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TOLL HOLDINGS ANNUAL REPORT 1999

TOLL
GROUP

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Since we became a public company in 1993 the Toll Group's market share has **increased** significantly. This is testimony to our approach, our constant drive to serve customers and to deliver the best integrated logistics possible. By making our customers more competitive, we are as well.

And it shows in our results – our sixth consecutive **record year**.

- Record sales...up 52% to \$1.3 billion
- Record profit to members...up 104% to \$30.1 million
- Record earnings per share...up 92% to 51.41¢ per share
- Return on equity...up 75% to 23.86%
- Ordinary dividends per share...up 57% to 22¢ per share
- Gearing... down to 21.7%
- Major new contracts...Coca-Cola Amatil, Tooheys, CUB, MIM
- Major new depots...Melbourne and Sydney

Directors' Report

The Directors present their report together with the financial report of Toll Holdings Limited (the Company) and the consolidated financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 1999 and the Auditors' Report thereon.

Directors

The following persons held office as Directors of Toll Holdings Limited during or since the financial year:

Mr Peter Rowsthorn (Chairman)
Mr Paul Little (Managing Director)
Mr Mark Rowsthorn
Mr John Moule AM
Mr William Farrands
Mr Ron Paul AM (appointed 1/7/98)
Mr Neil Chatfield (appointed 29/7/98)

Principal Activities

The principal activities of the consolidated entity during the year consisted of:

- National less than full load express and economy freight forwarding service using all modes of transport
- National full load road and rail freight forwarding service including Trans-continental rail linehaul operation
- National temperature controlled transport service for full load and less than full load clients
- Warehousing and distribution of bulk dry and refrigerated goods in all capital cities
- National wharf cartage, container handling and storage
- National contract distribution services
- National time sensitive parcel freight distribution services
- Deposit legislation beverage container recycling in South Australia
- Specialised international forwarding services
- Ports management including land and sea based distribution and services.

The following significant changes in the nature of the activities of the consolidated entity occurred during the year:

- The Company acquired the business operations of IPEC, a national time sensitive freight distribution service, from Mayne Nickless Limited effective 4 October 1998.
- There were no other significant changes in the nature of the activities of the consolidated entity during the year.

Consolidated Result

The consolidated profit for the year attributable to the members of Toll Holdings Limited was:

	1999 \$'000	1998 \$'000
Operating profit after income tax attributable to members of Toll Holdings Limited	30,140	14,745
Earnings per share		
Basic earnings per share	59.16¢	30.65¢
Diluted earnings per share	51.41¢	26.76¢

Review of Operations

Results for the year exceeded expectations and reflected continued growth in earnings, with after tax profit increasing from \$14.7 million to \$30.1 million. Sales revenue also grew significantly from \$854 million to \$1.296 billion.

The year's results benefited from the full year impact of the acquisition of the TNT businesses which occurred in December 1997 and the synergy savings derived from business integration. The acquisition of IPEC in October 1998 contributed a small profit on revenues of \$120 million, which represented an excellent performance compared to results during the period prior to our purchase.

The pre-abnormal group earnings before interest and tax margin of 3.14% represented an increase of 30% over the prior year margin of 2.42%, reflecting the focus on revenue quality and cost control.

The Long Distance division performed above expectations during the year, with Toll SPD and Toll Rail operations producing a particularly strong result compared to the prior year. Toll Express performed well and continued its consolidation and improvement of administrative processes. The division also includes the Toll IPEC business which was acquired during the year.

Toll North (formerly Carpentaria Transport) performed very solidly. This result was assisted by the acquisition of the Mount Isa Mines Ltd transport operations and the impact of upgraded equipment.

The Logistics division was affected by costs associated with the Victorian gas crisis in the first six months and the costs of prolonged industrial issues at Newcastle's Eastern Basin development. The food and retail, beverages and automotive sectors of the Logistics division all performed well.

The Specialised division had mixed results, with both Edwards Transport and Toll Tasmania performing in line with expectations. Refrigerated Roadways, however, continued to perform poorly, which necessitated a restructure of its business

Directors' Report continued

operations. Since year end this business has been subject to a major redundancy program which is designed to return the business to profits in the first half of the June 2000 financial year.

Dividends – Toll Holdings Limited

Dividends paid or declared by the Company since the end of the previous financial year were:

- As proposed and provided for in last year's report and paid on 30 September 1998.
A final ordinary dividend of 8 cents per share, franked to 65% with Class C (36%) franking credits, amounting to \$3.6 million (1998: 6 cents per share, \$2.4 million, 100% franked).
- In respect of the current year:

	1999 \$'000	1998 \$'000
Ordinary Shares		
An interim ordinary dividend of 10 cents per share franked to 35% with Class C (36%) franking credits was paid on 31 March 1999 (1998: 6 cents 75% franked)	4,545	2,663
The final dividend declared by the Directors of the Company in respect of the year ended 30 June 1999 is an ordinary dividend of 12 cents per share franked to 50% with Class C (36%) franking credits (1998: 8 cents 65% franked)	7,080	3,578
The total dividends provided for or paid in respect of the year ended 30 June 1999	11,625	6,241
Preference Shares		
Fully franked Class C (36%) dividend of 7.75% p.a. paid 1 December 1998 (1998: 8%)	1,550	355
Fully franked Class C (36%) dividend of 7.75% p.a. paid 1 June 1999	1,470	1,350
Fully franked Class C (36%) dividend of 7.75% p.a. declared on 30 June 1999 and paid on 14 July 1999	220	–
	3,240	1,705

Derivatives and Other Financial Instruments

The consolidated entity's activities expose it to changes in interest rates and credit, liquidity and cash flow risks. The Board has established policies and procedures in each of these areas to manage these exposures.

The consolidated entity has a strict credit policy for all customers trading on credit terms and only deals with financial market intermediaries with an acceptable credit rating determined by a recognised rating agency.

Financing facilities and operating cash flows are managed to ensure that the consolidated entity is not exposed to any adverse liquidity risks. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the consolidated entity during the financial year were:

- (a) An increase in paid up capital of \$78.6 million to \$90.2 million, which included the following:

Share premium account transferred to share capital on 1 July 1998, \$75.7 million

Issue of 816,478 fully paid ordinary shares in accordance with the Dividend Reinvestment Plan

Issue of 120,000 fully paid ordinary shares following exercise of Executive Share Options

Conversion of 13,333,334 Converting Non-Redeemable, Non-Cumulative Preference shares to fully paid ordinary shares between 12 March 1999 and 30 June 1999.

- (b) An increase in assets and liabilities due to the acquisition of the IPEC business from Mayne Nickless Limited on 4 October 1999.

Environmental Regulation

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any significant breach of those environmental requirements as they apply to the consolidated entity.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely Developments and Expected Results of Operations

Information as to likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because the Directors believe on reasonable grounds that to include such information would be likely to result in unreasonable prejudice to the consolidated entity.

Directors' Report continued

Information on Directors

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

Director	Experience & Qualifications	Age	Special Responsibilities	Particulars of Directors Interests in Ordinary Shares and Options of the Company	
				Shares	Options
Mr P Rowsthorn FAICD, FCIT Chairman Non-executive Director	29 years in the Transport Industry. Director since 1986.	69	Chairman of Board of Directors. Chairman of Remuneration Committee. Member of Corporate Governance and Audit Committees.	3,071,749	–
Mr P A Little FAICD, FCIT Managing Director	31 years in the Transport Industry. Director since 1986.	51	*	8,758,842	200,000
Mr M Rowsthorn B.Ec, Grad Dip. Bus. Executive Director Operations	22 years in the Transport Industry. Executive Director Operations for 12 years. Director since 1988.	44	*	8,978,447	200,000
Mr J A Moule AM FCA, FAICD Non-executive Director	Former Managing Partner Deloitte Touche Tohmatsu. Director since 1995.	60	Chairman of Audit Committee. Member of Corporate Governance and Remuneration Committees.	168,290	–
Mr W Farrands B. Com Non-executive Director	Former Group General Manager of the Building & Industrial Products Division and for the Coated Products Division within BHP Steel. Director since 1997	66	Chairman of Corporate Governance Committee. Member of Audit and Remuneration Committees.	20,000	–
Mr R Paul AM Non-executive Director	Chairman Evans Deakin Industries Limited. Appointed 1 July 1998.	67	Member of Audit, Corporate Governance and Remuneration Committees.	20,000	–
Mr N Chatfield FCPA Chief Financial Officer	25 years experience in Transport and Resource Industries. Appointed 29 July 1998.	45	*	7,086	100,000

* Refer Meetings of Director's as detailed on page 5.

The particulars of Directors' interests in shares are as at the date of this report.

Directors' Report continued

Meetings of Directors

The following table sets out the number of meetings of the Company's Directors (including meetings of committees of Directors) held during the year ended 30 June 1999 and the number of meetings attended by each Director who held office during the financial year.

Director	Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Corporate Governance Committee Meetings	
	No. of Meetings Attended	Held	No. of Meetings Attended	Held	No. of Meetings Attended	Held	No. of Meetings Attended	Held
Mr P Rowsthorn	13	13	4	4	2	2	2	2
Mr P A Little	13	13	3	3*	–	–	–	–
Mr M Rowsthorn	12	13	–	–*	–	–	–	–
Mr J A Moule AM	13	13	4	4	2	2	2	2
Mr W Farrands	12	13	4	4	2	2	2	2
Mr R Paul AM	12	13	3	4	2	2	2	2
Mr N Chatfield	12	12	4	4*	–	–	2	2*

* Mr P A Little, Mr M Rowsthorn and Mr N Chatfield may attend meetings by invitation.

Directors' Benefits

Directors' benefits are set out in Notes 22 and 27.

Share Options

During or since the end of the financial year, the Company granted options over unissued ordinary shares to the following Directors and Executives who are amongst the five most highly remunerated Officers as part of their remuneration.

	Number of Options Granted	Exercise Price	Expiry Date
Directors			
Mr P A Little	200,000**	\$5.4576	5 August 2004
Mr M Rowsthorn	200,000**	\$5.4576	5 August 2004
Mr N Chatfield	100,000*	\$2.1460	30 June 2003
Officers			
Mr G Lyon	100,000*	\$2.1460	30 June 2003
Mr J Ludeke	100,000*	\$2.1460	30 June 2003
Mr D Telford	100,000*	\$2.1460	30 June 2003
Mr T Mallon	100,000*	\$2.1460	30 June 2003

* All options were granted during the financial year.

** Options have been granted since the end of the financial year.

Directors' Report continued

Options to take up ordinary shares in the capital of Toll Holdings Limited have been granted as follows:

Senior Executive Option Plan and Executive Share Option Scheme

At the date of this report unissued ordinary shares of the Company under option are:

Grant Date	Total Options Granted	Unexpired Options	No of Executives	Exercise Price \$	Expiry Date
22 January 96	210,000	180,000	4	1.4325	21 January 2001
1 July 98	1,025,000	985,000	39	2.1460	30 June 2003
23 June 99	100,000	100,000	1	5.4150	22 June 2004
5 August 99	400,000	400,000	2	5.4576	4 August 2004

Each option is convertible into one ordinary share at any time between three and five years after the grant date. The options granted from 1 July 1998 are however only exercisable on the satisfaction of specific hurdle criteria with regard to the Company's Total Shareholder Return and diluted EPS growth relative to the All Industrials (excluding banks) diluted EPS growth during the first three years after the grant date.

