

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

**Special Purpose Financial Report**  
**for the year ended**  
**30 June 2020**

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## Trustee Report

Tas Communications Unit Trust (the 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, the Trust 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 2020 were:

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

The Trust is 100% owned by the Burnie City Council (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 a favourable result for the year with an operating surplus of \$141,547 compared to a deficit of \$106,973 in 2019. The Trust has net assets of \$2,137,305 as at 30 June 2020 compared with \$1,995,758 in 2019 and is well situated to continue to grow and service its existing customer base into the future. The Trust invested \$230,674 in telecommunications and information technology assets throughout the year.

The Trust employed four full time equivalent employees as at 30 June 2020 (four in 2019).

**Tas Communications Unit Trust**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2020**

	Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Income</b>				
User fees	7	2,056,927	1,637,255	1,637,426
Other income	8	117,437	14,622	21,380
Profit/(Loss) on disposal of assets	9	-	-	(36,929)
<b>Total income</b>		<b>2,174,364</b>	<b>1,651,877</b>	<b>1,621,876</b>
<b>Expenses</b>				
Employee benefits	10	432,088	399,664	446,455
Materials and services	11	1,323,127	1,030,875	1,020,630
Depreciation	12	277,602	175,214	261,764
<b>Total expenses</b>		<b>2,032,817</b>	<b>1,605,753</b>	<b>1,728,849</b>
<b>Surplus/(deficit) before:</b>		<b>141,547</b>	<b>46,124</b>	<b>(106,973)</b>
<b>Comprehensive result for the year attributable to the beneficiaries</b>		<b>141,547</b>	<b>46,124</b>	<b>(106,973)</b>

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



**Tas Communications Unit Trust**  
**Statement of Financial Position**  
**For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	441,350	401,096
Trade and other receivables	14	541,757	376,512
<b>Total current assets</b>		<b>983,107</b>	<b>777,608</b>
<b>Non-current assets</b>			
Plant and equipment	15	1,375,367	1,422,294
<b>Total non-current assets</b>		<b>1,375,367</b>	<b>1,422,294</b>
<b>Total assets</b>		<b>2,358,474</b>	<b>2,199,902</b>
<b>Current liabilities</b>			
Trade and other payables	16	92,314	33,002
Provisions	17	128,213	117,978
Deferred income	18	-	9,622
<b>Total current liabilities</b>		<b>220,527</b>	<b>160,602</b>
<b>Non-current liabilities</b>			
Provisions	17	642	33
Deferred income	18	-	43,509
<b>Total non-current liabilities</b>		<b>642</b>	<b>43,542</b>
<b>Total liabilities</b>		<b>221,169</b>	<b>204,144</b>
<b>Net Assets</b>		<b>2,137,305</b>	<b>1,995,758</b>
<b>Equity</b>			
Issued units	19	2,102,731	2,102,731
Accumulated surplus/(deficit)	20	34,574	(106,973)
<b>Total Equity</b>		<b>2,137,305</b>	<b>1,995,758</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 2020**

	<b>Total</b>	<b>Accumulated</b>	<b>Issued</b>
	<b>\$</b>	<b>Surplus</b>	<b>Units</b>
<b>2020</b>		<b>\$</b>	<b>\$</b>
Balance at beginning of the financial year	1,995,758	(106,973)	2,102,731
Comprehensive result for the year	141,547	141,547	-
<b>Balance at end of the financial year</b>	<b>2,137,305</b>	<b>34,574</b>	<b>2,102,731</b>

	<b>Total</b>	<b>Accumulated</b>	<b>Issued</b>
	<b>\$</b>	<b>Surplus</b>	<b>Units</b>
<b>2019</b>		<b>\$</b>	<b>\$</b>
Balance at beginning of the financial year	2,329,377	226,646	2,102,731
Comprehensive result for the year	(106,973)	(106,973)	-
Distributions paid	(226,646)	(226,646)	-
<b>Balance at end of the financial year</b>	<b>1,995,758</b>	<b>(106,973)</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 2020**

