

D. Entities not preparing financial reports

For each state public sector company, other than government owned corporations, the board of directors considers the requirements of the *Corporations Act 2001* to determine whether financial statements need to be prepared. The board must revisit the assessment every three years or whenever a significant change occurs.

When entities are part of a group and are secured by a deed of cross guarantee (with other entities in that group agreeing to cover debts), they are not required to prepare financial statements. Small companies that meet specific criteria under the *Corporations Act 2001* also do not have to prepare financial statements.

Accordingly, the Auditor-General will not issue audit opinions for the following controlled public sector entities for the 2018–19 financial year, as they have not produced a financial report.

Figure D1
Transport sector entities not preparing financial reports

Public sector entity	Reason for not preparing financial statements
Controlled entities of Queensland Rail Limited	
On Track Insurance Pty Ltd	Non-reporting
Controlled entities of Gladstone Ports Corporation Limited	
Gladstone Marine Pilot Services Pty Ltd	Board of directors' determination
Gladstone WICET Operations Pty Ltd	Dormant
Controlled entities of North Queensland Bulk Ports Limited	
Mackay Ports Limited	Dormant
Ports Corporation of Queensland Limited	Dormant

Source: Queensland Audit Office.