120,000 ordinary shares were issued during the financial year on the exercise of options granted under the Executive Share Option Scheme. 50,000 ordinary shares have been issued since the end of the financial year on the exercise of options granted under the scheme.

Directors' and Senior Executives' Emoluments

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to the Board members and Senior Executives of the Company.

Executive remuneration and other terms of employment are reviewed annually by the committee having regard to performance against goals set at the start of the year, relevant comparative market information and independent expert advice.

The broad remuneration policy is to ensure that remuneration packages properly reflect a persons duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Executives are also eligible to participate in the Senior Executive Option Plan. The ability to exercise options may be conditional on the Company achieving certain performance hurdles.

Non-executive Directors' remuneration is determined by the Board within the maximum amount approved by shareholders from time to time. Non-executive Directors do not receive any performance related remuneration.

Details of the nature and amount of each major element of emoluments of each Director of the Company and each of the five most highly remunerated Executive Officers of the Company and the consolidated entity receiving the highest emolument are:

Non-executive Directors of Toll Holdings Limited

Name	Directors Fee \$	Superannuation \$	Total \$
Mr P Rowsthorn (Chairman)	100,000	6,854	106,854
Mr J Moule AM	50,000	3,500	53,500
Mr W Farrands	50,000	3,500	53,500
Mr R Paul AM	50,000	3,500	53,500

Directors' Report continued

Executive Directors of Toll Holdings Limited

Name	Base Salary \$	Bonus \$	Non-Cash Benefits \$	Super \$	Total \$
Mr P A Little Managing Director	497,017	240,000	83,770	44,213	865,000
Mr M Rowsthorn Executive Director Operations	432,766	200,000	90,380	6,854	730,000
Mr N Chatfield Chief Financial Officer (Director from 29 July 1998)	155,740	–	18,832	6,284	180,856

Executive Officers of Toll Holdings Limited and Consolidated Entity

Name	Base Salary \$	Bonus \$	Non-Cash Benefits \$	Super \$	Shares Issued* \$	Termination Benefits \$	Total \$
Mr R Granger General Manager Toll Packaging	117,346	–	32,773	70,500	–	430,573	651,192
Mr D Telford Divisional Director Logistics	281,500	–	28,500	40,818	–	–	350,818
Mr T Mallon Divisional Director Toll North	171,500	37,500	30,453	96,500	–	–	335,953
Mr G Lyon Divisional Director Specialised	173,940	20,000	48,060	28,000	28,000	–	298,000
Mr J Ludeke Divisional Director Long Distance	190,000	30,000	40,000	30,000	–	–	290,000

* These shares were issued following the exercise of Executive Share Options. The value of the shares issued is determined as the difference between the market value on the day of exercising the option and the exercise price paid.

Directors' Report continued

Insurance of Officers

During the financial year, Toll Holdings Limited paid premiums of \$55,760 (1998:\$51,155) to insure Officers of the Company and related bodies corporate.

The Officers of the Company covered by the insurance policy include the Directors, P Rowsthorn, P A Little, M Rowsthorn, J A Moule AM, W Farrands, R Paul AM, N Chatfield and the Secretary B B McInerney. Other Officers covered by the policy are Directors or Secretaries of controlled entities who are not also Directors or Secretaries of Toll Holdings Limited, past Directors of companies within the Toll Group and managers of the consolidated entity.

The liabilities insured, subject to specific exclusions, include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of the Company or a related body corporate.

Indemnification of Officers

The Company has agreed to indemnify the Directors of the Company, and its controlled entities, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

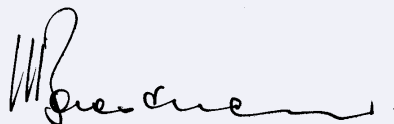
Rounding off

The Company is of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998, and in accordance with that Class Order, amounts in the financial report, and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor

KPMG continues in office in accordance with section 327 of the Corporations Law.

This report is made in accordance with a resolution of the Directors.



P Rowsthorn
Director



P A Little
Director

Dated at Melbourne this 1st day of September 1999.

Corporate Governance Statement

This statement outlines the main Corporate Governance practices that were in place throughout the financial year.

Board of Directors and its Committees

The Board is responsible for the overall Corporate Governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals. To assist in the execution of its responsibilities, the Board has established a number of Board Committees comprising a Corporate Governance Committee, Audit Committee and Remuneration Committee. Matters attended to by Board Committees are reported to the Board following each meeting.

Composition of the Board

The names of the Directors of the Company in office at the date of this Statement are set out in the Directors' Report on page 4 of these financial statements.

The composition of the Board is determined using the following principles:

- the Board comprises seven Directors and this number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified
- the Chairman of the Board is a Non-executive Director
- the Board is to comprise a majority of Non-executive Directors
- the Board should comprise Directors with a broad range of expertise.

The composition of the Board is reviewed on an annual basis to ensure that the Board has the appropriate mix of expertise and experience.

Each Director has the right to seek independent professional advice at the consolidated entity's expense. In such circumstances the prior approval of the Chairman is required, but this will not be unreasonably withheld.

Corporate Governance Committee

The Corporate Governance Committee is responsible for implementing and monitoring the ethical standards of the consolidated entity, its Code of Business Practice and policies on key issues such as, the environment, occupational health and safety, conflicts of interest and equal opportunity, and to examine any other matters referred to it by the Board.

The Corporate Governance Committee is also responsible for considering and where appropriate making recommendations to the Board on the Board's structure, selection criteria and its operating guidelines.

The Corporate Governance Committee has the authority to seek any information it requires from any Officer or employee of the Company and is authorised to take such independent professional advice as it considers necessary.

The members of the Corporate Governance Committee during the year were:

Mr W Farrands (Chairman)
Mr P Rowsthorn
Mr J A Moule AM
Mr R Paul AM

Remuneration Committee

The Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Managing Director, Executive Director Operations, Directors themselves and where appropriate, Senior Executives. It also reviews and approves the policies applicable to staff salary reviews. Remuneration levels are to be competitively set to attract the most qualified and experienced Directors and Senior Executives.

The duties of the Remuneration Committee are as follows:

- review, determine and approve the Managing Director's and Executive Director Operations remuneration, allowances and incentives
- review Non-executive Directors fees
- review and ratify Senior Executive remuneration, allowances and incentives
- oversee compliance with statutory responsibilities relating to remuneration disclosure
- review policies and reporting responsibilities relating to employee share and option plans
- review certain aspects of the Company's superannuation plan and compliance with relevant laws and regulations;
- review Senior Executive retirement and termination payments
- review and monitor fringe benefits
- review adequacy of professional indemnity and Directors and Officers' liability insurance policy
- establish and monitor executive succession planning.

The members of the Remuneration Committee during the year were:

Mr P Rowsthorn (Chairman)
Mr J A Moule AM
Mr W Farrands
Mr R Paul AM

Further details of Directors' remuneration, superannuation and retirement payments are set out in the Directors' Report and in Note 22 to the financial statements.

Corporate Governance Statement continued

Audit Committee

The Audit Committee considers any matters relating to the financial affairs of the Company and its subsidiary companies and to the Group's external audit that it determines to be desirable. In addition, the Audit Committee examines any other matters referred to it by the Board.

The duties of the Audit Committee are as follows:

- monitoring compliance with the Corporations Law, Stock Exchange Listing Rules and any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, Australian Stock Exchange and financial institutions
- monitoring corporate risk assessment and the internal controls instituted as directed by the Board of Directors
- liaison with external auditors
- review of the annual audit plan with the auditors
- review of information derived from the audit
- review of interim financial information
- supervise special investigations as directed by the Board
- review compliance with certain government regulations
- assess the performance of financial management
- review adequacy of insurance coverage
- review the performance and compensation of the external auditors.

The members of the Audit Committee during the year were:

Mr J A Moule AM (Chairman)
Mr P Rowsthorn
Mr W Farrands
Mr R Paul AM

Mr P A Little, Mr M Rowsthorn and Mr N Chatfield attend Audit Committee Meetings as invitees.

Meetings shall be held at least three times a year or as required.

Meetings are to be held at least:

- at the final planning stage of the audit
- before the issue of the half-yearly profit announcement
- before the issue of the final profit announcement and approval of the consolidated financial report.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that can be described under four headings.

- Financial reporting – there is a comprehensive budgeting system with an annual budget approved by the Directors. Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly. The consolidated entity reports to shareholders half-yearly as required by the ASX Listing Rules. Procedures are also in place to ensure that price sensitive information is reported to the Australian Stock Exchange in accordance with its Continuous Disclosure Requirements.
- Quality and integrity of personnel – the Toll Group Quality Policy Statement is supported by a quality management system that requires the involvement and total commitment of all management, employees and subcontractors to ensure continuous improvement. Policies are in place in respect to Occupational Health and Safety, Equal Opportunity, Affirmative Action and Management Performance Review and Development.
- Operating unit controls – financial controls and procedures, including information system controls are in place. A procedure manual is maintained and updated on a regular basis.
- Investment appraisal – the Company has clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures, and appropriate levels of authority.

Australian Quality Standard ISO 9002

The Toll Group strives to ensure that its services are of the highest standard. Towards this end it has undertaken a program to achieve quality assurance to the international standard ISO 9002 for each of its business segments.

Ethical Standard

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

Year 2000

The consolidated entity has almost completed its project to ensure that as far as possible, its business operations will not be adversely affected by the Year 2000 systems issue. The Year 2000 project is being co-ordinated by the Toll Year 2000 Steering Committee through a central program office, using external consultants where necessary. Regular reports on progress are made to the Board.

Corporate Governance Statement continued

Work on this important initiative commenced in 1998 and has two main objectives. They are to ensure as far as possible that:

- our own key computer software and embedded systems are modified for Year 2000 compatibility
- our principal suppliers and distributors have taken appropriate steps to ensure that their key programs and systems are also Year 2000 compatible, thus helping to ensure continuity of supplies and sales.

The part of the project relating to our own programs and systems was largely completed by July 1999. This involved identifying critical systems at risk, replacing or repairing those systems and vigorously testing the results.

There can be no assurance that the steps taken by any company will successfully minimise vulnerabilities of its software and systems, or those of its suppliers, to the problems associated with the transition to the Year 2000. Significant third parties with which the consolidated entity interfaces include, among others, customers and business partners, technology suppliers and service providers and the utility infrastructure (power, transportation, and telecommunications) on which all entities rely. Lack of readiness by these third parties would expose the consolidated entity to the potential for loss, impairment of business process and activities, and general disruption of its markets.

