the state of affairs of the company as at 30 June 1994;
  - (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 applicable Australian Accounting Standards.

Dated at Brisbane this twelfth day of October 1994

Signed in accordance with a resolution of the Directors.



G W Fraser  
Director



J H Andrews  
Director

**SUNSHINE MOTORWAY COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1994**

	Note	1994 \$	1993 \$
Operating loss before Income Tax	2	16,749,315	17,585,175
Income tax attributable to operating loss	16	—	—
Operating loss after income tax		<u>16,749,315</u>	<u>17,585,175</u>
Accumulated losses at the beginning of the financial year		<u>62,161,800</u>	<u>44,576,625</u>
Accumulated losses at the end of the financial year		<u>78,911,115</u>	<u>62,161,800</u>

The profit and loss account is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 18.

**SUNSHINE MOTORWAY COMPANY LIMITED**  
**BALANCE SHEET AS AT 30 JUNE 1994**

	Note	1994 \$	1993 \$
<b>CURRENT ASSETS</b>			
Cash		111,614	24,456
Receivables	4	85,542	865,794
Other	5	<u>43,326</u>	<u>28,593</u>
<b>Total Current Assets</b>		<u>240,482</u>	<u>918,843</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	119,405,027	122,388,821
Other	7	<u>14,963,697</u>	<u>—</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>134,368,724</u>	<u>122,388,821</u>
<b>Total Assets</b>		<u>134,609,206</u>	<u>123,307,664</u>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	8	<u>30,537,800</u>	<u>17,661,861</u>
<b>NON-CURRENT LIABILITIES</b>			
Creditors and borrowings	8	<u>182,982,516</u>	<u>167,807,598</u>
<b>Total Liabilities</b>		<u>213,520,316</u>	<u>185,469,459</u>
<b>Net Liabilities</b>		<u>(78,911,110)</u>	<u>(62,161,795)</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	5	5
Accumulated losses		<u>(78,911,115)</u>	<u>(62,161,800)</u>
<b>Deficiency in Shareholders' Equity</b>		<u>(78,911,110)</u>	<u>(62,161,795)</u>

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 18.

**SUNSHINE MOTORWAY COMPANY LIMITED**
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1994**

	Note	1994 \$	1993 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		5,083,123	2,059,632
Cash payments in the course of operations		<u>1,120,465</u>	<u>(1,804,196)</u>
Net cash provided by operating activities	17(ii)	<u>3,962,658</u>	<u>255,436</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current assets		—	118,699
Interest received		78,976	9,551
Interest paid and capitalised into property, plant and equipment		(1,951,434)	(1,637,441)
Payments for property, plant and equipment and facilities provided to the State		<u>(14,854,909)</u>	<u>(27,891,137)</u>
Net cash provided by/(used in) investing activities		<u>(16,727,367)</u>	<u>(29,400,328)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest free loan received		12,250,000	15,500,000
Repayment of borrowings		(14,650,000)	(13,700,000)
Interest paid		(14,573,051)	(13,686,755)
Proceeds from borrowings		<u>29,824,918</u>	<u>40,938,756</u>
Net cash provided by/(used in) financing activities		<u>12,851,867</u>	<u>29,052,001</u>
Net increase/(decrease) in cash held		87,158	(92,891)
Cash at the beginning of the financial year	17(i)	<u>24,456</u>	<u>117,347</u>
Cash at the end of the financial year	17(i)	<u>111,614</u>	<u>24,456</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 18.

**SUNSHINE MOTORWAY COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1994**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(A) BASIS OF PREPARATION**

The financial statements of the company have been drawn up in accordance with applicable Australian Accounting Standards, the Corporations Law and the provisions of Schedule 5 to the Corporations Regulations. They 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.

**(B) GOING CONCERN**

Whilst the company has a deficiency in shareholders' equity, the financial statements have been prepared on the basis of a going concern as the State of Queensland will meet any deficiency (note 13).

**(C) REVENUE RECOGNITION**

*Toll Revenue*

Toll revenue comprises revenue earned from vehicles using the motorway. Toll revenue is recognised when the service is provided or when the fee in respect of services provided is receivable.

**(D) INCOME TAX**

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

**(E) DEPRECIATION**

Depreciation is provided on plant and equipment, so as to write-off the assets progressively over their estimated useful lives. Assets are first depreciated in the year of first use in operation.

**(F) AMORTISATION**

Leasehold land, roads, bridges, buildings and facilities provided to the State are being amortised over the period of the franchise, being thirty (30) years from the date of commencement of operations.

**(G) 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.

**(H) FACILITIES PROVIDED TO THE STATE**

These costs relate to expenditure incurred in relation to facilities as required by the State and associated resumption costs and improvements on land in which the company has no beneficial interest.

