



**ACCC REGULATORY ACCOUNTING  
STATEMENT**

**For the Year 1 July 1999 to 30 June 2000**

## Statement 2.0: Regulatory Accounting Statement

## Balance Sheet as at 30 June 2000

Description	Audited financial statements	Aero services	Non-Aero services	Statement reference
	\$'000	\$'000	\$'000	
<b>CURRENT ASSETS</b>				
Cash	23,550			
Receivables	3,979	4,068	(89)	
Inventories	439	426	13	
Accrued revenue	1,667	151	1,516	
Other	155	52	103	
<b>Total current assets</b>	<b>29,790</b>			
<b>NON-CURRENT ASSETS</b>				
Lease Premium	653,375	0	653,375	Appendix 5
Leasehold Land	186,267	34,111	152,156	1.2 & 1.3
Investments	0	0	0	
Property, plant & equipment	665,250	493,511	171,739	1.2 & 1.3
Other - Borrowing Costs	12,906	4,525	8,381	Appendix 5
<b>Total non-current assets</b>	<b>1,517,798</b>	<b>532,147</b>	<b>985,651</b>	
<b>TOTAL ASSETS</b>	<b>1,547,588</b>			
<b>CURRENT LIABILITIES</b>				
Creditors	12,187			
Other	2,142			
Provisions	1,893	1,423	470	Appendix 4
<b>Total current liabilities</b>	<b>16,222</b>			
<b>NON-CURRENT LIABILITIES</b>				
Bank Loans	934,600			
Shareholder Loans	280,500			
Convertible Notes	10,000			
Provisions	134	101	33	Appendix 4
Other	5,600			
<b>Total non-current liabilities</b>	<b>1,230,834</b>			
<b>TOTAL LIABILITIES</b>	<b>1,247,056</b>			
<b>NET ASSETS</b>	<b>300,532</b>			
<b>SHAREHOLDER'S EQUITY</b>				
Share capital	281,095			
Reserves	163,858			
Accumulated losses	(144,421)			
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>300,532</b>			
Accumulated losses at the start of the year	(31,771)			
<b>Movements:</b>				
Loss for the year	(112,650)			
Accumulated losses at the end of the year	(144,421)			

This statement should be read in conjunction with the attached statements and appendices set out on pages 5 to 27.

## Statement 1.2: Notes to Regulatory Accounting Statements

## Schedule of Aeronautical Assets for the year ended 30 June 2000

	Opening Value	Additions	Disposals	Revaluation Gains	Re- Classification	Depreciation Expenses	Closing Value
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FIXED ASSETS</b>							
Land	9,735	60	0	9,852	14,720	256	34,110
Runways & Taxiways	97,780	1,383	0	40,874	175,698	4,093	311,642
Roads & Car Parks	6,845	0	0	0	0	180	6,665
Fences & Gates	820	23	0	0	0	105	738
Lighting & Visual Aids	9,412	0	0	0	0	522	8,890
Pax Terminal Buildings	103,993	262	0	32,532	0	5,536	131,251
Other Buildings	2,969	116	0	1,231	0	134	4,182
Mains Services	2,765	176	0	0	0	253	2,688
Fixed Plant & Equipment	17,092	814	0	0	0	2,544	15,362
Mobile Plant	914	41	29	0	0	185	741
Motor Vehicles	1,087	381	248	0	0	184	1,036
Computers	952	382	1	0	0	448	885
Office Equipment	70	14	1	0	0	23	60
Furniture & Fittings	3,489	254	0	0	0	518	3,225
Assets Under Construction	0	6,146	0	0	0	0	6,146
<b>TOTAL FIXED ASSETS</b>	<b>257,923</b>	<b>10,052</b>	<b>279</b>	<b>84,489</b>	<b>190,418</b>	<b>14,981</b>	<b>527,622</b>

## Statement 1.3: Notes to Regulatory Accounting Statements

## Schedule of Non-Aeronautical Assets for the Year Ended 30 June 2000

	Opening Value	Additions	Disposals	Revaluation Gains	Re- Classification	Depreciation Expenses	Closing Value
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FIXED ASSETS</b>							
Land	43,423	266	0	43,946	65,664	1,143	152,156
Runways & Taxiways	35,087	0	0	0	0	1,450	33,637
Roads & Car Parks	7,032	710	0	0	0	208	7,534
Fences & Gates	204	(18)	0	0	0	16	170
Lighting & Visual Aids	3,476	28	0	0	0	195	3,309
Pax Terminal Buildings	59,741	996	0	31,196	0	3,179	88,754
Other Buildings	12,107	1,918	0	4,225	0	309	17,941
Mains Services	10,615	948	0	0	0	647	10,916
Fixed Plant & Equipment	4,528	(1,131)	0	0	0	356	3,041
Mobile Plant	282	(28)	9	0	0	53	192
Motor Vehicles	193	148	34	0	0	48	259
Computers	131	153	0	0	0	144	140
Office Equipment	20	13	0	0	0	9	24
Furniture & Fittings	188	94	0	0	0	38	244
Assets – Under Const'n	3,582	5,578	3582	0	0	0	5,578
<b>TOTAL FIXED ASSETS</b>	<b>180,609</b>	<b>9,675</b>	<b>3,625</b>	<b>79,367</b>	<b>65,664</b>	<b>7,795</b>	<b>323,895</b>



*Superannuation fund*

The Company contributes to a combined defined benefit/defined contribution superannuation plan. Contributions are charged as an expense in the period in which they are incurred.

