



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

**Special Purpose Financial Report**  
**for the year ended**  
**30 June 2014**

## Contents

Trustee Report .....	3
Statement of Comprehensive Income .....	4
Statement of Financial Position .....	5
Statement of Changes in Equity.....	6
Statement of Cash Flows .....	7
Notes to the Financial Report .....	8
Note 1    Significant accounting policies .....	8
Note 2    Events occurring after the reporting date .....	15
Note 3    Auditor remuneration .....	15
Note 4    Commitments.....	15
Note 5    Contingent liabilities .....	15
Note 6    Related party transactions .....	16
Note 7    User fees .....	17
Note 8    Other income .....	17
Note 9    Net gain/(loss) on sale of assets.....	17
Note 10    Employee benefits.....	17
Note 11    Materials and services.....	18
Note 12    Depreciation.....	18
Note 13    Cash and cash equivalents .....	18
Note 14    Trade and other receivables .....	18
Note 15    Other assets .....	19
Note 16a    Plant and equipment.....	19
Note 16b    Movement in plant and equipment.....	20
Note 17    Trade and other payables .....	21
Note 18    Other liabilities .....	21
Note 19    Provisions .....	21
Note 20    Issued units .....	22
Note 21    Accumulated surplus/(deficit).....	22
Note 22    Reconciliation of cash flows from operating activities to result.....	23
Note 23a    Activities of Tas Communications .....	23
Note 23b    Revenue and expenditure attributed to activities .....	24
Trustee Declaration.....	26

## 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 as at 30 June 2014 were:

- Andrew Wardlaw (Chairman & Secretary)
- Rodney Greene (Director)

The trust is 100% owned by the Burnie City Council and its Directors are all 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 \$149,101 compared with a surplus of \$151,531 in 2013. The trust has net assets of \$1,881,602 as at 30 June 2014 compared with \$1,732,501 in 2013 and is well situated to continue to grow and service its existing customer base into the future. The trust invested \$353,463 in telecommunications and information technology assets throughout the year.

The trust employed four full time equivalent employees as at 30 June 2014 (five in 2013).

**Tas Communications Unit Trust**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2014**

	Note	2014 Actual \$	2014 Budget \$	2013 Actual \$
<b>Income</b>				
User fees	7	1,846,801	2,030,499	1,737,137
Other income	8	6,768	3,000	3,230
Net gain/(loss) on sale of assets	9	6,941	-	-
<b>Total income</b>		<b>1,860,510</b>	<b>2,033,499</b>	<b>1,740,367</b>
<b>Expenses</b>				
Employee benefits	10	426,972	451,530	414,719
Materials and services	11	1,026,361	1,139,281	927,444
Depreciation	12	258,076	284,397	246,673
<b>Total expenses</b>		<b>1,711,409</b>	<b>1,875,208</b>	<b>1,588,836</b>
<b>Comprehensive result for the year attributable to the beneficiaries</b>		<b>149,101</b>	<b>158,291</b>	<b>151,531</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 2014**

	Note	2014 \$	2013 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	475,782	347,375
Trade and other receivables	14	128,313	106,185
Other assets	15	-	14,945
<b>Total current assets</b>		<b>604,095</b>	<b>468,505</b>
<b>Non-current assets</b>			
Plant and equipment	16	1,460,354	1,383,709
<b>Total non-current assets</b>		<b>1,460,354</b>	<b>1,383,709</b>
<b>Total assets</b>		<b>2,064,449</b>	<b>1,852,214</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	90,651	55,183
Other liabilities	18	30,808	90
Provisions	19	53,621	57,429
<b>Total current liabilities</b>		<b>175,080</b>	<b>112,702</b>
<b>Non-current liabilities</b>			
Provisions	19	7,767	7,011
<b>Total non-current liabilities</b>		<b>7,767</b>	<b>7,011</b>
<b>Total liabilities</b>		<b>182,847</b>	<b>119,713</b>
<b>Net Assets</b>		<b>1,881,602</b>	<b>1,732,501</b>
<b>Equity</b>			
Issued units	20	2,102,731	2,102,731
Accumulated surplus/(deficit)	21	(221,129)	(370,230)
<b>Total Equity</b>		<b>1,881,602</b>	<b>1,732,501</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 2014**

<b>2014</b>	<b>Total</b>	<b>Accumulated Surplus/(Deficit)</b>	<b>Issued Units</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the financial year	1,732,501	(370,230)	2,102,731
Comprehensive result for the year	149,101	149,101	-
<b>Balance at the end of the financial year</b>	<b>1,881,602</b>	<b>(221,129)</b>	<b>2,102,731</b>

