

Tas Communications Unit Trust
ABN 67 323 633 973

Special Purpose Financial Report
for the year ended
30 June 2017

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Trustee Report

Tas Communications Unit Trust was established in August 2002 and its main focus is providing quality support to its local government customers along with tailoring niche services to meet the needs of its business customer base. It is also an internet service supplier, application service hosting and service desk supplier. With a fibre and wireless network between Smithton and Hobart, Tas Communications services most of the population centres in Tasmania.

The following services are provided to the customer service base:

- Network Services
- Internet Services
- Managed Services
- Product Sales
- Support & Consulting Services

Directors

The Directors of the corporate Trustee of the entity during the year ended 30 June 2017 were:

- Rodney Greene (Director, Chairman – current effective 17 November 2016)
- Steven Cambridge (Director – current)
- Andrew Wardlaw (Chairman – resigned effective 17 November 2016)

The Trust is 100% owned by the Burnie City Council and one of its Directors are employed by Council. The continued operation of the entity in its present form, undertaking its current activities, is dependent on Council's continued support.

Financial Performance and Position

The Trust has recorded another successful year with an operating surplus of \$295,664 compared with a surplus of \$114,473 in 2016. The Trust has net assets of \$2,328,395 as at 30 June 2017 compared with \$2,135,431 in 2016 and is well situated to continue to grow and service its existing customer base into the future. The Trust invested \$418,500 in telecommunications and information technology assets throughout the year.

The Trust employed four full time equivalent employees as at 30 June 2017 (four in 2016).

Tas Communications Unit Trust
Statement of Comprehensive Income
For the year ended 30 June 2017

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
Income				
User fees	7	1,958,025	1,811,004	1,903,374
Other income	8	14,579	6,000	14,335
Loss on disposal of assets		(16,666)	-	-
Total income		1,955,938	1,817,004	1,917,709
Expenses				
Employee benefits	9	473,969	429,480	451,745
Materials and services	10	954,297	1,014,120	1,128,768
Depreciation	11	232,008	228,408	222,723
Total expenses		1,660,275	1,672,008	1,803,236
Surplus/(deficit) before:		295,664	144,996	114,473
Total other comprehensive income		-	-	-
Comprehensive result for the year attributable to the beneficiaries		295,664	144,996	114,473

The above statement should be read in conjunction with the accompanying notes.

Tas Communications Unit Trust
Statement of Financial Position
As at 30 June 2017

	Note	2017	2016
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	12	813,316	663,256
Trade and other receivables	13	178,121	166,154
Total current assets		991,437	829,410
Non-current assets			
Plant and equipment	14	1,657,959	1,488,133
Total non-current assets		1,657,959	1,488,133
Total assets		2,649,396	2,317,543
Current liabilities			
Trade and other payables	15	130,183	90,573
Provisions	16	118,442	91,539
Deferred income	17	9,622	-
Total current liabilities		258,247	182,112
Non-current liabilities			
Deferred income	17	62,754	-
Total non-current liabilities		62,754	-
Total liabilities		321,001	182,112
Net Assets		2,328,395	2,135,431
Equity			
Issued units	18	2,102,731	2,102,731
Accumulated surplus/(deficit)	19	225,664	32,700
Total Equity		2,328,395	2,135,431

The above statement should be read in conjunction with the accompanying notes.

Tas Communications Unit Trust
Statement of Changes in Equity
For the year ended 30 June 2017

	Total	Accumulated	Issued
	\$	Surplus	Units
2017		\$	\$
Balance at beginning of the financial year	2,135,431	32,700	2,102,731
Comprehensive result for the year	295,664	295,664	-
Distributions paid	(102,700)	(102,700)	-
Balance at end of the financial year	2,328,395	225,664	2,102,731

	Total	Accumulated	Issued
	\$	Surplus	Units
2016		\$	\$
Balance at beginning of the financial year	2,020,958	(81,773)	2,102,731
Comprehensive result for the year	114,473	114,473	-
Balance at end of the financial year	2,135,431	32,700	2,102,731

The above statement should be read in conjunction with the accompanying notes.