Risk Management

As part of the consolidated entity's strategy to implement an integrated framework of control, management initiated the development and implementation of a formal risk management framework to:

- identify the key business and financial risks which could prevent the consolidated entity from achieving its objectives
- ensure that appropriate controls are in place to effectively manage those risks.

Management's initiatives have been reviewed and endorsed by the Board. These initiatives included the following:

- establish a Risk Management Group comprising Executive Directors, each of the Divisional Directors, the Company Secretary and the Group Risk Manager to:
 - develop a Risk Management Charter
 - monitor the management of previously identified risk
 - identify new risks and implement appropriate actions to manage them
- introduce regular reporting by the Risk Management Group to the Board
- implement certain new internal controls and strengthen others.

Significant steps have been made by the Risk Management Group in managing the Group's risk exposures and developing a standardised Group approach to evaluation and reporting on key areas such as environmental, occupational health and safety and incident reporting and management.

The Role of Shareholders

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the consolidated entity's state of affairs. Information is communicated to shareholders as follows:

- the annual review (including the concise report) is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). A copy of the full financial report is available free of charge, upon request, from the Company
- the half-yearly report contains summarised financial information and a review of the operations of the consolidated entity during the period. The half-year financial report is prepared in accordance with the requirements of Accounting Standards and the Corporations Law, and is lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange. A brief summary of half yearly results is distributed to shareholders
- where appropriate, general meetings of shareholders are held to consider relevant proposals.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.

Shareholders are responsible for voting on the appointment of Directors.

Profit and Loss Statements

FOR THE YEAR ENDED 30 JUNE 1999

	Note	Consolidated		The Company	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Revenue	2	1,328,635	865,696	25,846	11,689
Operating profit before abnormal items and income tax	3	37,400	17,092	14,666	9,068
Abnormal items before income tax	4	951	1,003	–	–
Operating profit before income tax		38,351	18,095	14,666	9,068
Income tax attributable to operating profit	5(a)	7,841	3,157	(705)	1,161
Operating profit after income tax		30,510	14,938	15,371	7,907
Outside equity interest in operating profit		370	193	–	–
Operating profit after income tax attributable to members of the Company		30,140	14,745	15,371	7,907
Retained profits at the beginning of the financial year		20,810	14,011	373	412
Total available for appropriation		50,950	28,756	15,744	8,319
Dividends provided for or paid	6	14,876	7,946	14,876	7,946
Retained profits at the end of the financial year		36,074	20,810	868	373
Basic earnings per share	32	59.16¢	30.65¢		
Diluted earnings per share	32	51.41¢	26.76¢		

The above profit and loss statements are to be read in conjunction with the accompanying notes to and forming part of the financial statements set out on pages 15 to 47.

Balance Sheets

AS AT 30 JUNE 1999

	Note	Consolidated		The Company	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Current Assets					
Cash		22,919	20,323	3	5
Receivables	7	127,027	119,713	177	3,488
Inventories	8	3,796	3,921	57	58
Other	9	13,441	8,567	664	5,490
Total Current Assets		167,183	152,524	901	9,041
Non-Current Assets					
Receivables	7	184	375	124,043	114,223
Investments	10	6,326	6,331	1,988	1,988
Property, plant and equipment	11	163,663	170,379	24,700	24,357
Intangibles	12	–	4,606	–	–
Other	13	9,043	8,470	2,044	1,574
Total Non-Current Assets		179,216	190,161	152,775	142,142
TOTAL ASSETS		346,399	342,685	153,676	151,183
Current Liabilities					
Accounts Payable	14	86,319	97,817	1,308	1,757
Borrowings	15	1,774	6,133	1,025	1,031
Provisions	17	63,288	47,077	12,493	9,749
Total Current Liabilities		151,381	151,027	14,826	12,537
Non-Current Liabilities					
Borrowings	15	48,540	53,528	46,000	47,129
Provisions	17	20,107	28,198	1,749	3,868
Total Non-Current Liabilities		68,647	81,726	47,749	50,997
TOTAL LIABILITIES		220,028	232,753	62,575	63,534
NET ASSETS		126,371	109,932	91,101	87,649
Shareholders' Equity					
Share capital	18	90,233	11,613	90,233	11,613
Reserves	19	–	75,663	–	75,663
Retained profits		36,074	20,810	868	373
Shareholders' Equity Attributable to Members of the Company		126,307	108,086	91,101	87,649
Outside equity interests in controlled entities	20	64	1,846	–	–
TOTAL SHAREHOLDERS' EQUITY		126,371	109,932	91,101	87,649

The above balance sheets are to be read in conjunction with the accompanying notes to and forming part of the financial statements set out on pages 15 to 47.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 1999

	Note	Consolidated		The Company	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Cash flows from operating activities					
Cash receipts in the course of operations		1,307,959	810,172	16,304	22,401
Cash payments in the course of operations		(1,233,376)	(734,103)	(12,514)	(55,245)
Restructure costs paid		(19,483)	(7,918)	–	–
Interest received		1,176	1,112	322	2,494
Interest and other costs of finance paid		(4,761)	(4,549)	(3,383)	(2,855)
Income taxes paid	5(b)	(4,629)	(5,472)	(1,092)	(615)
Net cash inflow/(outflow) from operating activities	31(b)	46,886	59,242	(363)	(33,820)
Cash flows from investing activities					
Proceeds from acquisition of business	31(d)	4,968	–	–	–
Payment for entities and businesses, net of cash acquired	31(d)	–	(97,494)	–	–
Payment for property, plant and equipment		(46,255)	(26,150)	(11,411)	(11,331)
Proceeds from sale of property, plant and equipment	2	31,864	10,144	9,298	–
Repayment of loans by other entities/persons		–	20	–	20
Payment of deferred settlement monies		(17,243)	–	–	–
Net cash (outflow) from investing activities		(26,666)	(113,480)	(2,113)	(11,311)
Cash flows from financing activities					
Proceeds from borrowings		35,356	64,600	46,976	61,000
Repayment of borrowings		(44,813)	(29,204)	(36,335)	(48,346)
Dividends paid	6	(8,388)	(4,778)	(8,388)	(4,778)
Proceeds from share issue		221	37,260	221	37,260
Net cash inflow/(outflow) from financing activities		(17,624)	67,878	2,474	45,136
Net increase/(decrease) in cash held		2,596	13,640	(2)	5
Cash at the beginning of the financial year		20,323	6,683	5	–
Cash at the end of the financial year	31(a)	22,919	20,323	3	5
Financing arrangements	16				
Non-cash financing and investing activities	31(e)				

The above statements of cash flows are to be read in conjunction with the accompanying notes to and forming part of the financial statements set out on pages 15 to 47.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

1. Statement of Significant Accounting Policies

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

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and the Corporations Law.

It has been prepared on the basis of historical costs, and except where stated, does not take into account changing money values or current valuations of non-current assets.

The accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

(b) Principles of Consolidation

The consolidated financial statements of the consolidated entity include the financial statements of the Company, being the parent entity and its controlled entities ('the consolidated entity').

Where an entity began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the consolidated financial statements.

(c) Goodwill

Goodwill, representing the excess of the purchase consideration and incidental expenses over the fair value of the identifiable net assets acquired on the acquisition of a controlled entity is amortised on a straight line basis. The period of amortisation is the period of time during which benefits are expected to arise, and varies from 10 to not more than 20 years.

In establishing the fair value of the identifiable net assets acquired, a liability for restructuring costs is only recognised at the date of acquisition when there is a demonstrable commitment and a detailed plan. The liability is only recognised where there is little or no discretion to avoid payments to other parties in settlement of costs of the restructuring and a reliable estimate of the amount of the liability as at the date of acquisition can be made. Refer Note 17.

Where a discount on acquisition arises, the cost of individual identifiable assets is determined by reducing proportionately the fair value of non-monetary assets acquired until the discount is eliminated. Any balance of the discount is credited to the income statement.

The carrying value of goodwill is reviewed regularly and written down where appropriate to reflect recoverable value.

(d) Revenue Recognition

(i) Sales Revenue

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of services to entities outside the consolidated entity. Sales revenue is recognised when the services are provided.

(ii) Interest Income

Interest income is recognised as it accrues unless collectibility is in doubt.

(iii) Asset Sales

The gross proceeds of asset sales are included as revenue of the consolidated entity. The profit or loss on disposal of assets is brought to account at the date an unconditional offer and acceptance of sale is determined.

(iv) Other Revenue

Revenue recognition policies for investments and property, plant and equipment are described in accounting policy Notes 1(h) and 1(j) respectively.

(e) Taxation

(i) Income Tax

The consolidated entity adopts the liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the balance sheet as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to entities with tax losses are only brought to account when their realisation is virtually certain.

(ii) Capital Gains Tax

Capital gains tax is provided in the profit and loss account in the period in which an asset is sold.

The tax effect of capital losses is not recorded unless realisation is virtually certain.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

1. Statement of Significant Accounting Policies Continued

(f) Non-Current Assets

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

(g) Receivables

Trade Debtors

The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts. In addition, a general provision is maintained for doubtful debts.

(h) Investments

Controlled Entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the profit and loss statement when they are proposed by the controlled entities.

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

(j) Property, Plant and Equipment

(i) Acquisition

Items of property, plant and equipment are recorded at cost and depreciated as outlined below.

The cost of property, plant and equipment constructed by the consolidated entity includes the cost of materials and direct labour and an appropriate proportion of fixed and variable overheads.

(ii) Revaluations

Land and buildings are independently valued every three years on an existing use basis of valuation. This is in addition to the annual review for recoverable amount referred to in Note 1(f). Refer Note 11 for further details.

As these revaluations are not recorded in the Company's accounts, items of property, plant and equipment are carried at the lower of cost, less accumulated depreciation, and recoverable amount.

(iii) Depreciation and Amortisation

Items of property, plant and equipment, including buildings and leasehold property but excluding freehold land, are depreciated/amortised over their estimated useful lives. The depreciation rates used for each class of asset are as follows:

• Buildings	2.5% – 4%
• Leasehold improvements	2.5% – 15%
• Plant and equipment	8.5% – 40%
• Leased plant and equipment	8.5% – 33%

The straight line method and the reducing balance method are used.

(iv) Leased Plant and Equipment

Leases of plant and equipment under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Assets acquired under finance lease are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, for the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the profit and loss statement.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(v) Deferred Expenditure

Material items of expenditure are deferred to the extent that they are recoverable out of future revenue, do not relate solely to revenue which has already been brought to account, and will contribute to the future earning capacity of the consolidated entity.

Deferred expenditure is amortised over the period in which the related benefits are expected to be realised. Deferred expenditure is reviewed annually to determine the amount, if any, that is no longer recoverable. Any such amount is charged to the profit and loss account.

(k) Provisions

(i) Employee Entitlements

Annual Leave

The provisions for employee entitlements to annual leave represents the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been based on current wage and salary rates and includes related on-costs.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

1. Statement of Significant Accounting Policies Continued

Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates and the consolidated entity's experience with staff departures. Related on-costs have also been included in the liability.