<b>2013</b>	<b>Total</b>	<b>Accumulated Surplus/(Deficit)</b>	<b>Issued Units</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the financial year	1,580,970	(521,761)	2,102,731
Comprehensive result for the year	151,531	151,531	-
<b>Balance at the end of the financial year</b>	<b>1,732,501</b>	<b>(370,230)</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 2014**

	Note	2014 Inflows/ (Outflows) \$	2013 Inflows/ (Outflows) \$
<b>Cash flows from operating activities</b>			
User fees (inclusive of GST)		2,047,953	1,898,729
Other receipts		6,768	2,738
Net GST refund/(payment)		(68,979)	(76,318)
Payments to suppliers (inclusive of GST)		(1,106,696)	(1,060,516)
Payments to employees		(429,345)	(404,109)
<b>Net cash provided by/(used in) operating activities</b>	<b>22</b>	<b>449,701</b>	<b>360,524</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of plant and equipment		17,500	-
Payments for the purchase of plant and equipment		(338,794)	(116,939)
<b>Net cash provided by/(used in) investing activities</b>		<b>(321,294)</b>	<b>(116,939)</b>
Net increase/(decrease) in cash and cash equivalents		128,407	243,585
Cash and cash equivalents at the beginning of the financial year		347,375	103,790
<b>Cash and cash equivalents at the end of the financial year</b>	<b>13</b>	<b>475,782</b>	<b>347,375</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 2014**

**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.

Where practical the special purpose financial report complies with Australian Accounting Standards. 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. Transactions with all parties including the parent entity are at arm's length.

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 2014**

**B. Adoption of new, amended and impending standards**

Certain new accounting standards and interpretations have been published that came into effect during the 2014 financial year. These are not mandatory for 30 June 2014 reporting period, given the financial report is special purpose. The entity's assessment of the impact of the relevant new standards and interpretations are set out below.

(i) AASB 13 Fair Value Measurement (effective date 30 June 2014)

AASB 13 Fair Value Measurement provides for a precise definition of fair value and a single source of fair value disclosure requirements for use across Accounting Standards however does not change when fair value is required or permitted.

The entity holds assets at cost per AASB 13 Para 6 part (c) fair value requirements do not apply.

(ii) AASB 119 Employee Benefits (effective date 30 June 2014)

AASB 119 Employee Benefits sets out revised reporting requirements for post-employment benefits, termination benefits and other changes.

The entity has adopted the amendments to AASB 119, no material impacts have been identified.

(iii) AASB 1031 Materiality (effective date 1 January 2014)

The objective of AASB 1031 Materiality is to make cross-references to other standards and the Framework for the Preparation and presentation of Financial Statements (as identified in AASB 1048 Interpretations of Standards) that contain guidance on materiality.

No material impact is anticipated.

(iv) AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

Part A – Conceptual Framework (effective date 20 December 2013)

Part A of this standard updates references to the Framework for the Preparation and Presentation of Financial Statements in other standards as a consequence of the issue of ASB CF 2013-1 in December 2013.

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

**Part B – Materiality (effective date 1 January 2014)**

Part B of this standard deletes references to AASB 1031 Materiality in various other standards. Once all references to ASB 1031 have been deleted from all Australian Accounting Standards, AASB 1031 will be withdrawn.

**Part C – Financial Instruments (effective date 1 January 2015)**

Part C of this standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge Accounting and makes consequential amendments to AASB 9 and numerous other standards. Part C also amends the effective date of AASB 9 to annual reporting periods beginning on or after 1 January 2017, instead of 1 January 2015.

No material impact is anticipated.

**C. 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 2014**

***Interest***

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

***Other revenue***

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

**D. 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

**E. 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 2014**

**F. 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 exchange 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 16. 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

**G. 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 2014**

### **H. 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.

### **I. 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 2014**

### **J. 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.

### **K. Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statement may not equate due to rounding.

### **L. Estimates and judgements**

In the application of Australian Accounting Standards, the Trust is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ to those estimates.

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 1G and 1C respectively.

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

**M. 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.

**N. 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.

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

There has been no matter or circumstance which has arisen since 30 June 2014 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 2014 is \$3,660 (2013 was \$3,530).

**Note 4 Commitments**

As at 30 June 2014 the entity had not entered into any commitments.

**Note 5 Contingent liabilities**

As at 30 June 2014 the entity had no legal claims against it.