Tas Communications Unit Trust
Statement of Cash Flows
For the year ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$	2016 Inflows/ (Outflows) \$
Cash flows from operating activities			
User fees (inclusive of GST)		2,195,729	2,009,367
Other receipts (inclusive of GST)		10,955	14,335
Net GST refund/(payment)		(92,903)	(81,113)
Payments to suppliers (inclusive of GST)		(1,071,159)	(1,204,802)
Payments to employees		(447,362)	(427,334)
Net cash provided by operating activities	20	595,260	310,453
Cash flows from investing activities			
Capital grants		76,000	-
Payments for purchase of plant and equipment		(418,500)	(347,546)
Distribution of profits		(102,700)	-
Net cash (used in) investing activities		(445,200)	(347,546)
Cash flows from financing activities			
Repayment of interest bearing loans and borrowings		-	-
Net cash provided by financing activities		-	-
Net increase in cash and cash equivalents		150,060	(37,093)
Cash and cash equivalents at the beginning of the financial year		663,256	700,349
Cash and cash equivalents at the end of the financial year	12	813,316	663,256

The above statement should be read in conjunction with the accompanying notes.

Tas Communications Unit Trust

Notes to the Financial Report

For the year ended 30 June 2017

Note 1 Significant accounting policies

The principal accounting policies adopted in the preparation of the special purpose financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of preparation

In the Trustees' opinion, the Trust is not a reporting entity because there are no users dependent on a general purpose financial report. This is a special purpose financial report. The Trustees have determined that the accounting policies adopted are appropriate to meet their needs.

The Trust has a profit generation objective. Consequently, where practical the special purpose financial report complies with Australian Accounting Standards applicable to for profit entities. Specific standards that were not complied with include:

- AASB 7 Financial Instruments: (disclosure requirement only)

The financial report has been prepared on the basis that the entity is a going concern. The continued operations of the entity in its present form, undertaking its current activities, are dependent on the continued support and commercial arrangements with the parent entity, Burnie City Council. Council is currently reviewing its arrangements and ownership of the Trust. At the time of preparing this report, the outcome of the review is unknown.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with the current presentation and disclosure has been made of any material changes to comparatives.

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

B. Adoption of new and amended accounting standards

There were no new or revised standards or interpretations that were applicable to Tas Communications in the current year.

C. Pending accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The Trust's assessment of the impact of the relevant new standards and interpretations are set out below.

The following standards, amendments to standards and interpretations are applicable to reporting periods beginning on or after the effective date referred to below:

AASB 15 Revenue from Contracts with Customers, and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (effective from 1 January 2018)

Under the new standard, a single model that applies to contracts with customers and two approaches to recognising revenue, at a point in time or over time is proposed. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The Trust has a number of contracts with current clients. The entity is in the process of assessing the impact of the amendment to the accounting standard. This is a mandatory requirement for the 2018-19 financial year however comparative data will be required to be collected for the 2017-18 year. It is not expected that the adoption of the amendment will have a material effect on the entity's financial statements.

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

AASB 16 Leases (effective from 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

This amendment is not expected to have an impact on the Trust's financial statements.

D. Recognition of income

Revenue is recognised when it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. A provision for impairment is recognised when collection in full is no longer probable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services

Rendering of services revenue from computer maintenance fees is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest

Interest revenue is recognised as interest accrues.

Deferred income

Deferred income relates to a capital grant received by the Trust in 2016-17. The income is recognised in the Statement of Comprehensive Income over the periods in which the expense – being the depreciation of the assets purchased with the funding – is recognised (AASB 120). This information is presented in Note 17.

Tas Communications Unit Trust

Notes to the Financial Report

For the year ended 30 June 2017

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

E. Depreciation of plant and equipment

Computer and telecommunication assets having limited useful lives are systematically depreciated over their useful lives to the entity in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives are made on a regular basis. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and a separate depreciation rate is determined for each component.