(ii) Doubtful Debts

The collectibility of debts is assessed at year end and specific provision is made for any doubtful accounts.

(iii) Restructure

A liability for restructuring costs is recognised as at the date of acquisition, with a corresponding amount of goodwill recognised when:

- (a) as at the date of acquisition, the entity is demonstrably committed to the restructuring such that it has little or no discretion to avoid payments to other parties in settlement of the costs of the restructuring
- (b) a reliable estimate of the amount of the liability as at the date of acquisition can be made.

(l) Senior Executive Option Plan and Executive Share Option Scheme

Toll Holdings Limited granted options to certain Executives under the Executive Share Option Scheme. Members approved the adoption of the Senior Executive Option Plan at general meeting on 7 July 1999. Other than the costs incurred in administering the plan and scheme, which are expensed as incurred, there is no other expense to the consolidated entity.

(m) Superannuation Fund

The Company and its controlled entities contribute to employee superannuation funds. Contributions are charged against income as they are incurred.

(n) Cash

For purposes of the Statement of Cash Flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

(o) Earnings per Share

(i) Basic Earnings per Share

Basic earnings per share is determined by dividing the operating profit after income tax attributable to members of Toll Holdings Limited adjusted for preference dividends, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account the effect of preference shares on issue during the financial year.

(p) Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company or consolidated entity. Trade accounts payable are normally settled within 30 days.

(q) Commercial Bills

Commercial bills are carried on the balance sheet at their principal amount. Interest on bills is paid at the time bills are rolled over or when drawn down and expensed over the period over which the bill is outstanding. Any amounts not expensed by year end are included in 'prepayments'.

(r) Interest Rate Swaps

Interest payments under interest rate swap contracts are recognised on an accruals basis in the profit and loss statement as an adjustment to interest expense during the period.

(s) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
2. Revenue				
Revenue from operating activities				
Services	1,295,855	854,440	1,904	263
Revenue from outside operating activities				
Dividends				
Related parties	–	–	14,400	6,553
Interest				
Related parties	–	–	–	2,431
Other parties	916	1,112	244	63
Proceeds from sale of non-current assets	31,864	10,144	9,298	–
Rental revenue	–	–	–	2,379
Total Revenue	1,328,635	865,696	25,846	11,689
3. Operating Profit				
Operating profit before abnormal items and income tax is arrived at after charging/(crediting) the following items:				
Charging				
Borrowing costs:				
Other parties	3,897	4,565	3,378	2,975
Finance charges on capitalised leases	322	140	5	36
Depreciation of:				
Buildings	3,771	2,263	472	569
Plant and equipment	16,271	16,858	381	370
Total depreciation	20,042	19,121	853	939
Amortisation of:				
Leased assets capitalised	1,144	1,645	28	28
Goodwill	475	494	–	–
Total amortisation	1,619	2,139	28	28
Amounts set aside to provision for:				
Doubtful trade debts	223	870	–	–
Employee entitlements	15,739	13,328	2,300	2,399
Operating lease rental expense	53,346	30,310	1,324	1,369
Provision for redundancy	800	–	–	–
Crediting				
Net gains on sales of property, plant and equipment (excluding abnormal items)	2,776	1,506	446	–

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
4. Abnormal Items				
Profits				
Gain on sale of property	1,582	1,003	–	–
Income tax effect	(21)	–	–	–
Abnormal item after income tax	1,561	1,003	–	–
The income tax applicable to the abnormal item in 1998 above has been offset against capital losses available within the Group				
Excess of discount on acquisition over fair value of assets acquired	3,500	–	–	–
Income tax effect	–	–	–	–
Abnormal item after income tax	3,500	–	–	–
Losses				
Write-off of goodwill	4,131	–	–	–
Income tax effect	–	–	–	–
Abnormal item after income tax	4,131	–	–	–
5. Taxation				
(a) Income Tax Expense				
The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating profit and is reconciled as follows:				
Operating profit before tax	38,198	18,095	14,666	9,068
Prima facie tax payable @ 36% (1998: 36%)	13,751	6,514	5,280	3,264
Tax effect of permanent differences				
Non-deductible expenditure	2,100	458	61	43
Non-deductible depreciation and amortisation	1,909	664	–	–
Rebate on dividend income	–	–	(5,184)	(2,359)
Tax deductible expenditure and depreciation not included in operating profit	(6,285)	(2,633)	–	–
Non-assessable gains	(1,897)	(931)	–	–
Income tax adjusted for permanent differences	9,578	4,072	157	948

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
5. Taxation continued				
Abnormal items:				
Tax benefit attributable to recognising tax losses not previously brought to account	(1,149)	(1,164)	–	–
Income tax expense adjusted for abnormal items	8,429	2,908	157	948
Under/(Over) provision in prior year's accounts	(588)	249	(862)	213
Income tax attributable to operating profit	7,841	3,157	(705)	1,161
Total income tax expense is made up of:				
Current year's income tax provision	3,944	1,597	1,840	1,207
Deferred income tax provision	5,058	2,975	(1,213)	623
Future income tax benefit	(573)	(1,664)	(470)	(882)
Under/(Over) provision in prior year	(588)	249	(862)	213
	7,841	3,157	(705)	1,161
(b) Provision for Current Income Tax				
Movements during the year were as follows:				
Balance at beginning of year	1,328	787	946	141
Income tax paid	(4,629)	(5,472)	(1,092)	(615)
Income tax provision acquired	–	3,841	–	–
Current year's income tax expense on operating profit	3,944	1,597	1,840	1,207
Under/(Over) provision in prior year	(588)	575	(862)	213
	55	1,328	832	946
(c) Provision for Deferred Income Tax				
Provision for deferred income tax comprises the estimated expense at current income tax rates on the following items:				
Difference in depreciation and amortisation of property, plant and equipment for accounting and income tax purposes	7,772	5,561	240	122
Expenditure currently deductible but deferred and amortised for accounting purposes	5,301	2,454	44	1,375
	13,073	8,015	284	1,497

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
5. Taxation continued				
(d) Future Income Tax Benefit				
Future income tax benefit comprises the estimated future benefit at current income tax rates of the following items:				
Provisions and accrued employee entitlements not currently deductible	7,963	7,390	2,044	1,574
Tax losses carried forward	1,080	1,080	–	–
	9,043	8,470	2,044	1,574
(e) Future Income Tax Benefit Not Taken To Account				
The future income tax benefits arising from tax losses and timing differences in a controlled entity, which is a Company, which have not been recognised as an asset because recovery is not virtually certain:				
Tax losses carried forward	9,339	10,488	–	–

The potential future income tax benefit which has not been recognised as an asset will only be obtained if:

- (i) the relevant 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 accordance with Division 170 of the *Income Tax Assessment Act 1997*
- (ii) the relevant Company and/or the consolidated entity continues to comply with the conditions for deductibility imposed by the law
- (iii) no changes in tax legislation adversely affect the relevant Company and/or the consolidated entity in realising the benefit.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
6. Dividends Paid and Declared				
Dividends provided for or paid by the Company are:				
Ordinary				
(i) a final 65% franked ordinary dividend of 8 cents per share in relation to shares issued following the exercise of Executive Share Options exercised on 15 September 1998	11	–	11	–
(ii) an interim 35% franked ordinary dividend of 10 cents per share (1998: 6 cents 75% franked)	4,545	2,663	4,545	2,663
(iii) a final 50% franked ordinary dividend of 12 cents per share (1998: 8 cents 65% franked) has been declared by the Directors	7,080	3,578	7,080	3,578
Preference				
(iv) fully franked dividend on the non-redeemable 7.75% cumulative convertible preference shares (1998: 8% per annum based on \$3 per share) paid 1 December 1998	1,550	355	1,550	355
(v) fully franked dividend on the non-redeemable 7.75% non-cumulative convertible preference shares (1998: 7.75% per annum based on \$3 per share) paid 1 June 1999	1,470	1,350	1,470	1,350
(vi) a final fully franked dividend on the non-redeemable 7.75% non-cumulative convertible preference shares has been declared by the Directors and paid on 14 July 1999	220	–	220	–
	14,876	7,946	14,876	7,946

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
6. Dividends Paid and Declared continued				
The franked dividend payable as at 30 June 1999 will be franked out of existing credits, franking credits arising from the payment of income tax or out of receipt of franked dividends from controlled entities in the year ending 30 June 2000				
Dividend Franking Account				
Balance of franking account adjusted for franking credits which will arise from the payment of income tax provided for in the financial statements and after deducting franking credits to be used in payment of the above dividends				
Class C (36%) franking credits	4,685	7,500	340	–
The ability to utilise the franking account credits is dependent upon there being sufficient available profits to declare dividends and dividend payments which may be payable by partly owned subsidiaries				
Dividends actually paid, satisfied by the issue of shares under the Dividend Reinvestment Plan or satisfied by the reduction in employee loans under the Employee Share Plan during the years ended 30 June 1999 and 30 June 1998 were as follows:				
Paid in cash	8,388	4,778	8,388	4,778
Satisfied by issue of shares	2,736	2,368	2,736	2,368
Satisfied by reduction in Employee Share Plan loans	30	21	30	21
	11,154	7,167	11,154	7,167

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
7. Receivables				
Current				
Trade debtors	124,654	116,986	–	–
Less: Provision for doubtful trade debtors	3,113	3,146	–	–
	121,541	113,840	–	–
Other debtors	5,486	5,873	177	3,488
	127,027	119,713	177	3,488
Non-Current				
Loans to controlled entities (Note 27)	–	–	123,859	113,985
Other loans	184	375	184	237
	184	375	124,043	114,222
8. Inventories				
Raw materials and stores – at cost	3,796	3,921	57	58
9. Other Current Assets				
Prepayments	13,441	8,567	664	2,939
Other	–	–	–	2,551
	13,441	8,567	664	5,490
10. Investments				
Non-Current				
Shares in controlled entities, unquoted – at cost (Note 27)	–	–	1,988	1,988
Shares in other corporations – at cost	6,326	6,331	–	–
	6,326	6,331	1,988	1,988

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
11. Property, Plant and Equipment				
Land and Buildings				
Freehold land – at cost	10,492	13,985	7,206	7,385
Freehold buildings – at cost	55,205	45,802	13,438	15,316
Less: Accumulated depreciation	6,379	5,939	2,535	2,797
	59,318	39,863	10,903	12,519
Leasehold improvements – at cost	46,483	42,344	47	50
Less: Accumulated depreciation	9,160	6,858	2	–
	37,323	35,486	45	50
Total Land and Buildings	96,641	89,334	18,154	19,954
Plant and Equipment				
Plant and equipment – at cost	153,545	145,573	6,031	5,850
Less: Accumulated depreciation	92,176	76,167	2,947	2,456
	61,369	69,406	3,084	3,394
Leased plant and equipment – at cost	3,253	3,924	60	222
Less: Accumulated amortisation	1,474	2,182	29	62
	1,779	1,742	31	160
Total Plant and Equipment	63,148	71,148	3,115	3,554
Capital works in progress – at cost	3,874	9,897	3,431	849
Total Property, Plant and Equipment – net book value	163,663	170,379	24,700	24,357