# Tas Communications Unit Trust

## Notes to the Financial Report

### For the year ended 30 June 2014

#### 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, Burnie Sports & Events Pty Ltd ATF Burnie Sports & Events Unit Trust 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 during 2014 with related parties:

	2014	2013
	\$	\$
<b>Payments/receipts for goods and services:</b>		
Payments for services from:		
Burnie City Council	74,630	60,130
Burnie Sports & Events Unit Trust	649	-
Receipts for sale of goods and services to:		
Burnie City Council	1,024,615	887,337
Burnie Sports & Events Unit Trust	30,191	47,340
Burnie Airport Corporation Unit Trust	1,558	1,543

The following balances are outstanding as at 30 June 2014 in relation to transactions with related parties:

	2014	2013
	\$	\$
<b>Payables to/receivables from related parties</b>		
Current payables to:		
Burnie City Council (accrued expenses)	-	436
Burnie City Council (trade creditors)	13,046	-
Current receivables from:		
Burnie City Council (other debtors)	6,025	-
Burnie City Council (trade debtors)	23,639	31,238
Burnie Sports & Events Unit Trust	2,493	3,818
Burnie Airport Corporation Unit Trust	120	240



**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

**Note 7    User fees**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Internet services	57,641	61,818
Managed services	1,034,672	885,866
Network services	634,808	667,642
Product sales	53,894	88,631
Support and consulting services	65,786	33,180
<b>Total user fees</b>	<b>1,846,801</b>	<b>1,737,137</b>

**Note 8    Other income**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Interest received	3,307	3,230
Reimbursements	3,461	-
<b>Total other income</b>	<b>6,768</b>	<b>3,230</b>

**Note 9    Net gain/(loss) on sale of assets**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Proceeds from sale of assets	25,682	-
Written down value of assets sold	(18,741)	-
<b>Total net gain/(loss) on sale of assets</b>	<b>6,941</b>	<b>-</b>

**Note 10   Employee benefits**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Annual leave and long service leave	38,852	40,179
Fringe benefits tax	6,267	6,293
Other employee costs	2,977	4,428
Professional development & training	25,739	24,640
Superannuation	37,440	35,579
Wages and salaries	315,697	303,600
<b>Total employee benefits</b>	<b>426,972</b>	<b>414,719</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

**Note 11 Materials and services**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Advertising	1,777	4,441
Cost of goods sales and services	910,575	829,641
Electricity	7,993	2,472
Insurance	10,439	8,606
Materials and services	37,860	36,556
Office rent & council services	19,128	18,695
Telephone	15,418	9,404
Vehicle expenses	23,171	17,629
<b>Total materials and services</b>	<b>1,026,361</b>	<b>927,444</b>

**Note 12 Depreciation**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Computer equipment	173,147	145,520
Telecommunication infrastructure	84,929	101,153
<b>Total depreciation</b>	<b>258,076</b>	<b>246,673</b>

**Note 13 Cash and cash equivalents**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	475,582	347,175
Cash on hand	200	200
<b>Total cash and cash equivalents</b>	<b>475,782</b>	<b>347,375</b>

**Note 14 Trade and other receivables**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Accrued Revenue	1,542	352
Other debtors	4,842	4,491
Trade debtors	121,929	103,349
Provision for impaired debts	-	(2,007)
<b>Total trade and other receivables</b>	<b>128,313</b>	<b>106,185</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

**Note 15 Other assets**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Inventories	-	14,945
<b>Total other assets</b>	<b>-</b>	<b>14,945</b>

The balance of inventories on hand was used in operations during 2014. Inventory items are used when purchased and no longer held as stock.

**Note 16a Plant and equipment**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Computer equipment</b>		
Opening value at cost	1,428,890	1,311,951
Plus additions	353,463	116,939
Less disposals	(191,706)	-
<b>Computer equipment at cost</b>	<b>1,590,647</b>	<b>1,428,890</b>
 <b><i>Accumulated depreciation</i></b>		
Opening value	(620,459)	(474,939)
Plus disposals	172,964	-
Less depreciation expense	(173,147)	(145,520)
<b><i>Closing accumulated depreciation</i></b>	<b>(620,642)</b>	<b>(620,459)</b>
 <b>Written down value of computer equipment</b>	 <b>970,005</b>	 <b>808,431</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Telecommunications infrastructure</b>		
Opening value at cost	969,493	969,493
Less disposals	(60,012)	-
<b>Telecommunications infrastructure at cost</b>	<b>909,481</b>	<b>969,493</b>
 <b><i>Accumulated depreciation</i></b>		
Opening value	(394,215)	(293,062)
Plus disposals	60,012	-
Less depreciation expense	(84,929)	(101,153)
<b><i>Closing accumulated depreciation</i></b>	<b>(419,132)</b>	<b>(394,215)</b>
 <b>Written down value of telecommunications infrastructure</b>	 <b>490,349</b>	 <b>575,278</b>
 <b>Total plant and equipment</b>	 <b>1,460,354</b>	 <b>1,383,709</b>