These costs are being amortised over the franchise period.

**(I) NON-CURRENT ASSETS**

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.

**SUNSHINE MOTORWAY COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1994**

	1994 \$	1993 \$
<b>2 OPERATING LOSS</b>		
Operating loss has been arrived at after including:		
Operating Revenue		
Toll revenue	5,083,123	2,059,632
Interest received or due and receivable from: other persons	78,976	9,551
Gross Proceeds on sale of non-current assets	<u>—</u>	<u>118,699</u>
	<b><u>5,162,099</u></b>	<b><u>2,187,882</u></b>
Operating Expenses		
Depreciation of buildings, plant and equipment	1,025,169	1,082,182
Amortisation of leasehold land roads, bridges and facilities	3,801,271	2,891,002
Bad debts written off to profit and loss account	—	49
Amounts set aside to the provision for doubtful debts	700	—
Interest expense — other	16,524,485	15,324,196
Less capitalised interest	<u>1,951,434</u>	<u>1,637,441</u>
	<b><u>14,573,051</u></b>	<b><u>13,686,755</u></b>
<b>3 AUDITOR'S REMUNERATION</b>		
Amounts received or due and receivable by the auditor for Audit Services	<u>14,000</u>	<u>11,500</u>
<b>4 RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors	45,973	9,829
Less: Provision for doubtful trade debtors	<u>1,000</u>	<u>300</u>
	44,973	9,529
Other debtors	<u>40,569</u>	<u>856,265</u>
	<b><u>85,542</u></b>	<b><u>865,794</u></b>
<b>5 OTHER CURRENT ASSETS</b>		
Prepayments	<u>43,326</u>	<u>28,593</u>

**SUNSHINE MOTORWAY COMPANY LIMITED**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 1994**

	1994 \$	1993 \$
<b>6 PROPERTY, PLANT &amp; EQUIPMENT</b>		
Leasehold land — at cost	8,881,754	4,855,006
Less: accumulated amortisation	<u>771,712</u>	<u>542,873</u>
	<u>8,110,042</u>	<u>4,312,133</u>
Roads and bridges — at cost	117,463,081	81,772,327
Less: accumulated amortisation	<u>12,516,562</u>	<u>9,197,493</u>
	<u>104,946,519</u>	<u>72,574,834</u>
Buildings — at cost	6,232,061	6,232,061
Less: accumulated depreciation	<u>699,459</u>	<u>536,556</u>
	<u>5,532,602</u>	<u>5,695,505</u>
Plant and equipment — at cost	4,648,705	3,992,077
Less: accumulated depreciation	<u>3,832,841</u>	<u>2,970,575</u>
	<u>815,864</u>	<u>1,021,502</u>
Work in progress	<u>—</u>	<u>38,784,847</u>
Total property, plant and equipment — net book value	<u>119,405,027</u>	<u>122,388,821</u>

Under the terms of an agreement between the State of Queensland and the Company, 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 of Queensland. Transfer to the State will be without compensation to the company.

The Directors consider that it is not practical to attribute a separate current 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.

**7 OTHER NON CURRENT ASSETS**

Facilities provided to the State — at cost	15,217,061	—
Less: Accumulated Amortisation	<u>253,364</u>	<u>—</u>
	<u>14,963,697</u>	<u>—</u>



**SUNSHINE MOTORWAY COMPANY LIMITED**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 1994**

	1994 \$	1993 \$
<b>8 CREDITORS AND BORROWINGS</b>		
<b>CURRENT</b>		
Other creditors and accruals	2,787,800	2,161,861
Department of Transport	<u>27,750,000</u>	<u>15,500,000</u>
	<u>30,537,800</u>	<u>17,661,861</u>
<b>NON CURRENT</b>		
Term Loans — Unsecured		
Queensland Treasury Corporation	<u>182,982,516</u>	<u>167,807,598</u>
<b>BORROWING FACILITIES</b>		
<b>Queensland Treasury Corporation</b>		
All borrowings since 1 April 1990 have been made through a pool funding arrangement. Amounts drawn under these facilities are regarded as non-current liabilities, and are guaranteed by the Queensland Government.		
Advances under facility		
– book value	182,982,516	167,807,598
– unrealised costs	<u>8,339,837</u>	<u>23,930,096</u>
	<u>191,322,353</u>	<u>191,737,694</u>

The unrealised costs of \$8,339,837 (1993: \$23,930,096) have not been brought to account as they are only payable, in this amount, in the event that the loan from the Queensland Treasury Corporation was repaid at 30 June 1994. 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.

**Department of Transport**

Interest free loans of \$12,250,000 (1993: \$15,500,000) were advanced from the Department of Transport during the year. Refer Related Party Disclosures, note 15, for further details.