**(N) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(O) Unearned revenue**

Revenue received in advance is recorded as a liability in the balance sheet and brought to account in the profit and loss statement over the period in which the benefit will be derived.

**2. Re-financing**

In September 1999, the Company received \$51 million following the issue of additional ordinary shares in the Company and from increasing amounts borrowed from shareholders (shareholder loans). Following agreement with the Company's financiers, certain cash reserves, amounting to \$16.3 million, and the funds received from the issue of additional equity and shareholder loans were applied to reduce the Company's liabilities under various interest rate swap agreements. In accordance with the Company's accounting policy, the amount paid (\$67.3 million) was capitalised and included in the balance of deferred borrowing costs.

In June 2000, the Company completed a \$350 million 10 year credit wrapped domestic bond issue and a \$510 million bilateral facility with existing and new banks. \$470 million of the bilateral facility was drawn down, which together with the \$350 million received from the issue of domestic bonds, was used to repay the Company's existing senior debt facility.

In accordance with the Company's accounting policy, the unamortised balance of deferred borrowing costs, which amounted to \$75.4 million at the time of the re-financing, was written-off and is disclosed in the Regulatory Accounting Statement as an abnormal item.

**3. Asset revaluation**

A detailed review of the value of tangible assets acquired on 2 July 1997 was undertaken during the year, as a result of further information becoming available since the time of acquisition.

The effect of this review has been accounted for at the beginning of the current financial year and has resulted in an increase in the cost of Runways, taxiways and aprons and

Leasehold land amounting to \$267 million, and a corresponding decrease in the cost of the Lease premium.

The consequential effect on the accumulated depreciation and amortisation of Runways, taxiways and aprons, Leasehold land and Lease premium at 1 July 1999 has been accounted for as an abnormal expense and amounts to \$12.7 million.

If the Company had had this additional information as at acquisition date, then depreciation and amortisation expense would have increased by \$10.0 million and \$2.7 million respectively for the financial period ended 30 June 1998 and the financial year ended 30 June 1999. Accumulated losses would have been \$21.8 million and \$44.5 million respectively at 30 June 1998 and 30 June 1999.

A detailed review was undertaken of the remaining useful life of Runways, taxiways and aprons, having regard to individual component usage and technical obsolescence. As a result of this review, the remaining useful life of Runways, taxiways and aprons was reassessed. Prior to 1 July 1999, the remaining useful life of Runways, taxiways and aprons was determined to be 40 years from the date the Company acquired the right to operate Brisbane Airport. From 1 July 1999, the remaining useful life of the significant components of Runways, taxiways and aprons is considered to be:

- Surface wearing courses – remaining useful lives ranging from 4 to 15 years;
- Underlying runway structure – remaining useful life 97 years (remaining term of the airport lease).

Depreciation of Runways, taxiways and aprons recorded in the current year has been calculated on the basis of this assessment of useful lives.

The financial effect of the change in the useful life of Runways, taxiways and aprons has been a decrease of \$2.2 million in depreciation expense for this financial year.

In accordance with the Company's policy of obtaining independent valuations of Leasehold land and Buildings every three years, Leasehold land and buildings were independently valued as at 30 June 2000. In addition Runways, taxiways and aprons were independently valued at 30 June 2000. The Company does not have a policy of regular independent revaluations of Runways, taxiways and aprons.

The independent valuations were carried out by G Pyman AAPI (Val), A Sharpe AAPI (Val) and P Palella B Sc (QS) AIQS of Rushton (Qld) Pty Ltd, on the basis of the optimised depreciated replacement cost of Buildings and Runways, taxiways and aprons and on the basis of the open market value of Leasehold land in its existing use. The Directors are of the opinion that these bases provide a reasonable estimate of the recoverable amount.

The independent valuation of Leasehold land has been recorded in the Company's financial statements. This value has been offset by anticipated costs to remediate identified contaminated sites.

Buildings are recorded in the financial statements at Directors' valuation as at 30 June 2000. In making their assessment, the Directors utilised the independent valuation prepared by The Rushtons Group.

Runways, taxiways and aprons have been recorded in the financial statements at independent valuation at 30 June 2000.