Major depreciation periods used are listed below and are consistent with the prior years.

Classification	Period
Computer equipment	4-20 years
Telecommunications infrastructure	10-100 years

The Trust undertook a review of the useful lives of its assets during the 2016-17 year. A number of assets were written off as they were determined to be obsolete.

F. Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

G. Recognition and measurement of assets

Asset Recognition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Tas Communications Unit Trust

Notes to the Financial Report

For the year ended 30 June 2017

Where assets are constructed by the entity, cost includes all materials used in construction, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised in Note 14. In accordance with the entity's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Classification	Threshold
Computer equipment	\$1,000
Telecommunications infrastructure	\$5,000

Measurement of assets

The entity has adopted the following valuation basis for its non-current assets:

Classification	Valuation Basis
Computer equipment	Cost
Telecommunications infrastructure	Cost

H. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash at bank including deposits and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

I. Employee benefits

Wages and salaries

Liabilities for wages and salaries are recognised and measured as the amount unpaid at balance date and include appropriate on costs such as workers compensation and superannuation.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave is expected to be paid within 12 months and is measured at nominal value based on the amount, including appropriate on-costs, expected to be paid when settled.

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related on-costs and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

An employee benefit liability is classified as a current liability if the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period.

J. Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the entity's operational cycle, or if the entity does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

K. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

L. Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar.

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

M. Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Trust that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Report.

The Trust has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Judgements and estimates have been made when calculating long service leave and depreciation. Details of these judgements and estimates can be found at note 1I and 1E respectively.

N. Taxation

The entity is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax. Payroll Tax is paid by the parent entity, the Burnie City Council.

O. Budget information

The estimated income and expenditure amounts in the Statement of Comprehensive Income represent original budget figures. These budget figures have not been audited.

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

Note 2 Events occurring after the reporting date

The Trust's parent entity, Burnie City Council is currently reviewing its service arrangements and ownership of the Trust. At the time of preparing this report, the outcome of the review is unknown.

There have been no other matters or circumstances which have arisen since 30 June 2017 that has significantly affected, or may significantly affect the Trust's operations, the results of those operations, or the Trust's state of affairs in future financial years.

Note 3 Auditor remuneration

Audit fees incurred by the entity are paid by the parent entity, Burnie City Council. As a result no audit fees are recognised in the financial statements. The audit fee for the year ending 30 June 2017 is \$3,840 (2016 was \$3,760).

Note 4 Commitments

As at 30 June 2017 the entity had not entered into any commitments.

Note 5 Contingent liabilities

As at 30 June 2017 the entity had no legal claims against it.

Tas Communications Unit Trust

Notes to the Financial Report

For the year ended 30 June 2017

Note 6 Related party transactions

A party is related to an entity if directly or indirectly through one or more intermediaries, the party:

- a) controls, is controlled by, or is under common control with the entity (this includes parents, subsidiaries and fellow subsidiaries);
- b) has an interest in the entity that gives it significant influence over the entity; or
- c) has joint control over the entity

Burnie City Council and Burnie Airport Corporation Unit Trust are identified as related parties. Payments and receipts for goods and services and payables to and receivables from related parties are shown inclusive of GST.

The following transactions occurred with related parties:

	2017	2016
	\$	\$
Payments/receipts for goods and services:		
Payments for services from:		
Burnie City Council	219,099	133,726
Receipts for sale of goods and services to:		
Burnie City Council	1,048,422	1,030,726
Burnie Airport Corporation Unit Trust	3,008	1,735

The following balances are outstanding as at 30 June in relation to transactions with related parties:

	2017	2016
	\$	\$
Receivable from and payable to related parties		
Current payables to:		
Burnie City Council (accrued expenses)	1,574	2,953
Burnie City Council (trade creditors)	2,608	-
Current receivables from:		
Burnie City Council (trade debtors)	7,071	22,604
Burnie Airport Corporation Unit Trust	125	2,681

Key management personnel (KMP) have been identified and all transactions have been deemed to be both ordinary citizen transactions and immaterial. As such, no disclosure between KMP's and the related parties is required.