	Note	2020 Inflows/ (Outflows) \$	2019 Inflows/ (Outflows) \$
<b>Cash flows from operating activities</b>			
User fees (inclusive of GST)		2,085,157	1,629,817
Other receipts (inclusive of GST)		64,306	11,757
Net GST refund/(payment)		(50,743)	(66,069)
Payments to suppliers (inclusive of GST)		(1,423,813)	(1,153,298)
Payments to employees		(403,978)	(465,646)
<b>Net cash provided by operating activities</b>	<b>21</b>	<b>270,929</b>	<b>(43,439)</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of plant and equipment		(230,675)	(242,219)
Distribution of profits		-	(226,646)
<b>Net cash (used in) investing activities</b>		<b>(230,675)</b>	<b>(468,865)</b>
Net increase in cash and cash equivalents		40,254	(512,304)
Cash and cash equivalents at the beginning of the financial year		401,096	913,400
<b>Cash and cash equivalents at the end of the financial year</b>	<b>13</b>	<b>441,350</b>	<b>401,096</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 2020**

**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.

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 2020**

### **B. Adoption of new and amended accounting standards**

The following standards, amendments to standards and interpretations were adopted from 1 July 2019:

#### ***AASB 15 Revenue from Contracts with Customers***

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. Revenue is not recognised as income by the trust until the relevant performance obligations to gain control of the revenue have been met.

The Trust applied the standard from 1 July 2019. The standard did not have any material impact on the Trusts revenue recognition.

#### ***AASB 16 Leases***

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.



**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2020**

The Trust applied the standard from 1 July 2019 but did not identify any lease which provided control to the entity and therefore did not disclose any lease under AASB 16.

**C. Pending accounting standards**

There are no pending accounting standards which are applicable to the Trust as at 30 June 2020.

**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.

***User fee income***

*Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019*

The Trust recognises revenue from user fees and charges when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

*Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative*

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

## **Tas Communications Unit Trust**

### **Notes to the Financial Report**

#### **For the year ended 30 June 2020**

#### ***Interest***

Interest revenue is recognised as interest accrues.

#### ***Deferred income***

Deferred income relates to a capital grant received by the Trust in 2016-17. From 2016-17 to 2018-19 the income was 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 – Accounting for Government Grants and Disclosure of Government Assistance). In the 2019-20 financial year the remaining grant funds were recognised as revenue in accordance with AASB 15 as the performance obligations of the grant had been met.

#### ***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

### **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 2020**

**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 15. 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 2020**

#### **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 2020**

### **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 depreciation and long service leave. Details of these judgements and estimates can be found at note 1E and 1I respectively.

### **N. Taxation**

The entity is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the GST. Payroll Tax is paid by the parent entity, 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 2020**

**Note 2    Events occurring after the reporting date**

There have been no matters or circumstances which have arisen since 30 June 2020 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 2020 is \$4,160 (2019 was \$4,160).

**Note 4    Commitments**

As at 30 June 2020 the Trust had not entered into any commitments.

**Note 5    Contingent liabilities**

As at 30 June 2020 the Trust had no legal claims against it.

# Tas Communications Unit Trust

## Notes to the Financial Report

### For the year ended 30 June 2020

#### 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:

#### Note 6 Related party transactions

	2020	2019
	\$	\$
<b>Payments/receipts for goods and services:</b>		
Payments for services from:		
Burnie City Council	126,448	115,568
Receipts for sale of goods and services to:		
Burnie City Council	877,731	823,948
Burnie Airport Corporation Unit Trust	1,625	2,350

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

	2020	2019
	\$	\$
<b>Receivable from and payable to related parties</b>		
Current payables to:		
Burnie City Council (accrued expenses)	313	720
Burnie City Council (trade creditors)	2,041	2,815
Current receivables from:		
Burnie City Council (trade debtors)	227,186	47,473

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 2020**

**Note 7 User fees**

	2020	2019
	\$	\$
Internet services	116,692	97,329
Managed services	1,054,084	885,814
Network services	818,306	626,851
Product sales	21,469	9,294
Support and consulting services	46,376	18,137
<b>Total user fees</b>	<b>2,056,927</b>	<b>1,637,426</b>