Valuation of Land and Buildings

Independent valuations were prepared last year on all major properties by JLW Advisory Corporate Property Services on the basis of fair market value based on existing use. This reflected a surplus over carrying values of \$25.6 million. These valuations are in accordance with the Company's policy of obtaining an independent valuation of land and buildings every three years.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
12. Intangibles				
Goodwill	–	6,703	–	–
Less: Accumulated amortisation	–	2,097	–	–
	–	4,606	–	–
13. Other Non-Current Assets				
Future income tax benefit (Note 5(d))	9,043	8,470	2,044	1,574
14. Accounts Payable				
Current				
Trade creditors	37,851	47,296	155	1,008
Other creditors and accruals	48,468	50,521	1,153	749
	86,319	97,817	1,308	1,757
15. Borrowings				
Current				
Commercial bills and term loans – secured (Note 16)	1,000	1,000	1,000	1,000
Other loans	–	998	–	–
Lease liabilities – secured (Note 26(d))	344	724	25	31
Hire purchase liabilities (Note 26(e))	430	3,411	–	–
	1,774	6,133	1,025	1,031
Non-Current				
Commercial bills and term loans – secured (Note 16)	46,000	50,600	46,000	47,000
Other loans	1,688	1,430	–	–
Lease liabilities – secured (Note 26(d))	658	944	–	129
Hire purchase liabilities (Note 26(e))	194	554	–	–
	48,540	53,528	46,000	47,129

The nature and terms of bank and other credit facilities available to the consolidated entity are set out in Note 16.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
16. Financing Arrangements				
The consolidated entity has unrestricted access at balance date to the following lines of credit:				
Bank overdraft	500	500	–	–
Commercial bills	92,500	105,500	92,500	95,500
Other facilities	50,350	21,480	–	8,000
	143,350	127,480	92,500	103,500
Facilities used at balance date:				
Bank overdraft	–	–	–	–
Commercial bills	47,000	51,600	47,000	48,000
Other facilities	–	8,000	–	8,000
	47,000	59,600	47,000	56,000
Facilities unused at balance date:				
Bank overdraft	500	500	–	–
Commercial bills	45,500	53,900	45,500	47,500
Other facilities	50,350	13,480	–	–
	96,350	67,880	45,500	47,500

Security

The facilities below are secured by registered first mortgages over certain of the Company's land and buildings and a mortgage debenture in favour of the financier.

Bank Overdrafts

The bank overdraft is payable on demand and is subject to annual review.

Bill Acceptance Facility

The bill acceptance facility is available for varying periods and due for expiry as follows.

	\$'000	Expiry Date
Fixed and/or Floating and/or Capped Rate Funded	15,000	30 November 1999
Fixed and/or Floating and/or Capped Rate Funded	68,500	30 November 2001
Fixed and/or Floating and/or Capped Rate Funded	9,000	31 August 2008
	92,500	

Other Bank Facilities

These represent hire purchase facilities, payroll/tape negotiation authority, bank guarantee facilities and encashment negotiation advices.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
17. Provisions				
Current				
Restructure	12,050	3,334	–	–
Dividends (Note 6)	7,300	3,578	7,300	3,578
Other	10,570	17,131	–	520
Income tax (Note 5(b))	55	1,328	832	946
Employee entitlements	33,313	21,706	4,361	4,705
	63,288	47,077	12,493	9,749
Non-Current				
Restructure	1,000	7,500	–	–
Other	1,500	6,500	–	–
Employee entitlements	4,535	6,183	1,465	2,371
Deferred income tax (Note 5(c))	13,072	8,015	284	1,497
	20,107	28,198	1,749	3,868
<p>A restructure provision of \$23.5 million was applicable to the acquisition of IPEC. A balance of \$11.3 million remains as a provision as at 30 June 1999. A restructure provision of \$1.75 million relating to the TNT acquisition remains as at 30 June 1999.</p>				
18. Share Capital				
(a) Issued and Paid Up Capital				
(i) 58,999,489 ordinary shares fully paid (1998: 44,729,677)	90,233	8,946	90,233	8,946
(ii) Nil non-redeemable 7.75% non-cumulative convertible preference shares, fully paid (1998: 13,333,334)	–	2,667	–	2,667
	90,233	11,613	90,233	11,613

Abolition of par value shares

The *Company Law Review Act 1998* ('The Act') came into effect on 1 July 1998. The Act abolished par value shares, and any amount standing to the credit of the share premium reserve became part of the Company's share capital on 1 July 1998. As a result, the balance of the share premium reserve amounting to \$75.7 million was transferred to the share capital account on 1 July 1998, increasing the share capital on that date to \$87.3 million.

From 1 July 1998 share capital does not have a nominal (par) value.

The non-redeemable 7.75% non-cumulative convertible preference shares were all converted to ordinary shares during the year ended 30 June 1999 on a 1 for 1 basis.

(b) The Company has an established Dividend Reinvestment Plan for the purpose of providing shareholders the opportunity to apply dividends paid or declared by the Company in subscribing for shares rather than receiving those dividends in cash. Shares are issued under the plan currently at a 2.5% (1998: 2.5%) discount to the weighted average market price over the five business days immediately after the transfer books close date for the purposes of the dividend payment.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

18. Share Capital continued

(c) Movements in issued and paid up ordinary share capital of the Company during the past year were as follows:

Date	Details	Number of Shares	Issue Price	Share Capital \$'000
Ordinary Shares				
1 July 98	Opening balance	44,729,677		8,946
1 July 98	Transfer from share premium account	–		39,250
15 September 98	Exercise of Executive Share Options	110,000	1.84	203
30 September 98	Dividend Reinvestment Plan Issue	473,539	2.38	1,127
8 March 99	Exercise of Executive Share Options	10,000	1.84	18
12 March 99	CPS Conversion	99,600	2.93	292
31 March 99	Dividend Reinvestment Plan Issue	342,939	4.69	1,609
6 May 99	CPS Conversion	574,353	2.93	1,683
3 June 99	CPS Conversion	526,724	2.93	1,544
16 June 99	CPS Conversion	619,900	2.93	1,817
30 June 99	CPS Conversion	11,512,757	2.93	33,744
	Closing balance	58,999,489		90,233
Non-redeemable 7.75% non-cumulative Preference Shares				
1 July 98	Opening balance	13,333,334		2,667
1 July 98	Transfer from share premium account	–		36,413
12 March 99	Conversion to ordinary shares	(99,600)	2.93	(292)
6 May 99	Conversion to ordinary shares	(574,353)	2.93	(1,683)
3 June 99	Conversion to ordinary shares	(526,724)	2.93	(1,544)
16 June 99	Conversion to ordinary shares	(619,900)	2.93	(1,817)
30 June 99	Conversion to ordinary shares	(11,512,757)	2.93	(33,744)
	Closing balance	–		–

(d) Senior Executive Option Plan and Executive Share Option Scheme

As at 30 June 1999 unissued ordinary shares of the Company under option are:

Grant Date	Total Options Granted	Unexpired Options	No. of Executives	Exercise Price \$	Expiry Date
23 March 95	250,000	20,000	1	1.8425	22 March 2000
22 January 96	210,000	210,000	4	1.4325	21 January 2001
1 July 98	1,025,000	985,000	39	2.1460	30 June 2003
23 June 99	100,000	100,000	1	5.4150	22 June 2004

Each option is convertible into one ordinary share at any time between three and five years after the grant date. The options granted from 1 July 1998 are, however, only exercisable on the satisfaction of specific hurdle criteria with regard to the Company's Total Shareholder Return and diluted EPS growth relative to the All Industrials (excluding banks) diluted EPS growth during the first three years after the grant date.

120,000 ordinary shares were issued during the financial year on the exercise of options granted under the Executive Share Option Scheme.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
19. Reserves				
(a) Composition				
Share premium	–	75,663	–	75,663
(b) Movements during the year				
Opening balance	75,663	39,076	75,663	39,076
Transfer to share capital	(75,663)	–	(75,663)	–
Premiums on shares issued during the year:				
Dividend Reinvestment Plan	–	2,147	–	2,147
Issue	–	7,482	–	7,482
Non-redeemable non-cumulative preference shares	–	28,000	–	28,000
Cost of capital raising	–	(1,042)	–	(1,042)
Closing balance	–	75,663	–	75,663
20. Outside Equity Interests				
Outside equity interests in controlled entities comprise:				
Interest in retained profits at the beginning of the financial year after adjusting for outside equity interests in entities acquired during the financial year	–	–	–	–
Interest in operating profit after income tax	370	193	–	–
Interest in extraordinary items after income tax	–	–	–	–
Interest in operating profit and extraordinary items after income tax	370	193	–	–
Interest in dividends provided for or paid	(2,000)	–	–	–
Interest in retained profits at the end of the financial year	(1,630)	193	–	–
Interest in share capital	50	50	–	–
Interest in reserves	1,644	1,603	–	–
Total outside equity interests	64	1,846	–	–

21. Additional Financial Instruments Disclosure

(a) Interest rate risk

The consolidated entity enters into interest rate swaps to manage cashflow risks associated with the interest rates on borrowings that are floating.

Interest Rate Swaps

Interest rate swaps allow the consolidated entity to swap floating rate borrowings into fixed rates. Maturities of swap contracts are principally three years.

Each contract involves quarterly payment of the net amount of interest. At 30 June 1999 the fixed rate was 5.58% (1998: 5.71%) and the floating rates were at bank bill rates. The weighted average effective floating interest rate at 30 June 1999 was 5.30% (1998: 5.27%).

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

21. Additional Financial Instruments Disclosure continued

1999	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed interest maturing in:			Non-Interest Bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Interest rate risk exposures							
Financial Assets							
Cash	4.25%	22,919	-	-	-	-	22,919
Receivables		-	-	-	-	127,027	127,027
Investments		-	-	-	-	6,326	6,326
		22,919	-	-	-	133,353	156,272
Financial Liabilities							
Bank overdraft and loans	5.80%	42,688	3,000	3,000	-	-	48,688
Accounts payable		-	-	-	-	86,319	86,319
Lease and HP liabilities	7.44%	-	774	852	-	-	1,626
Dividend payable		-	-	-	-	7,300	7,300
		42,688	3,774	3,852	-	93,619	143,933
Interest rate swaps*		(20,000)		20,000			
* Notional principal amount							
1998	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed interest maturing in:			Non-Interest Bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Interest rate risk exposures							
Financial Assets							
Cash	4.50%	20,323	-	-	-	-	20,323
Receivables		-	-	-	-	120,088	120,088
Investments		-	-	-	-	6,331	6,331
		20,323	-	-	-	126,419	146,742
Financial Liabilities							
Bank overdraft and loans	5.88%	48,028	-	6,000	-	-	54,028
Accounts payable		-	-	-	-	97,817	97,817
Lease and HP liabilities	7.44%	-	4,135	1,498	-	-	5,633
Dividend payable		-	-	-	-	3,578	3,578
		48,028	4,135	7,498	-	101,395	161,056
Interest rate swaps*		(5,000)		5,000			
* Notional principal amount							

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

21. Additional Financial Instruments Disclosure continued

Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

On-Balance Sheet Financial Instruments

The credit risk on financial assets, excluding investments, of the consolidated entity which have been recognised on the balance sheet is the carrying amount net of any provision for doubtful debts.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties.