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

Note 7 User fees

	2017	2016
	\$	\$
Internet services	102,981	55,779
Managed services	1,021,208	1,025,545
Network services	741,076	715,943
Product sales	50,093	83,810
Support and consulting services	42,667	22,297
Total user fees	1,958,025	1,903,374

Note 8 Other income

	2017	2016
	\$	\$
Interest received	10,730	14,335
Amortisation of capital income	3,624	-
Reimbursements	225	-
Total other income	14,579	14,335

Note 9 Employee benefits

	2017	2016
	\$	\$
Annual leave and long service leave	44,531	44,088
Fringe benefits tax	7,137	7,427
Other employee costs	8,825	7,489
Professional development & training	30,028	27,226
Superannuation	41,346	39,618
Wages and salaries	342,103	325,897
Total employee benefits	473,969	451,745

Note 10 Materials and services

	2017	2016
	\$	\$
Advertising	4,343	5,824
Bad debts	3,429	
Cost of goods sales and services	819,240	992,095
Electricity	4,437	4,278
Insurance	4,348	8,739
Materials and services	58,574	58,759
Office rent & council services	20,681	20,471
Telephone	14,138	8,497
Vehicle expenses	25,107	30,105
Total materials and services	954,297	1,128,768

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

Note 11 Depreciation

	2017	2016
	\$	\$
Computer equipment	201,421	167,150
Telecommunication infrastructure	30,587	55,573
Total depreciation	232,008	222,723

Note 12 Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank	813,316	663,256
Total cash and cash equivalents	813,316	663,256

Note 13 Trade and other receivables

	2017	2016
	\$	\$
Current		
Accrued Revenue	1,507	14,301
Trade debtors	126,021	133,749
Provision for doubtful debts	(3,429)	-
Prepayments	54,022	18,104
Total trade and other receivables	178,121	166,154

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

Note 14a Plant and equipment

	2017	2016
	\$	\$
<i>Computer equipment</i>		
Opening value at cost	2,059,271	1,716,626
Additions	292,888	342,645
Disposals	(57,889)	-
<i>Computer equipment at cost</i>	2,294,270	2,059,271
<i>Accumulated depreciation</i>		
Opening value	(978,111)	(810,961)
Disposals	49,052	-
Depreciation expense	(201,421)	(167,150)
<i>Closing accumulated depreciation</i>	(1,130,480)	(978,111)
Written down value of computer equipment	1,163,790	1,081,160
<i>Telecommunications infrastructure</i>		
Opening value at cost	958,897	958,897
Additions	101,551	-
Disposals	(108,088)	-
<i>Telecommunications infrastructure at cost</i>	952,360	958,897
<i>Accumulated depreciation</i>		
Opening value	(556,825)	(501,252)
Disposals	100,259	-
Depreciation expense	(30,587)	(55,573)
<i>Closing accumulated depreciation</i>	(487,153)	(556,825)
Written down value of telecommunications infrastructure	465,207	402,072
Work in Progress		
Opening balance at cost	4,901	-
Additions	418,500	347,546
Capitalisations	(394,439)	(342,645)
Closing balance at cost	28,962	4,901
Total plant and equipment	1,657,959	1,488,133

Tas Communications Unit Trust

Notes to the Financial Report

For the year ended 30 June 2017

Note 14b Movement in plant and equipment

	Balance at beginning of financial year	Acquisition of assets	Depreciation and amortisation	Written down value of asset disposals	Balance at end of financial year
	\$	\$	\$	\$	\$
2017					
Plant and equipment					
Computer equipment	1,081,160	292,888	(201,421)	(8,837)	1,163,790
Telecommunications	402,072	101,551	(30,587)	(7,829)	465,207
Work in progress	4,901	24,061	-	-	28,962
Total plant and equipment	1,488,133	418,500	(232,008)	(16,666)	1,657,959