**9 SHARE CAPITAL**
**AUTHORISED**

100,000,000 ordinary shares of \$1 each

100,000,000      100,000,000

**ISSUED AND PAID UP**

5 ordinary shares of \$1 each, fully paid

\_\_\_\_\_5      \_\_\_\_\_5

**10 CAPITAL COMMITMENTS**

The estimated liability for capital commitments not provided for in the financial statements as at 30 June 1994 is \$NIL (1993: \$10,898,233).

**11 CONTINGENT LIABILITIES**

The Department of Transport has yet to finalise all of the costs covering property required for the Motorway. The amount and timing of any costs which are to be borne by the company cannot be estimated with any certainty at this time.

**SUNSHINE MOTORWAY COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1994**

**12 SEGMENT REPORTING**

The company operates the Sunshine Motorway and operates only in Australia.

**13 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 to an agreement between the State of Queensland and the Company 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."

**14 DIRECTORS' REMUNERATION**

**REMUNERATION OF DIRECTORS**

The number of directors of the company whose income from the company fall within the following bands is:

Company	1994 No.	1993 No.
\$20,000 — \$29,999	3	3
Total income received, or due and receivable, by all directors, from the company (\$26,000) or related bodies corporate (\$39,000) amounted to	\$65,000	\$65,000

The above amounts (including comparatives) are disclosed in accordance with an ASC Class Order dated 22 June 1994.

**15 RELATED PARTY DISCLOSURES**

**DIRECTORS**

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

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
- J Gralton (alternate for J H Andrews)

Details of directors remuneration are disclosed in note 14.

**SUNSHINE MOTORWAY COMPANY LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1994**

	1994 \$	1993 \$
<b>15 RELATED PARTY DISCLOSURES (Continued)</b>		
<b>OTHER RELATED PARTY TRANSACTIONS</b>		
The shares in the Logan Motorway Company Limited are beneficially held in favour of the Director General, Department of Transport.		
<b>OTHER RELATED PARTY TRANSACTIONS</b>		
All borrowings from Queensland Treasury Corporation are guaranteed by the Queensland Government. During the financial year the following contractual fees were paid or became payable to the Department of Transport as follows:		
Repairs and maintenance	318,304	284,398
These fees are charged on the basis of recovery of costs incurred.		
During the financial year the Department of Transport made a further interest free loan to the company. This amount has been disclosed as a current liability in note 8 on the basis that following the establishment of Queensland Motorways Ltd as a holding company over the three existing tollway companies, arrangements will be made for the issue of equity in Queensland Motorways Ltd to the Department of Transport.		
Loan — unsecured	27,750,000	15,500,000
<b>16 TAXATION</b>		
<b>INCOME TAX EXPENSE</b>		
Prima facie income tax credit calculated at 33% (1993: 39%) on the operating loss	5,527,274	6,858,218
Increase/(decrease) in income tax credit due to non tax deductible items		
Amortisation	(1,254,419)	(1,127,490)
Research and development	—	134,539
Interest paid and capitalised for accounting	643,973	638,602
Future tax benefit not brought to account	(4,916,828)	(6,503,869)
Income tax expense on operating loss	—————	—————
<b>FUTURE INCOME TAX BENEFIT NOT TAKEN TO ACCOUNT</b>		
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	(70,805)	(111,365)
Tax losses carried forward	25,222,689	20,346,420
	<u>25,151,884</u>	<u>20,235,055</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.		

**SUNSHINE MOTORWAY COMPANY LIMITED**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 1994**

	1994 \$	1993 \$
<b>17 NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(I) RECONCILIATION OF CASH</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. 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 sheet as follows:		
Cash	<u>111,614</u>	<u>24,456</u>
<b>(II) RECONCILIATION OF OPERATING LOSS AFTER INCOME TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating loss after income tax	(16,749,315)	(17,585,175)
Add/(less) items classified as investing/financing activities:		
Interest expense	14,573,051	13,686,755
Interest received	(78,976)	(9,551)
Add/(less) non-cash items:		
Amortisation	3,801,271	2,891,002
Amounts set aside to provisions	700	—
Depreciation	<u>1,025,169</u>	<u>1,082,182</u>
Net cash provided by operating activities before changes in assets and liabilities	2,571,900	65,213
Change in assets and liabilities during the financial year:		
(Increase)/Decrease in prepayments	(14,733)	(3,406)
(Increase)/Decrease in debtors	779,552	(847,580)
(Decrease)/Increase in creditors and accruals	<u>625,939</u>	<u>1,041,209</u>
Net cash provided by operating activities	<u>3,962,658</u>	<u>255,436</u>
<b>(III) FINANCING FACILITIES</b>		
Refer Note 8.		