

**Tas Communications Unit Trust**  
**ABN 67 323 633 973**

**Special Purpose Financial Report**  
**for the year ended**  
**30 June 2018**

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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 2018 were:

- Rodney Greene (Director, Chairman)
- Steven Cambridge (Director – current)

The Trust is 100% owned by the Burnie City Council and one of its Directors is 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 \$226,646 compared with a surplus of \$295,664 in 2017. The Trust has net assets of \$2,329,377 as at 30 June 2018 compared with \$2,328,395 in 2017 and is well situated to continue to grow and service its existing customer base into the future. The Trust invested \$121,453 in telecommunications and information technology assets throughout the year.

The Trust employed four full time equivalent employees as at 30 June 2018 (four in 2017).

**Tas Communications Unit Trust**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2018**

	Note	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Income</b>				
User fees	7	1,886,164	1,936,500	1,958,025
Other income	8	20,305	3,000	14,579
Profit/(Loss) on disposal of assets		8,368	-	(16,666)
<b>Total income</b>		<b>1,914,837</b>	<b>1,939,500</b>	<b>1,955,938</b>
<b>Expenses</b>				
Employee benefits	9	474,845	490,300	473,969
Materials and services	10	978,151	978,562	954,297
Depreciation	11	235,195	241,000	232,008
<b>Total expenses</b>		<b>1,688,191</b>	<b>1,709,862</b>	<b>1,660,275</b>
<b>Surplus/(deficit) before:</b>		<b>226,646</b>	<b>229,638</b>	<b>295,664</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive result for the year attributable to the beneficiaries</b>		<b>226,646</b>	<b>229,638</b>	<b>295,664</b>

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

**Tas Communications Unit Trust**  
**Statement of Financial Position**  
**As at 30 June 2018**

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	913,400	813,316
Trade and other receivables	13	251,060	178,121
<b>Total current assets</b>		<b>1,164,460</b>	<b>991,437</b>
<b>Non-current assets</b>			
Plant and equipment	14	1,478,768	1,657,959
<b>Total non-current assets</b>		<b>1,478,768</b>	<b>1,657,959</b>
<b>Total assets</b>		<b>2,643,228</b>	<b>2,649,396</b>
<b>Current liabilities</b>			
Trade and other payables	15	130,973	130,183
Provisions	16	120,124	118,442
Deferred income	17	9,622	9,622
<b>Total current liabilities</b>		<b>260,719</b>	<b>258,247</b>
<b>Non-current liabilities</b>			
Deferred income	17	53,132	62,754
<b>Total non-current liabilities</b>		<b>53,132</b>	<b>62,754</b>
<b>Total liabilities</b>		<b>313,851</b>	<b>321,001</b>
<b>Net Assets</b>		<b>2,329,377</b>	<b>2,328,395</b>
<b>Equity</b>			
Issued units	18	2,102,731	2,102,731
Accumulated surplus/(deficit)	19	226,646	225,664
<b>Total Equity</b>		<b>2,329,377</b>	<b>2,328,395</b>

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 2018**

<b>2018</b>	<b>Total</b>	<b>Accumulated</b>	<b>Issued</b>
	<b>\$</b>	<b>\$</b>	<b>Units</b>
			<b>\$</b>
Balance at beginning of the financial year	2,328,395	225,664	2,102,731
Comprehensive result for the year	226,646	226,646	-
Distributions paid	(225,664)	(225,664)	-
<b>Balance at end of the financial year</b>	<b>2,329,377</b>	<b>226,646</b>	<b>2,102,731</b>

<b>2017</b>	<b>Total</b>	<b>Accumulated</b>	<b>Issued</b>
	<b>\$</b>	<b>\$</b>	<b>Units</b>
			<b>\$</b>
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)	-
<b>Balance at end of the financial year</b>	<b>2,328,395</b>	<b>225,664</b>	<b>2,102,731</b>

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 2018**

	Note	2018 Inflows/ (Outflows) \$	2017 Inflows/ (Outflows) \$
<b>Cash flows from operating activities</b>			
User fees (inclusive of GST)		1,995,900	2,195,729
Other receipts (inclusive of GST)		10,682	10,955
Net GST refund/(payment)		(87,315)	(92,903)
Payments to suppliers (inclusive of GST)		(1,076,056)	(1,071,159)
Payments to employees		(469,827)	(447,362)
<b>Net cash provided by operating activities</b>	<b>20</b>	<b>373,384</b>	<b>595,260</b>
<b>Cash flows from investing activities</b>			
Capital grants		-	76,000
Payments for purchase of plant and equipment		(47,636)	(418,500)
Distribution of profits		(225,664)	(102,700)
<b>Net cash (used in) investing activities</b>		<b>(273,300)</b>	<b>(445,200)</b>
Net increase in cash and cash equivalents		100,084	150,060
Cash and cash equivalents at the beginning of the financial year		813,316	663,256
<b>Cash and cash equivalents at the end of the financial year</b>	<b>12</b>	<b>913,400</b>	<b>813,316</b>

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 2018**

### **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)
- AASB 124 Related Party Disclosures: (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 2018**

### **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 2018 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 (effective reporting periods beginning from on or after 1 January 2018)***

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).