	\$	\$	\$	\$	\$
2016					
Plant and equipment					
Computer equipment	905,665	342,645	(167,150)	-	1,081,160
Telecommunications	457,645	-	(55,573)	-	402,072
Work in progress	-	4,901	-	-	4,901
Total plant and equipment	1,363,310	347,546	(222,723)	-	1,488,133

Note 15 Trade and other payables

	2017 \$	2016 \$
Accrued expenses	1,851	2,685
Accrued wages	13,743	14,039
Net GST payable	24,883	15,552
Trade creditors	39,647	58,297
Advance receipts	50,059	-
Total trade and other payables	130,183	90,573

Note 16 Provisions

	2017 \$	2016 \$
Current		
Annual leave	40,125	23,932
Long service leave	64,247	55,929
Oncosts on employee entitlements	14,071	11,678
Total current provisions	118,442	91,539
Total provisions	118,442	91,539

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

Note 17 Deferred income

	2017	2016
	\$	\$
Current		
Deferred income	9,622	-
Total current deferred income	9,622	-
Non-current		
Deferred income	62,754	-
Total non-current deferred income	62,754	-
Total deferred income	72,376	-

The Trust received a capital grant in 2016-17 from the Federal Government to enable the Trust to implement the technical capability to retain data required under the *Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015* for the eligible services it provides as agreed in its Data Retention Implementation Plan.

The capital expense relating to this grant was fully expended in the 2016-17 year. Income is recognised throughout the life of the assets. The income is recognised in the Statement of Comprehensive Income over the periods in which the expense – being the depreciation of the assets purchased with the funding – is recognised.

Note 18 Issued units

	2017	2016
	\$	\$
Burnie City Council		
Initial Investment 2006-2007	690,100	690,100
Issued Units 2008-2009	145,000	145,000
Issued Units 2009-2010	1,267,631	1,267,631
Total Burnie City Council	2,102,731	2,102,731
Total Issued Units	2,102,731	2,102,731

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

Note 19 Accumulated surplus/(deficit)

	2017	2016
	\$	\$
Surplus 2017	295,664	-
Distribution of interim profits 2017	(70,000)	-
Distribution of profits 2016	(32,700)	-
Surplus 2016	114,473	114,473
Surplus 2015	139,356	139,356
Surplus 2014	149,101	149,101
Surplus 2013	151,531	151,531
Surplus 2012	219,133	219,133
Surplus 2011	265,825	265,825
Deficit 2010	(91,077)	(91,077)
Deficit 2009	(140,045)	(140,045)
Deficit 2008	(234,719)	(234,719)
Deficit 2007	(52,073)	(52,073)
Deficit 2006	(136,588)	(136,588)
Deficit 2005	(154,619)	(154,619)
Deficit 2004	(199,831)	(199,831)
Surplus 2003	2,233	2,233
Total accumulated surplus/(deficit)	225,664	32,700

Note 20 Reconciliation of cash flows from operating activities to result

	2017	2016
	\$	\$
Operating result per comprehensive income statement	295,664	114,473
Items not involving cash		
Depreciation expense	232,008	222,723
Change to employee entitlement provisions	26,903	21,721
Disposal of assets written off	16,666	-
Amortisation of capital income	(3,624)	-
Changes in operating assets and liabilities		
(Increase)/decrease in receivables	(11,967)	(76,677)
Increase/(decrease) in payables	(10,449)	28,213
Increase/(decrease) other liabilities	50,059	-
Net cash inflow from operating activities	595,260	310,453

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

Note 21a Activities of Tas Communications

The activities of Tas Communications are categorised into the following categories:

Support & Consulting Services

Helpdesk support services to clients.

Product Sales

Sales and service of products to end users.

Network Services

Supports customer connections by providing network hardware for communications which includes the wireless backbone and the fibre optic cable.

Managed Services

Provides application service hosting and help desk services to local government and business.

Internet Services

Supply Internet to clients as an ISP and internet connection delivery via wireless or fibre.