The consolidated entity is not materially exposed to any individual customer.

Off-Balance Sheet Financial Instruments

The credit risk exposures arising from derivative financial instruments is measured by the net fair value of the contracts. The concentration of credit risk is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings.

(b) Net fair values of financial assets and liabilities

Valuation approach

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following basis:

On-Balance Sheet Financial Instruments

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cashflows on amounts due from customers or due to suppliers. The carrying amounts of bank term deposits, accounts receivable, accounts payable, bank loans and dividends payable approximate net fair value.

The net fair value of investments in unlisted shares in other corporations is determined by reference to the underlying net assets of the respective corporations.

Off-Balance Sheet Financial Instruments

The net fair value of off-balance sheet financial instruments detailed in this Note reflects the estimated amounts which the consolidated entity expects to pay or receive to terminate the contracts (net of transaction costs) or to replace the contracts at their current market rate as at reporting date. This is based on independent market quotations and determined using standard valuation techniques.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		Consolidated	
	1999 Carrying Amount \$'000	1999 Net Fair Value \$'000	1998 Carrying Amount \$'000	1998 Net Fair Value \$'000
21. Additional Financial Instruments Disclosure continued				
On-Balance Sheet Financial Instruments				
The carrying amounts and net fair values of financial assets and liabilities as at the reporting date are as follows:				
Financial Assets				
Cash	22,919	22,919	20,323	20,323
Receivables	127,027	127,027	120,088	120,088
Investments	6,326	6,326	6,331	6,331
	156,272	156,272	146,742	146,742
Financial Liabilities				
Bank overdrafts and loans	48,688	48,688	54,028	54,028
Accounts payable	86,319	86,319	97,818	97,818
Lease and hire purchase liabilities	1,626	1,626	5,633	5,633
Dividends payable	7,300	7,300	3,578	3,578
	143,933	143,933	161,056	161,056
Off-Balance Sheet Financial Instruments				
The net fair value of off-balance sheet financial instruments held as at the reporting date are:				
			1999 \$'000	1998 \$'000
Interest rate swaps			62	Nil

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
22. Directors' Remuneration				
Directors' Income				
Total income paid or payable or otherwise made available to all Directors of the Company and controlled entities from the Company or any related party (includes Directors' fees of \$250,000 (1998: \$167,000))			2,043	997
Total income paid or payable or otherwise made available to all Directors of each entity in the consolidated entity from the Company or any related party (includes Directors' fees of \$250,000 (1998: \$158,200))	2,932	1,167		
The number of Directors of the Company whose income from the Company or any related party which falls within the following bands:				
\$'000 – \$'000			1999	1998
\$10 – \$20			–	1
\$40 – \$50			–	2
\$50 – \$60			3	–
\$70 – \$80			–	1
\$100 – \$110			1	–
\$180 – \$190			1	–
\$380 – \$390			–	1
\$430 – \$440			–	1
\$730 – \$740			1	–
\$860 – \$870			1	–
			7	6

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
23. Executives' Remuneration				
Total income received, or due and receivable, from entities in the consolidated entity or related entities by Executive Officers (including Directors) whose income was at least \$100,000	11,447	6,525	11,447	6,525
The number of Executive Officers (including Directors) of the Company or related parties whose income falls within the following bands:				
\$'000 – \$'000	1999	1998	1999	1998
100 – 110	2	10	2	10
110 – 120	2	14	2	14
120 – 130	8	4	8	4
130 – 140	7	5	7	5
140 – 150	7	2	7	2
150 – 160	4	–	4	–
160 – 170	3	1	3	1
170 – 180	3	2	3	2
180 – 190	6	–	6	–
190 – 200	–	1	–	1
200 – 210	1	2	1	2
210 – 220	3	1	3	1
220 – 230	2	–	2	–
230 – 240	1	–	1	–
250 – 260	–	1	–	1
260 – 270	1	–	1	–
290 – 300	2	–	2	–
330 – 340	1	–	1	–
350 – 360	1	–	1	–
380 – 390	–	1	–	1
430 – 440	–	1	–	1
650 – 660	1	–	1	–
730 – 740	1	–	1	–
860 – 870	1	–	1	–
	57	45	57	45

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
24. Auditors' Remuneration				
Amounts received or due and receivable for audit services by:				
Auditors of the consolidated entity	360	339	50	40
Amounts received or due and receivable for other services by:				
Auditors of the consolidated entity	402	589	50	50
Total auditors' remuneration	762	928	100	90
25. Contingent Liabilities				
The details and estimated maximum amounts of contingent liabilities, are set out below:				
(i) The consolidated entity has guaranteed the bank facilities of controlled entities in respect of bank overdraft, payroll and cheque clearing accounts.	18,800	10,430	–	–
(ii) Under the terms of the Deed of Cross Guarantees, described in Note 29, the Company has guaranteed any deficiency which might arise if Toll Transport Pty Ltd, Tasmania Express Pty Ltd, Hollandia Holdings Pty Ltd, Kentucky Woods Pty Ltd, Toll Recycling Pty Ltd, Toll Properties Pty Ltd, Freshmark Limited, Refrigerated Roadways Pty Ltd, Refrigerated Roadways (NSW) Pty Ltd, Toll Logistics Australia Pty Ltd, Toll Energy Logistics Pty Ltd, Toll North Pty Ltd, W & M Meats Transport Pty Ltd, Carpentaria Environmental Services Pty Ltd or DT Queensland Pty Ltd are wound up.				
(iii) The Company has guaranteed various bank and other financial facilities of controlled entities through the normal course of business.				
The Directors are not aware of any circumstance or information which would lead them to believe that these liabilities will crystallise and consequently no provisions are included in the financial statements in respect of these matters.				

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
26. Commitments for Expenditure				
(a) Superannuation Commitments				
All employees of the consolidated entity are entitled to benefits on retirement, disability or death. The superannuation plans provide benefits based on accumulated funds. Employees may contribute to the plans at various percentages of their wages and salaries. Entities in the consolidated entity also contribute to the plans.				
(b) Capital Expenditure Commitments				
Total capital expenditure contracted for at balance date but not provided for in the financial statements, payable:				
Not later than one year	3,916	13,310	–	–
(c) Operating Lease Commitments				
Future non-cancellable operating lease rentals of property, plant and equipment not provided for in the financial statements, payable:				
Not later than one year	50,673	39,339	1,135	1,087
Later than one year but not later than 2 years	38,787	32,848	843	713
Later than 2 years but not later than 5 years	73,808	52,004	762	734
Later than 5 years	44,811	35,452	–	164
Total operating lease commitments	208,079	159,643	2,740	2,698
Property	113,020	74,333	950	1,146
Plant and equipment	95,059	85,310	1,790	1,552
Total commitments	208,079	159,643	2,740	2,698
(d) Finance Lease Commitments				
Finance lease rentals are payable as follows:				
Not later than one year	336	773	25	46
Later than one year but not later than 2 years	708	505	–	139
Later than 2 years but not later than 5 years	–	649	–	–
Future lease rentals	1,044	1,927	25	185
Less: future finance charges	42	259	–	25
Total finance lease commitments in financial statements	1,002	1,668	25	160
Finance lease commitment				
Current (Note 15)	344	724	25	31
Non-Current (Note 15)	658	944	–	129
Total lease liability	1,002	1,668	25	160

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
26. Commitments for Expenditure continued				
(e) Hire purchase commitments				
Hire purchase payments are payable as follows:				
Not later than one year	453	3,716	–	–
Later than 1 year but not later than 2 years	216	424	–	–
Later than 2 years but not later than 5 years	–	19	–	–
Later than 5 years	–	–	–	–
Minimum repayments	669	4,159	–	–
Less future finance charges	45	194	–	–
Total hire purchase commitments in the financial statements	624	3,965	–	–
Hire purchase liability:				
Current (Note 15)	430	3,411	–	–
Non-current (Note 15)	194	554	–	–
Total hire purchase liability	624	3,965	–	–

27. Related Parties

Directors

The names of each person holding the position of Director of Toll Holdings Limited at any time during the financial year are as follows:

Mr P Rowsthorn
 Mr P A Little
 Mr M Rowsthorn
 Mr J A Moule AM
 Mr N Chatfield
 Mr W Farrands
 Mr R Paul AM

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there are no material contracts involving Directors' interests existing at year end.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

27. Related Parties continued

Remuneration, Retirement Benefits and Service Arrangements

Details of Directors' remuneration, inclusive of superannuation and retirement payments are set out in Note 22.

Transactions of Directors and Director Related Entities concerning Shares

An aggregate of 482,289 ordinary shares of Toll Holdings Limited were issued to Directors in accordance with the Dividend Reinvestment Plan during the year (1998: 781,539).

An aggregate of 82,000 ordinary shares of Toll Holdings Limited were acquired by Directors or their Director related entities during the year (1998: 65,000).

No ordinary shares of Toll Holdings Limited were disposed of by the Directors or their Director related entities during the year (1998: Nil).

The aggregate number of ordinary shares of Toll Holdings Limited held directly, indirectly or beneficially by Directors or their Director related entities at balance date was 21,024,414 (1998: 20,460,125).

Other Transactions with the Company or its Controlled Entities

A Director of the Company, Mr J Moule AM, is a Director of National Australia Financial Management Limited (NAFM) which provides management services to the Company's superannuation fund, which is managed in accordance with a Master Trust arrangement. NAFM's parent company National Australia Bank Limited is the Company's banker and derives fees and charges in accordance with normal commercial practices.

A Director of the Company, Mr W Farrands, was a Director of MMI to 31 December 1998. During the period to this resignation MMI acted as an underwriter on various group insurance policies. In prior years, a subsidiary of MMI, Hunter Premium Finance, provided finance to the Group for various items of insurance. Mr W Farrands is also Chairman of The Ready Group Pty Ltd, a company which is a provider of labour resources to some of the Company's businesses to service their additional outsourced requirements.

A Director of the Company, Mr R Paul AM, is a Director of Evans Deakin Industries Limited, which supplies equipment and services to some businesses within the Toll Group on normal commercial terms.

The Company rented premises from Labrador Pty Ltd for \$76,016, for a period during the year, at normal market rentals. This company is jointly owned by Mr P A Little and Mr M Rowsthorn, who are Directors of Toll Holdings Limited.

The Company contributed \$190,000 during the year to Paul Little Racing Pty Ltd for promotional and advertising arrangements. The company, of which Mr P A Little is a Director, was involved in motor racing within Australia.