**Note 8 Other income**

	2020	2019
	\$	\$
Interest received	3,466	11,757
Amortisation of capital income	53,131	9,622
COVID-19 Cash Flow Boost	60,584	
Reimbursements	256	
<b>Total other income</b>	<b>117,437</b>	<b>21,380</b>

**Note 9 Net Gain/(Loss) on sale of Assets**

	2020	2019
	\$	\$
Written down value of assets sold	-	(36,929)
<b>Total net gain/(loss) on sale of assets</b>	<b>-</b>	<b>(36,929)</b>

**Note 10 Employee benefits**

	2020	2019
	\$	\$
Annual leave and long service leave	45,108	56,074
Fringe benefits tax	(30)	3,663
Other employee costs	5,780	1,375
Professional development & training	1,315	11,106
Superannuation	42,720	38,334
Wages and salaries	337,195	335,903
<b>Total employee benefits</b>	<b>432,088</b>	<b>446,455</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2020**

**Note 11 Materials and services**

	2020	2019
	\$	\$
Advertising	1,032	5,805
Bad debts	(310)	3,233
Cost of goods sales and services	1,213,928	854,498
Electricity	4,621	3,328
Insurance	10,634	14,355
Materials and services	47,928	84,622
Office rent & council services	24,320	27,307
Telephone	5,088	8,140
Vehicle expenses	15,886	19,342
<b>Total materials and services</b>	<b>1,323,127</b>	<b>1,020,630</b>

**Note 12 Depreciation**

	2020	2019
	\$	\$
Computer equipment	247,959	228,158
Telecommunication infrastructure	29,643	33,606
<b>Total depreciation</b>	<b>277,602</b>	<b>261,764</b>

**Note 13 Cash and cash equivalents**

	2020	2019
	\$	\$
Cash at bank	441,350	401,096
<b>Total cash and cash equivalents</b>	<b>441,350</b>	<b>401,096</b>

**Note 14 Trade and other receivables**

	2020	2019
	\$	\$
<b>Current</b>		
Accrued Revenue	5,350	29,668
Trade debtors	368,892	120,972
Provision for doubtful debts	(3,117)	(7,516)
Prepayments	170,632	233,388
<b>Total trade and other receivables</b>	<b>541,757</b>	<b>376,512</b>



**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2020**

**Note 15a Plant and equipment**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b><i>Computer equipment</i></b>		
Opening value at cost	2,409,705	2,362,396
Additions	285,329	161,100
Disposals	-	(113,792)
<b><i>Computer equipment at cost</i></b>	<b>2,695,034</b>	<b>2,409,705</b>
<b><i>Accumulated depreciation</i></b>		
Opening value	(1,483,364)	(1,332,069)
Disposals	-	76,863
Depreciation expense	(247,959)	(228,158)
<b><i>Closing accumulated depreciation</i></b>	<b>(1,731,323)</b>	<b>(1,483,364)</b>
<b>Written down value of computer equipment</b>	<b>963,711</b>	<b>926,341</b>
<b><i>Telecommunications infrastructure</i></b>		
Opening value at cost	952,360	952,360
<b><i>Telecommunications infrastructure at cost</i></b>	<b>952,360</b>	<b>952,360</b>
<b><i>Accumulated depreciation</i></b>		
Opening value	(554,365)	(520,759)
Depreciation expense	(29,643)	(33,606)
<b><i>Closing accumulated depreciation</i></b>	<b>(584,008)</b>	<b>(554,365)</b>
<b>Written down value of telecommunications infrastructure</b>	<b>368,352</b>	<b>397,995</b>
<b>Work in Progress</b>		
Opening balance at cost	97,959	16,840
Additions	230,674	242,219
Capitalisations	(285,329)	(161,100)
<b>Closing balance at cost</b>	<b>43,304</b>	<b>97,959</b>
<b>Total plant and equipment</b>	<b>1,375,367</b>	<b>1,422,294</b>