Fixed and Admin

Interest income earned on cash deposits & fixed rental costs.

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

Note 21b Revenue and expenditure attributed to activities

Revenues and expenses have been attributed to the following activities:

2017	Support and consulting services \$	Product sales \$	Network services \$	Managed services \$	Internet services \$	Fixed and admin \$	Total \$
Revenues							
Connection Fees			20,285		9,505		29,790
Loss on Disposal of Assets						(16,666)	(16,666)
Other Income						14,579	14,579
Product Sales				214,090			214,090
Rentals			121,115				121,115
Sales		50,093					50,093
Service Fees	42,667		599,674	807,120	93,476		1,542,937
Total Revenue	42,667	50,093	741,074	1,021,210	102,981	-2,087	1,955,938
Less: Cost of Goods Sold							
Inter-network Communications					59,198		59,198
Maintenance & Repairs			15,879			2,614	18,493
Miscellaneous Purchases				212,961			212,961
Products & Installation			4,213		8,251		12,464
Purchases		47,886				2,655	50,541
Rental & Hire Charges			189,224			38,638	227,862
Software Maintenance				281,628		7,720	289,348
Total Cost of Goods Sold	0	47,886	209,316	494,589	67,449	51,627	870,867
Gross Profit (Loss)	42,667	2,207	531,758	526,621	35,532	-53,714	1,085,071
Gross profit margin	100%	4%	72%	52%	35%	2574%	
Depreciation			(148,888)	(79,310)		(3,810)	(232,008)
Other Revenue/(Expenditure)			(137,212)	(274,350)		(145,837)	(557,399)
Surplus/(Deficit)	42,667	2,207	245,658	172,961	35,532	(203,361)	295,664

Tas Communications Unit Trust
Notes to the Financial Report
For the year ended 30 June 2017

2016	Support and consulting services	Product sales	Network services	Managed services	Internet services	Fixed and Admin	Total
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Connection Fees			47,647		4,200		51,847
Loss on Disposal of Assets							-
Other Income						14,335	14,335
Product Sales				236,986			236,986
Rentals			119,844				119,844
Sales		83,810					83,810
Service Fees	22,298		548,450	788,560	51,579		1,410,887
Total Revenue	22,298	83,810	715,941	1,025,546	55,779	14,335	1,917,709
Less: Cost of Goods Sold							
Inter-network Communications				1,072	36,170		37,242
Maintenance & Repairs			11,936			1,583	13,519
Miscellaneous Purchases				245,507			245,507
Products & Installation			5,096		1,722		6,818
Purchases		69,587				611	70,198
Rental & Hire Charges			240,366			42,923	283,289
Software Maintenance				380,640		124	380,764
Total Cost of Goods Sold	-	69,587	257,398	627,219	37,892	45,241	1,037,337
Gross Profit (Loss)	22,298	14,223	458,543	398,327	17,887	(30,906)	880,372
Gross profit margin	100%	17%	64%	39%	32%	-216%	
Depreciation			(160,757)	(58,628)		(3,338)	(222,723)
Other Revenue/(Expenditure)			(133,836)	(248,362)		(160,978)	(543,176)
Surplus/(Deficit)	22,298	14,223	163,950	91,337	17,887	(195,222)	114,473

Trustee Declaration

As described in the basis of preparation accounting policy included in note 1 to the financial report, the Trust is not a reporting entity and this is a special purpose financial report.

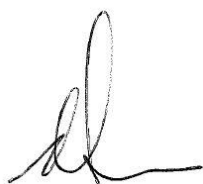
The Trustees of the Trust declare that the financial reports and notes:

- a) Comply with the accounting policies as detailed in note 1 to the financial report; and
- b) Give a true and fair view of the Trust's financial position as at 30 June 2017 and the results of its performance for the year ended on that date.

In the Trustees' opinion:

- a) The financial report and notes are in accordance with the Trust deed; and
- b) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Trustees



Rodney Greene
Director Tas Communications Pty Ltd (Trustee)
4th September 2017