In all matters outlined above, the terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available on similar transactions to Non-Director related entities on an arms length basis.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	The Company	
	1999 \$'000	1998 \$'000
27. Related Parties continued		
Wholly Owned Group		
The wholly owned group consists of Toll Holdings Limited and its wholly owned controlled entities as set out in Note 28.		
Transactions between Toll Holdings Limited and related parties in the wholly owned group during the years 30 June 1999 and 30 June 1998 consisted of:		
(a) loans advanced by Toll Holdings Limited		
(b) loans repaid to Toll Holdings Limited		
(c) the payment of interest on the above loans		
(d) the payment of dividends to Toll Holdings Limited		
(e) the payment of property rentals to Toll Holdings Limited		
(f) the payment of head office overheads to Toll Holdings Limited.		
The above transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of principal on loans advanced by or to Toll Holdings Limited.		
Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with related parties in the wholly owned group were as follows:		
Interest revenue	–	2,431
Rental revenue	5,647	2,379
Dividend revenue	14,400	6,553
Management charge	11,644	8,555
Aggregate amounts receivable from related parties in the wholly owned group at balance date were as follows:		
Non-Current receivables	123,859	113,985

Ownership Interests in Related Parties

Interests held in controlled entities are set out in Note 28.

Superannuation Fund

Details of the consolidated entity's employee superannuation funds are set out in Note 26(a).

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

Name of Entity	Note	Class of Share	Equity Holding	
			1999 %	1998 %
28. Particulars in Relation to Controlled Entities				
The Company				
Toll Holdings Limited				
Controlled Entities				
Toll Transport Pty Ltd	a,b	Ord	100	100
Tasmania Express Pty Ltd	a,b	Ord	100	100
Hollandia Holdings Pty Ltd	a,d	Ord	100	100
Toll Recycling Pty Ltd	a,b	Ord	100	100
Freshmark Limited	a,c	Ord	100	100
Toll Properties Pty Ltd	a,b	Ord	100	100
Kentucky Woods Pty Ltd	a,b	Ord	100	100
Toll Metro (NZ) Limited	a,e,g	Ord	100	100
Refrigerated Roadways Pty Ltd	a,b,g	Ord	100	100
Refrigerated Roadways (NSW) Pty Ltd	a,f,i	Ord	100	100
Toll Logistics Australia Pty Ltd	a,f,g	Ord	100	100
Toll Energy Logistics Pty Ltd	a,d,g	Ord	100	100
Toll North Pty Ltd	a,c,j	Ord	100	100
	l	Pref	100	100
W & M Meats Transport Pty Ltd	a,c,h	Ord	100	100
Carpentaria Environmental Services Pty Ltd	a,c,h	Ord	100	100
DT Queensland Pty Ltd	a,c,h,k	Ord	100	100
R & H Transport Pty Ltd	f	Ord	50	50
Toll IPEC Pty Ltd	b,g	Ord	100	–
GeelongPort Pty Ltd	b,g	Ord	100	–
	m	Pref	100	–

(a) Entities have entered into a Deed of Cross Guarantee with Toll Holdings Limited in respect of relief granted from specific accounting and financial reporting requirements in accordance with a class order executed by the ASIC on 13 August 1998.

(b) Incorporated in Victoria.

(c) Incorporated in Queensland.

(d) Incorporated in Western Australia.

(e) Incorporated in New Zealand

(f) Incorporated in New South Wales.

(g) Wholly owned by Toll Transport Pty Ltd.

(h) Wholly owned by Toll North Pty Ltd.

(i) Wholly owned by Refrigerated Roadways Pty Ltd.

(j) Formerly Carpentaria Transport Pty Ltd.

(k) Formerly Doug's Transport Pty Ltd.

(l) Non-cumulative redeemable preference shares.

(m) Non-cumulative preference shares.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated
	1999 \$'000
29. Deed of Cross Guarantee	
<p>Pursuant to an ASIC Class Order 98/1418 dated 13 August 1998, relief was granted to the wholly owned subsidiaries listed below from the Corporations Law requirements for preparation, audit and lodgement of a financial report.</p> <p>It is a condition of the Class Order that the Company and each of the controlled entities enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the Corporations Law. If a winding up occurs under the provisions of the Law, the Company will be liable in the event that after six months any creditor has not been paid in full. The controlled entities have also given similar guarantees in the event that the Company is wound up.</p> <p>The controlled entities subject to the Deed are:</p>	
Controlled Entity	Date relief granted
Toll Transport Pty Ltd	11 June 1993
Tasmania Express Pty Ltd	11 June 1993
Hollandia Holdings Pty Ltd	11 June 1993
Freshmark Limited	29 June 1994
Toll Properties Pty Ltd	21 December 1994
Kentucky Woods Pty Ltd	19 June 1995
Toll Recycling Pty Ltd.	19 June 1995
Refrigerated Roadways Pty Ltd	15 June 1998
Refrigerated Roadways (NSW) Pty Ltd	15 June 1998
Toll Logistics Australia Pty Ltd	15 June 1998
Toll Energy Logistics Pty Ltd	15 June 1998
Toll North Pty Ltd	15 June 1998
W & M Meats Transport Pty Ltd	15 June 1998
Carpentaria Environmental Services Pty Ltd	15 June 1998
DT Queensland Pty Ltd	15 June 1998
<p>A consolidated profit and loss statement and consolidated balance sheet, comprising the Company and subsidiaries which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 1999 is set out below.</p>	
Profit and Loss Statement	
Operating profit before income tax	36,359
Income tax attributable to operating profit	7,454
Operating profit after income tax	28,905
Retained profits at the beginning of the financial year	19,762
Total available for appropriation	48,667
Dividends provided for or paid	14,876
Retained profits at the end of the financial year	33,791

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated
	1999 \$'000
29. Deed of Cross Guarantee continued	
Balance Sheet	
Cash	17,023
Receivables	100,994
Inventories	3,395
Other	11,727
Total Current Assets	133,139
Receivables	184
Investments	2,435
Property, plant and equipment	165,451
Intangibles	–
Other	5,753
Total Non-Current Assets	173,823
TOTAL ASSETS	306,962
Accounts payable	77,061
Borrowings	1,455
Provisions	38,871
Total Current Liabilities	117,387
Borrowings	45,382
Provisions	20,169
Total Non-Current Liabilities	65,551
TOTAL LIABILITIES	182,938
NET ASSETS	124,024
Share capital	90,233
Reserves	–
Retained profits	33,791
TOTAL SHAREHOLDERS' EQUITY	124,024

30. Segment Information

The Group derives revenue from the provision of the total logistics solution through use of economy and express freight forwarding services, storage, warehousing and distribution of freight nationally by road, rail and sea, rail linehaul operations, international forwarding, ports management and time sensitive freight distribution services.

Geographical Segments

The consolidated entity operates predominantly in Australia, and all material revenue, operating profit before income tax and segment assets relate to operations within Australia.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated		The Company	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
31. Notes to the Statement of Cash Flows				
(a) Reconciliation of cash				
For the purposes of the Statement of Cash Flows, cash includes on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Statement of Cash Flows:				
Cash at bank and on hand	22,919	20,323	3	5
(b) Reconciliation of operating profit after income tax to net cash provided by operating activities				
Operating profit after income tax	30,510	14,938	15,371	7,907
Add/(less) non-cash items				
Depreciation and amortisation	21,186	20,766	1,007	967
Amortisation of goodwill	475	494	–	–
Provision for doubtful trade debtors	(621)	870	–	–
Write-off of goodwill	4,131	–	–	–
Excess of discount on acquisition over fair value of assets acquired	(3,500)	–	–	–
(Profit) on sale – abnormal	(1,582)	(1,003)	–	–
(Profit) on sale – other	(2,776)	(1,506)	(446)	–
Net cash inflow from operating activities before changes in assets and liabilities	47,823	34,559	15,932	8,874
Changes in assets and liabilities adjusted for effects of purchase and disposal of controlled entities during the financial year:				
(Increase)/decrease in trade debtors	12,724	(45,138)	–	–
(Increase)/decrease in other debtors	2,826	(5,461)	(89)	(5,249)
(Increase)/decrease in inventory	628	(362)	1	(37)
(Increase)/decrease in prepayments	(4,874)	280	8	(1,846)
Increase/(decrease) in trade creditors	(9,445)	(1,934)	155	870
Increase/(decrease) in other creditors	(11,134)	81,664	(943)	(167)
Increase/(decrease) in provision for employee entitlements	2,413	(748)	(121)	2,519
(Increase) in loan to controlled entities	–	–	(13,508)	(39,309)
Increase/(decrease) in income taxes payable	(1,273)	(3,168)	(114)	805
(Increase)/decrease in future income tax benefit	2,142	1,697	(471)	(903)
Increase/(decrease) in provision for deferred income tax	5,056	(2,147)	(1,213)	623
Net cash inflow/(outflow) from operating activities	46,886	59,242	(363)	(33,820)

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	1999 \$'000
31. Notes to the Statements of Cash Flows continued	
(c) Financing facilities	
Note 16 discloses details of financing arrangements.	
(d) Acquisition of entities	
1999	
(i) During the financial year the Group acquired the business operations of IPEC from Mayne Nickless Limited	
Details of the acquisition are as follows:	
Consideration/(Cash received)	(4,968)
Outflow of cash to acquire operations:	
Fair value of net assets acquired (after allocation of discount on acquisition). Refer Note 1(c).	
Inventories	504
Other receivables/prepayments	2,427
Trade debtors	19,805
Future income tax benefit	2,716
Provision for restructure	(19,975)
Excess of discount on acquisition over fair value of assets acquired	(3,500)
Employee Entitlements	(6,945)
Consideration/(Cash received)	(4,968)
	1998 \$'000
1998	
(i) During the financial year the Group acquired the business operation of John Nash Transport Pty Ltd.	
Details of the acquisition are as follows:	
Consideration	7,074
Deferred consideration	(80)
Outflow of cash to acquire operations	6,994
Fair value of net assets acquired:	
Property, plant and equipment	7,801
Prepayments	60
Provisions	(787)
Consideration	7,074

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	1998 \$'000
31. Notes to the Statement of Cash Flows continued	
(d) Acquisition of entities continued	
(ii) During the financial year the Group acquired 100% of the share capital of Toll North Pty Ltd, Toll Logistics Australia Pty Ltd and Toll Energy Logistics Pty Ltd, along with the business assets of a number of Divisions within TNT Australia Pty Ltd. The Group also acquired an option to acquire the share capital of GeelongPort Pty. Ltd. Details of the acquisition are as follows:	
Consideration	115,760
Cash acquired	(5,360)
Deferred consideration	(19,900)
Outflow of cash to acquire operations	90,500
Net assets acquired (after allocation of discount on acquisition). Refer Note 1(c).	
Cash	5,360
Trade debtors	40,121
Inventories	2,156
Prepayments	5,977
Property, plant and equipment	156,460
FITB	3,519
Investments	6,326
Other assets	9,924
Trade creditors	(72,928)
Provision	(8,964)
Other creditors	(12,824)
Provisions for employee entitlements	(19,367)
Consideration	115,760

(e) Non-cash financing and investment activities

- (i) During the year the consolidated entity acquired plant and equipment with an aggregate fair value of \$0.3 million (1998: \$Nil) by means of finance leases and hire purchase agreements.
- (ii) 816,478 shares with an aggregate value of \$2.7 million (1998: \$2.4 million) were issued in accordance with the Dividend Reinvestment Plan in lieu of remitting cash dividends.
- (iii) A final prior year dividend of 8 cents per share and an interim current year dividend of 10 cents per share was utilised to reduce employee loans in accordance with the Employee Share Plan. Employee loans were reduced as a result by \$29,718 (1998: \$21,312).