The Trust has a number of contracts with current clients. The Trust will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption. 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 2018**

### ***AASB 16 Leases (effective reporting periods beginning from on or after 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.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight line basis or another systematic basis where appropriate.

The Trust will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

#### **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.

## Tas Communications Unit Trust Notes to the Financial Report For the year ended 30 June 2018

### **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.

### **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 2017-18 year.

## **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.

## Tas Communications Unit Trust Notes to the Financial Report For the year ended 30 June 2018

### 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.

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.

## **Tas Communications Unit Trust Notes to the Financial Report For the year ended 30 June 2018**

### **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.

#### ***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.

## **Tas Communications Unit Trust Notes to the Financial Report For the year ended 30 June 2018**

### **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.

### **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 2018**

**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 2018 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 2018 is \$4,000 (2017 was \$3,840).

**Note 4 Commitments**

As at 30 June 2018 the entity had not entered into any commitments.

**Note 5 Contingent liabilities**

As at 30 June 2018 the entity had no legal claims against it.

## Tas Communications Unit Trust Notes to the Financial Report For the year ended 30 June 2018

### 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:

	2018	2017
	\$	\$
<b>Payments/receipts for goods and services:</b>		
Payments for services from:		
Burnie City Council	109,875	219,099
Receipts for sale of goods and services to:		
Burnie City Council	850,762	1,048,422
Burnie Airport Corporation Unit Trust	2,520	3,008

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

	2018	2017
	\$	\$
<b>Receivable from and payable to related parties</b>		
Current payables to:		
Burnie City Council (accrued expenses)	-	1,574
Burnie City Council (trade creditors)	2,087	2,608
Current receivables from:		
Burnie City Council (trade debtors)	7,092	7,071
Burnie Airport Corporation Unit Trust	210	125

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 considered necessary.



**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2018**

**Note 7 User fees**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Internet services	122,385	102,981
Managed services	941,338	1,021,208
Network services	769,326	741,076
Product sales	20,417	50,093
Support and consulting services	32,699	42,667
<b>Total user fees</b>	<b>1,886,164</b>	<b>1,958,025</b>

**Note 8 Other income**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Interest received	10,682	10,730
Amortisation of capital income	9,622	3,624
Reimbursements	-	225
<b>Total other income</b>	<b>20,305</b>	<b>14,579</b>

**Note 9 Employee benefits**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Annual leave and long service leave	48,383	44,531
Fringe benefits tax	6,255	7,137
Other employee costs	5,755	8,825
Professional development & training	27,610	30,028
Superannuation	43,960	41,346
Wages and salaries	342,883	342,103
<b>Total employee benefits</b>	<b>474,845</b>	<b>473,969</b>

**Note 10 Materials and services**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Advertising	7,643	4,343
Bad debts	854	3,429
Cost of goods sales and services	834,541	819,240
Electricity	3,224	4,437
Insurance	9,185	4,348
Materials and services	66,465	58,574
Office rent & council services	21,168	20,681
Telephone	10,469	14,138
Vehicle expenses	24,603	25,107
<b>Total materials and services</b>	<b>978,151</b>	<b>954,297</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2018**

**Note 11 Depreciation**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Computer equipment	201,589	201,421
Telecommunication infrastructure	33,606	30,587
<b>Total depreciation</b>	<b>235,195</b>	<b>232,008</b>

**Note 12 Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	913,400	813,316
<b>Total cash and cash equivalents</b>	<b>913,400</b>	<b>813,316</b>

**Note 13 Trade and other receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Accrued Revenue	10,449	1,507
Trade debtors	133,372	126,021
Provision for doubtful debts	(4,282)	(3,429)
Prepayments	111,522	54,022
<b>Total trade and other receivables</b>	<b>251,060</b>	<b>178,121</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2018**