**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2020**

**Note 15b 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>2020</b>	\$	\$	\$	\$	\$
<b><i>Plant and equipment</i></b>					
Computer equipment	926,341	285,329	(247,959)	-	963,711
Telecommunications	397,995	-	(29,643)	-	368,352
Work in progress	97,959	(54,655)	-	-	43,304
<b>Total plant and equipment</b>	<b>1,422,294</b>	<b>230,674</b>	<b>(277,602)</b>	<b>-</b>	<b>1,375,367</b>
<b>2019</b>	\$	\$	\$	\$	\$
<b><i>Plant and equipment</i></b>					
Computer equipment	1,030,327	161,100	(228,158)	(36,929)	926,341
Telecommunications	431,601	-	(33,606)	-	397,995
Work in progress	16,840	81,119	-	-	97,959
<b>Total plant and equipment</b>	<b>1,478,768</b>	<b>242,219</b>	<b>(261,764)</b>	<b>(36,929)</b>	<b>1,422,294</b>

**Note 16 Trade and other payables**

	<b>2020</b>	<b>2019</b>
	\$	\$
Accrued expenses	17,840	1,661
Accrued wages	17,265	-
Net GST payable	21,078	(1,559)
Trade creditors	27,382	11,933
Advance receipts	8,749	20,967
<b>Total trade and other payables</b>	<b>92,314</b>	<b>33,002</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2020**

**Note 17 Provisions**

	2020	2019
	\$	\$
<b>Current</b>		
Annual leave	48,182	31,863
Long service leave	65,002	72,105
Oncosts on employee entitlements	15,029	14,010
<b>Total current provisions</b>	<b>128,213</b>	<b>117,978</b>
<b>Non-current</b>		
Long service leave	562	29
Oncosts on employee entitlements	80	4
<b>Total non-current provisions</b>	<b>642</b>	<b>33</b>
<b>Total provisions</b>	<b>128,855</b>	<b>118,011</b>

**Note 18 Deferred income**

	2020	2019
	\$	\$
<b>Current</b>		
Deferred income	-	9,622
<b>Total current deferred income</b>	<b>-</b>	<b>9,622</b>
<b>Non-current</b>		
Deferred income	-	43,509
<b>Total non-current deferred income</b>	<b>-</b>	<b>43,509</b>
<b>Total deferred income</b>	<b>-</b>	<b>53,131</b>

The Trust received a 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. Between 2016-17 and 2018-19 financial years income was recognised as the relevant assets generated by the grant funds were depreciated. In the 2019-20 financial year due to the change in AASB 15 the remaining deferred income was recognised as revenue as the performance obligations of the grant have been met.

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2020**

**Note 19 Issued units**

	2020	2019
	\$	\$
<b><i>Burnie City Council</i></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**  
**Notes to the Financial Report**  
**For the year ended 30 June 2020**

**Note 20 Accumulated surplus/(deficit)**

	2020	2019
	\$	\$
Beginning Balance	(106,973)	226,646
Surplus/(Deficit)	141,547	(106,973)
Final Distributions	-	(226,646)
<b>Total accumulated surplus/(deficit)</b>	<b>34,574</b>	<b>(106,973)</b>

**Note 21 Reconciliation of cash flows**

	2020	2019
	\$	\$
Operating result per comprehensive income statement	141,547	(106,973)
<b>Items not involving cash</b>		
Depreciation expense	277,602	261,764
Profit/(Loss) on disposal of assets	-	36,929
Amortisation of capital income	(53,131)	(9,622)
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in receivables	(165,245)	(125,452)
Increase/(decrease) in payables	71,531	(67,649)
Increase/(decrease) other liabilities	(12,218)	(30,322)
Change to employee entitlement provisions	10,844	(2,115)
<b>Net cash inflow from operating activities</b>	<b>270,930</b>	<b>(43,439)</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2020**

**Note 22a Activities of Tas Communications**

The activities of the Trust 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 2020**

**Note 22b Revenue and expenditure attributed to activities**

Revenues and expenses have been attributed to the following activities:

2020	Support and consulting services \$	Product sales \$	Network services \$	Managed services \$	Internet services \$	Fixed and admin \$	Total \$
<b>Revenues</b>							
Connection Fees			4,284		1,712		5,996
Profit on Disposal of Assets							-
Other Income						117,436	117,436
Product Sales				132,522			132,522
Rentals			151,677				151,677
Sales	46,376	21,469					67,845
Service Fees			662,345	921,563	48,805		1,632,713
Voice Communications Sales					66,174		66,174
<b>Total Revenue</b>	<b>46,376</b>	<b>21,469</b>	<b>818,306</b>	<b>1,054,085</b>	<b>116,692</b>	<b>117,436</b>	<b>2,174,363</b>
<b>Less: Cost of Goods Sold</b>							
Internetwork Communications					59,472		59,472
Maintenance & Repairs			25,798				25,798
Miscellaneous Purchases				155,547			155,547
Products & Installation			216,529		545		217,073
Purchases	17,049	8,747					25,796
Rental & Hire Charges			163,453				163,453
Software Maintenance				522,987			522,987
Software Purchases							0
Voice Communications Purchases					43,800		43,800
<b>Total Cost of Goods Sold</b>	<b>17,049</b>	<b>8,747</b>	<b>405,780</b>	<b>678,534</b>	<b>103,817</b>	<b>0</b>	<b>1,213,928</b>
<b>Gross Profit (Loss)</b>	<b>29,327</b>	<b>12,722</b>	<b>412,526</b>	<b>375,551</b>	<b>12,875</b>	<b>117,436</b>	<b>960,436</b>
Gross profit margin	63%	59%	50%	36%	11%	100%	
Depreciation			- 133,762	- 139,388		- 4,452	(277,602)
Other Expenditure			- 71,122	- 313,872		- 156,293	(541,287)
<b>Surplus/(Deficit)</b>	<b>29,327</b>	<b>12,722</b>	<b>207,642</b>	<b>-77,710</b>	<b>12,875</b>	<b>(43,309)</b>	<b>141,547</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2020**

2019	Support and consulting services \$	Product sales \$	Network services \$	Managed services \$	Internet services \$	Fixed and admin \$	Total \$
<b>Revenues</b>							
Connection Fees			2,506		2,400		4,906
Profit on Disposal of Assets						(36,929)	(36,929)
Other Income						21,380	21,380
Product Sales				135,320			135,320
Rentals			158,638				158,638
Sales		9,294					9,294
Service Fees	18,137		465,708	750,495	72,840		1,307,180
Voice Communications Sales					22,089		22,089
<b>Total Revenue</b>	<b>18,137</b>	<b>9,294</b>	<b>626,851</b>	<b>885,815</b>	<b>97,329</b>	<b>-15,550</b>	<b>1,621,876</b>
<b>Less: Cost of Goods Sold</b>							
Internetwork Communications					61,200		61,200
Maintenance & Repairs			43,417				43,417
Miscellaneous Purchases				126,027			126,027
Products & Installation			209		5,049		5,258
Purchases	9,331	6,849					16,179
Rental & Hire Charges			221,304				221,304
Software Maintenance				354,085			354,085
Software Purchases							0
Voice Communications Purchases					27,028		27,028
<b>Total Cost of Goods Sold</b>	<b>9,331</b>	<b>6,849</b>	<b>264,930</b>	<b>480,112</b>	<b>93,277</b>	<b>0</b>	<b>854,498</b>
<b>Gross Profit (Loss)</b>	<b>8,807</b>	<b>2,445</b>	<b>361,921</b>	<b>405,702</b>	<b>4,052</b>	<b>-15,550</b>	<b>767,378</b>
Gross profit margin	49%	26%	58%	46%	4%	100%	
Depreciation			(145,370)	(110,333)		(6,061)	(261,764)
Other Expenditure			(107,368)	(247,833)		(257,385)	(612,586)
<b>Surplus/(Deficit)</b>	<b>8,807</b>	<b>2,445</b>	<b>109,183</b>	<b>47,536</b>	<b>4,052</b>	<b>(278,996)</b>	<b>-106,973</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.

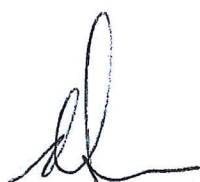
The Trustees of the Trust declare that the financial reports and notes:

- 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 2020 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 dark ink, appearing to be 'Rodney Greene', with a stylized, cursive script.

Rodney Greene  
Director Tas Communications Pty Ltd (Trustee)  
30<sup>th</sup> September 2020