The above non-cash activities are not reflected in the Statement of Cash Flows.

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 1999

	Consolidated	
	1999	1998
32. Earnings per Share		
Basic earnings per share	59.16¢	30.65¢
Earnings used in the calculation of basic earnings per share excluding dividends applicable to the non-redeemable cumulative preference shares	\$26,899,000	\$13,039,000
Weighted average number of ordinary shares used in the calculation of basic earnings per share pursuant to the Australian Accounting Standard	45,470,121	42,534,966
Total number of ordinary shares on issue as at the end of the financial year	58,999,489	44,729,677
Diluted earnings per share	51.41¢	26.76¢
Earnings used in the calculation of diluted earnings per share	\$30,140,000	\$15,044,000
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	58,624,152	56,224,953

Classification of Securities

7.75% per annum non-redeemable non-cumulative convertible preference shares

The 7.75% per annum non-cumulative convertible preference shares were not redeemable and were convertible into ordinary shares of the Company on 30 November 2002. The number of new ordinary shares to be issued on conversion was linked to the weighted average sale price of all fully paid ordinary shares in the Company sold on the Australian Stock Exchange during the 20 trading days immediately preceding 30 November 2002. The number of new ordinary shares was subject to a minimum number of shares being 3,333,334 where the average sale price was above \$3.24 per share and a maximum of 200,000,010 where the average sale price was below \$0.216 per share. These shares were included in the determination of basic earnings per share, from their date of conversion to fully paid ordinary shares, which occurred between 12 March 1999 and 30 June 1999. At 30 June 1999 all of the 7.75% per annum non-redeemable non-cumulative convertible preference shares had been converted into fully paid ordinary shares.

Options

Options to purchase ordinary shares not exercised at 30 June 1999 have not been included in the determination of the diluted earnings per share, as they are not considered to have a material effect on the diluted earnings per share.

Conversion, call, subscription or issue after 30 June 1999

Since 30 June 1999, 50,000 ordinary shares have been issued following exercise of Executive Share Options and 400,000 Executive Share Options have been issued in accordance with the Senior Executive Option Plan.

Other than as noted above there has been no:

- conversion to, calls of, or subscriptions for, ordinary shares
- issues of potential ordinary shares

since the reporting date and before the completion of these accounts.

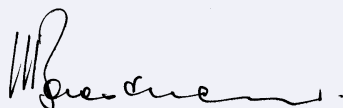
33. Event Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

Directors' Declaration

1. In the opinion of the Directors of Toll Holdings Limited:
 - (a) the financial statements and notes set out on pages 12 to 47 are in accordance with the Corporations Law, including:
 - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 1999 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date
 - (ii) complying with Accounting Standards and the Corporations Regulations
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.
2. There are reasonable grounds to believe that the Company and the subsidiaries identified in Note 29 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to ASIC Class Order 98/1418.

Signed in accordance with a resolution of the Directors:



P Rowsthorn
Director



P A Little
Director

Dated at Melbourne this 1st day of September 1999

Independent Auditor's Report

TO THE MEMBERS OF TOLL HOLDINGS LIMITED

Scope

We have audited the financial report of Toll Holdings Limited for the financial year ended 30 June 1999, consisting of the profit and loss statements, balance sheets, statement of cash flows, accompanying notes, and the Directors' declaration set out on pages 12 to 48. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the end of the year or from time to time during the financial year. The Company's Directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

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

Audit opinion

In our opinion, the financial report of Toll Holdings Limited is in accordance with:

- (a) the Corporations Law, including:
 - i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 1999 and of their performance for the financial year ended on that date
 - ii) complying with Accounting Standards and the Corporations Regulations
- (b) other mandatory professional reporting requirements.



KPMG

Chartered Accountants



J J O'Connell

Partner

Melbourne

1 September 1999

Shareholder Information

Shareholder Information

Additional information required by the Australian Stock Exchange Listing Rules not elsewhere disclosed in this report.

The shareholder information set out below was applicable as at 24 August 1999.

A. Distribution of shareholders

(a) Analysis of numbers of shareholders by size of share holdings for ordinary securities.

	Number	Units	%
1 –1,000	1,357	888,283	1.50
1,001 –5,000	2,679	7,049,548	11.95
5,001 –10,000	515	3,754,804	6.36
10,001 –100,000	304	7,664,856	12.99
100,001 and over	34	39,641,998	67.20
	4,889	58,999,489	100.00

There were seventy-eight holders with less than a marketable parcel of ordinary shares.

B. Twenty largest shareholders

The names of the twenty largest holders are listed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
1 Mostia Dion Nominees Pty Ltd	8,663,765	14.68
2 Mr Paul Alexander Little	8,516,744	14.44
3 PGA (Investments) Pty Ltd	3,665,000	6.21
4 Mr Peter Rowsthorn	3,071,749	5.21
5 Australian Foundation Investment Company Limited (Investment Portfolio A/C)	2,333,334	3.95
6 Chase Manhattan Nominees Limited	1,118,869	1.90
7 Westpac Custodian Nominees Limited	1,057,323	1.79
8 Cable Nominees Pty Ltd (33390 A/C)	1,000,000	1.69
9 Djerriwarrh Investments Limited	1,000,000	1.69
10 National Nominees Limited	970,883	1.65
11 AMP Life Limited	907,515	1.54
12 BT Custodial Services Pty Limited	752,219	1.27
13 Challenger Life Limited	724,075	1.23
14 Camrock (Australia) Pty Limited	571,755	0.97
15 Commonwealth Custodial Services Limited (No 4 A/C)	469,472	0.80
16 Victorian Superannuation Board	454,879	0.77
17 Mr Richard John Raw and Mrs Rosemary Joan Raw	442,492	0.75
18 Mr Ashley William Lyons Hancock & Raelene Joy Hancock	421,875	0.72
19 Catholic Church Insurances Limited	400,000	0.68
20 Sandhurst Trustees Ltd (MIF A/C)	355,000	0.60
Total	36,896,949	62.54

Shareholder Information continued

C. Substantial shareholders

The following are registered by the Company as substantial shareholders, having declared a relevant interest in the number of voting shares shown adjacent as at the date of giving the notice.

Name	Number and Percentage of Shares in which Interest held Ordinary Shares	
	Number	Interest %
(a) Mr Mark Rowsthorn and related bodies corporate	8,978,447	15.22
(b) Mr Paul Alexander Little and related bodies corporate	8,758,842	14.85
(c) PGA (Investments) Pty Ltd	3,665,000	6.21
(d) Mr Peter Rowsthorn	3,071,749	5.21

Shareholder communications

The Board of Directors aims to ensure that shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to shareholders as follows:

- The annual review (incorporating the concise report) is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). A copy of the full annual report is available free of charge, upon request, from the Company. The Board ensures that the annual review includes relevant information about the operation of the Group during the year, changes in the state of affairs of the Group and details of future developments, in addition to the other disclosures required by the Corporations Law
- The half-yearly report contains summarised financial information and a review of the operations of the consolidated entity during the period. The half-year financial report is prepared in accordance with the requirements of Accounting Standards and the Corporations Law, and is lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange. A brief summary of half-yearly results are distributed to shareholders; and
- Where appropriate, general meetings of shareholders are held to consider relevant proposals.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

Shareholders are responsible for voting on the appointment of Directors.

Key dates

Ordinary share final dividend books close	5.00 p.m.	16 September 1999
Final dividend for 1998/99 of 8 cents per share 50 percent franked paid on		30 September 1999
Annual General Meeting (AGM) Proxy lodgement by	11.30 a.m.	26 October 1999
The AGM will be held in the Telstra Theatre, Level 1, 242 Exhibition Street, Melbourne Victoria.	11.30 a.m.	28 October 1999

Shareholder Information continued

On the Internet www.toll.com.au

To find out more about Toll visit our website. At www.toll.com.au you will find more in-depth information, like the Corporate Profile and *Toll Today*, our quarterly newsletter with news from around the Group. Investor information is posted on a regular basis including the Annual Review, Annual Report, half-yearly report and all major press releases. Reports are available in PDF format for downloading and printing.

Toll has exciting plans for utilising the Internet to improve customer service. Some of our initiatives will be to introduce rate enquiries, quotations, freight bookings and tracking, all via the website, giving our customers the choice of how they would like to conduct business with Toll.



Company directory

Directors

Chairman

Peter Rowsthorn

Managing Director

Paul Little

Executive Directors

Mark Rowsthorn

Neil Chatfield

Non-executive Directors

John Moule AM

William Farrands

Ronald Paul AM

Divisional Directors

John Ludeke Long Distance

Don Telford Logistics

Terry Mallon Toll North

Graham Lyon Specialised

Stephen Stanley Corporate

Secretary

Bernard McInerney

Principal Registered Office in Australia

Level 8, 380 St Kilda Road

Melbourne Vic 3004

Telephone: (03) 9694 2888

Facsimile: (03) 9694 2880

Divisional Offices

Long Distance & Logistics

Level 1, 32 Walker Street

North Sydney NSW 2060

Telephone: (02) 8923 2333

Facsimile: (02) 8904 0219

Toll North

839 Beaudesert Road

Coopers Plains Qld 4108

Telephone: (07) 3275 0400

Facsimile: (07) 3275 2577

Specialised

Level 8, 380 St Kilda Road

Melbourne Vic 3004

Telephone: (03) 9694 2888

Facsimile: (03) 9694 2880

Share Register

Computershare Registry Services

Level 12, 565 Bourke Street

Melbourne Vic 3000

Telephone: (03) 9611 5711

Facsimile: (03) 9611 5710

Stock Exchange Listing

Toll Holdings Limited shares are listed

on the Australian Stock Exchange

The home exchange is in Melbourne

Auditors

KPMG

Level 5, 161 Collins Street

Melbourne Vic 3000

Bankers

National Australia Bank

Western Branch

460 Collins Street

Melbourne Vic 3000

Solicitors

Clayton Utz

Solicitors & Attorneys

Level 18, 333 Collins Street

Melbourne Vic 3000

We set the standard for excellence of integrated logistics and distribution through total commitment to quality people and services, with superior financial results.



Toll Holdings Limited ACN 006 592 089