**Note 14a Plant and equipment**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Computer equipment</b>		
Opening value at cost	2,294,270	2,059,271
Additions	68,126	292,888
Disposals	-	(57,889)
<b>Computer equipment at cost</b>	<b>2,362,396</b>	<b>2,294,270</b>
<b>Accumulated depreciation</b>		
Opening value	(1,130,480)	(978,111)
Disposals	-	49,052
Depreciation expense	(201,589)	(201,421)
<b>Closing accumulated depreciation</b>	<b>(1,332,069)</b>	<b>(1,130,480)</b>
<b>Written down value of computer equipment</b>	<b>1,030,327</b>	<b>1,163,790</b>
<b>Telecommunications infrastructure</b>		
Opening value at cost	952,360	958,897
Additions	-	101,551
Disposals	-	(108,088)
<b>Telecommunications infrastructure at cost</b>	<b>952,360</b>	<b>952,360</b>
<b>Accumulated depreciation</b>		
Opening value	(487,153)	(556,825)
Disposals	-	100,259
Depreciation expense	(33,606)	(30,587)
<b>Closing accumulated depreciation</b>	<b>(520,759)</b>	<b>(487,153)</b>
<b>Written down value of telecommunications infrastructure</b>	<b>431,601</b>	<b>465,207</b>
<b>Work in Progress</b>		
Opening balance at cost	28,962	4,901
Additions	53,327	418,500
Capitalisations	(65,449)	(394,439)
<b>Closing balance at cost</b>	<b>16,840</b>	<b>28,962</b>
<b>Total plant and equipment</b>	<b>1,478,768</b>	<b>1,657,959</b>

## Tas Communications Unit Trust Notes to the Financial Report For the year ended 30 June 2018

### Note 14b Movement in plant and equipment

	Balance at beginning of financial year	Acquisition of assets/ Transfer of WIP	Depreciation and amortisation	Written down value of asset disposals	Balance at end of financial year
<b>2018</b>	\$	\$	\$	\$	\$
<b>Plant and equipment</b>					
Computer equipment	1,163,790	68,126	(201,589)	-	1,030,327
Telecommunications	465,207	-	(33,606)	-	431,601
Work in progress	28,962	(12,122)	-	-	16,840
<b>Total plant and equipment</b>	<b>1,657,959</b>	<b>56,004</b>	<b>(235,195)</b>	<b>-</b>	<b>1,478,768</b>

*\*Profit on disposal on assets of \$8,368 shown on the Statement of Comprehensive Income relates to the sale of a Burnie City Council vehicle which Tas Communications Unit Trust leased. Tas Communications reimbursed Burnie City Council for the running cost including depreciation for the vehicle therefore profit on disposal was transferred to Tas Communications.*

	\$	\$	\$	\$	\$
<b>2017</b>					
<b>Plant and equipment</b>					
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
<b>Total plant and equipment</b>	<b>1,488,133</b>	<b>418,500</b>	<b>(232,008)</b>	<b>(16,666)</b>	<b>1,657,959</b>

### Note 15 Trade and other payables

	2018	2017
	\$	\$
Accrued expenses	8,128	1,851
Accrued wages	17,078	13,743
Net GST payable	21,190	24,883
Trade creditors	33,288	39,647
Advance receipts	51,289	50,059
<b>Total trade and other payables</b>	<b>130,973</b>	<b>130,183</b>

### Note 16 Provisions

	2018	2017
	\$	\$
<b>Current</b>		
Annual leave	34,566	40,125
Long service leave	71,174	64,247
Oncosts on employee entitlements	14,384	14,071
<b>Total current provisions</b>	<b>120,124</b>	<b>118,442</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
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**Note 17 Deferred income**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Deferred income	9,622	9,622
<b>Total current deferred income</b>	<b>9,622</b>	<b>9,622</b>
<b>Non-current</b>		
Deferred income	53,132	62,754
<b>Total non-current deferred income</b>	<b>53,132</b>	<b>62,754</b>
<b>Total deferred income</b>	<b>62,754</b>	<b>72,376</b>

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**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Burnie City Council</b>		
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
<b>Total Burnie City Council</b>	<b>2,102,731</b>	<b>2,102,731</b>
<b>Total Issued Units</b>	<b>2,102,731</b>	<b>2,102,731</b>

**Tas Communications Unit Trust**  
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**Note 19 Accumulated surplus/(deficit)**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Beginning Balance	225,664	32,700
Surplus/(Deficit)	226,646	295,664
Interim Distributions	-	(70,000)
Final Distributions	(225,664)	(32,700)
<b>Total accumulated surplus/(deficit)</b>	<b>226,646</b>	<b>225,664</b>

**Note 20 Reconciliation of cash flows from operating activities to result**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Operating result per comprehensive income statement	226,646	295,664
<b>Items not involving cash</b>		
Depreciation expense	235,195	232,008
Profit/(Loss) on disposal of assets	(8,368)	16,666
Amortisation of capital income	(9,622)	(3,624)
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in receivables	(72,939)	(11,967)
Increase/(decrease) in payables	(440)	(10,449)
Increase/(decrease) other liabilities	1,230	50,059
Change to employee entitlement provisions	1,683	26,903
<b>Net cash inflow from operating activities</b>	<b>373,384</b>	<b>595,260</b>

**Tas Communications Unit Trust**  
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**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**  
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**Note 21b Revenue and expenditure attributed to activities**

Revenues and expenses have been attributed to the following activities:

<b>2018</b>	<b>Support and consulting services</b>	<b>Product sales</b>	<b>Network services</b>	<b>Managed services</b>	<b>Internet services</b>	<b>Fixed and admin</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
Connection Fees							-
Profit on Disposal of Assets						8,368	8,368
Other Income						20,305	20,305
Product Sales				188,300			188,300
Rentals			132,789				132,789
Sales		20,417					20,417
Service Fees	32,699		636,536	753,038	103,524		1,525,797
Voice Communications Sales					18,861		18,861
<b>Total Revenue</b>	<b>32,699</b>	<b>20,417</b>	<b>769,326</b>	<b>941,338</b>	<b>122,385</b>	<b>28,673</b>	<b>1,914,837</b>
<b>Less: Cost of Goods Sold</b>							
Internetwork Communications					63,194		63,194
Maintenance & Repairs			14,155				14,155
Miscellaneous Purchases				194,201			194,201
Products & Installation Purchases	5,915	20,503	3,323		810		26,417
Rental & Hire Charges			189,471				189,471
Software Maintenance				333,920			333,920
Software Purchases				30			30
Voice Communications Purchases					9,021		9,021
<b>Total Cost of Goods Sold</b>	<b>5,915</b>	<b>20,503</b>	<b>206,949</b>	<b>528,150</b>	<b>73,025</b>	<b>0</b>	<b>834,541</b>
<b>Gross Profit (Loss)</b>	<b>26,784</b>	<b>(86)</b>	<b>562,377</b>	<b>413,187</b>	<b>49,359</b>	<b>28,673</b>	<b>1,080,296</b>
Gross profit margin	82%	0%	73%	44%	40%	100%	
Depreciation			(149,770)	(79,740)		(5,685)	(235,195)
Other Expenditure			(142,371)	(265,849)		(210,234)	(618,454)
<b>Surplus/(Deficit)</b>	<b>26,784</b>	<b>(86)</b>	<b>270,236</b>	<b>67,598</b>	<b>49,359</b>	<b>(187,246)</b>	<b>226,646</b>



**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
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<b>2017</b>	<b>Support and consulting services</b>	<b>Product sales</b>	<b>Network services</b>	<b>Managed services</b>	<b>Internet services</b>	<b>Fixed and admin</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
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
<b>Total Revenue</b>	<b>42,667</b>	<b>50,093</b>	<b>741,074</b>	<b>1,021,210</b>	<b>102,981</b>	<b>-2,087</b>	<b>1,955,938</b>
<b>Less: Cost of Goods Sold</b>							
Internetwork 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
<b>Total Cost of Goods Sold</b>	<b>0</b>	<b>47,886</b>	<b>209,316</b>	<b>494,589</b>	<b>67,449</b>	<b>51,627</b>	<b>870,867</b>
<b>Gross Profit (Loss)</b>	<b>42,667</b>	<b>2,207</b>	<b>531,758</b>	<b>526,621</b>	<b>35,532</b>	<b>-53,714</b>	<b>1,085,071</b>
Gross profit margin	100%	4%	72%	52%	35%	2574%	
Depreciation			(148,888)	(79,310)		(3,810)	(232,008)
Othe Expenditure			(137,212)	(274,350)		(145,837)	(557,399)
<b>Surplus/(Deficit)</b>	<b>42,667</b>	<b>2,207</b>	<b>245,658</b>	<b>172,961</b>	<b>35,532</b>	<b>(203,361)</b>	<b>295,664</b>

## 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.

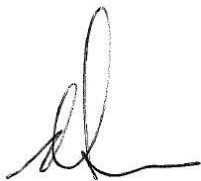
The Trustees of the Trust declare that the financial reports and notes:

- 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 2018 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

A handwritten signature in black ink, appearing to be 'Rodney Greene', written in a cursive style.

Rodney Greene  
Director Tas Communications Pty Ltd (Trustee)  
4<sup>th</sup> September 2018