**Note 16b Movement in plant and equipment**

	Balance at beginning of financial year \$	Acquisition of assets \$	Depreciation and amortisation \$	Written down value of assets sold \$	Balance at end of financial year \$
<b>2014</b>					
<b>Plant and equipment</b>					
Computer equipment	808,431	353,463	(173,147)	(18,742)	970,005
Telecommunications	575,278	-	(84,929)	-	490,349
<b>Total plant and equipment</b>	<b>1,383,709</b>	<b>353,463</b>	<b>(258,076)</b>	<b>(18,742)</b>	<b>1,460,354</b>
 <b>2013</b>					
	\$	\$	\$	\$	\$
<b>Plant and equipment</b>					
Computer equipment	837,012	116,939	(145,520)	-	808,431
Telecommunications	676,431	-	(101,153)	-	575,278
<b>Total plant and equipment</b>	<b>1,513,443</b>	<b>116,939</b>	<b>(246,673)</b>	<b>-</b>	<b>1,383,709</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

**Note 17 Trade and other payables**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Accrued expenses	15,443	466
Accrued wages	8,306	7,750
FBT Payable	1,601	1,670
Net GST payable	24,265	16,654
Trade creditors	41,036	28,643
<b>Total trade and other payables</b>	<b>90,651</b>	<b>55,183</b>

**Note 18 Other liabilities**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Revenue received in advance	30,648	-
Trade debtors in credit	160	90
<b>Total other liabilities</b>	<b>30,808</b>	<b>90</b>

**Note 19 Provisions**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Annual leave	18,824	20,266
Long service leave	28,548	30,614
On-costs on employee entitlements	6,249	6,549
<b>Total current provisions</b>	<b>53,621</b>	<b>57,429</b>
<b>Non-current</b>		
Long service leave	6,603	5,660
On-costs on employee entitlements	1,164	1,351
<b>Total non-current provisions</b>	<b>7,767</b>	<b>7,011</b>
<b>Total provisions</b>	<b>61,388</b>	<b>64,440</b>

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

**Note 20 Issued units**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<i><b>Burnie City Council</b></i>		
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 issued units</b>	<b>2,102,731</b>	<b>2,102,731</b>

**Note 21 Accumulated surplus/(deficit)**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Surplus 2014	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
<b>Total accumulated surplus/(deficit)</b>	<b>(221,129)</b>	<b>(370,230)</b>

## Tas Communications Unit Trust Notes to the Financial Report For the year ended 30 June 2014

### Note 22 Reconciliation of cash flows from operating activities to result

	2014	2013
	\$	\$
Operating result per statement of comprehensive income	149,101	151,531
<b>Items not involving cash</b>		
Depreciation expense	258,076	246,673
Net (gain)/loss on sale of assets	(6,941)	-
Change to employee entitlement provisions	(3,052)	9,323
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in receivables	(13,946)	(11,372)
(Increase)/decrease in other current assets	14,945	91,967
Increase/(decrease) in payables	20,800	(127,458)
Increase/(decrease) other liabilities	30,718	(140)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>449,701</b>	<b>360,524</b>

### Note 23a 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.

**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

**Note 23b Revenue and expenditure attributed to activities**

Revenues and expenses have been attributed to the following activities:

<b>2014</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>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues</b>							
Connection Fees	-	-	18,033	-	40	-	18,073
Other Income	-	-	-	-	-	13,710	13,710
Product Sales	-	-	-	241,841	-	-	241,841
Rentals	-	-	104,972	-	-	-	104,972
Sales	-	53,894	-	-	-	-	53,894
Service Fees	65,786	-	511,803	792,831	57,601	-	1,428,020
<b>Total Revenue</b>	<b>65,786</b>	<b>53,894</b>	<b>634,808</b>	<b>1,34,671</b>	<b>57,641</b>	<b>13,710</b>	<b>1,860,510</b>
<b>Less: Cost of Goods Sold</b>							
Inter-network							
Communications	-	-	-	1,620	42,233	-	43,853
Maintenance & Repairs	-	-	14,390	-	-	-	14,390
Miscellaneous Purchases	-	-	-	292,663	-	-	292,663
Products & Installation	-	-	2,960	-	250	-	3,210
Purchases	11,112	38,797	-	32	-	-	49,941
Rental & Hire Charges	-	-	215,832	-	-	-	215,832
Software Maintenance	-	-	-	289,773	-	-	289,773
Stock Movement	-	-	-	-	912	-	912
<b>Total Cost of Goods Sold</b>	<b>11,112</b>	<b>38,797</b>	<b>233,182</b>	<b>584,088</b>	<b>43,395</b>	<b>-</b>	<b>910,574</b>
<b>Gross Profit (Loss)</b>	<b>54,674</b>	<b>15,097</b>	<b>401,626</b>	<b>450,583</b>	<b>14,246</b>	<b>13,710</b>	<b>948,752</b>
Gross profit margin	83%	28%	63%	43%	25%	100%	
Depreciation	-	-	(203,016)	(52,631)	-	(2,429)	(258,076)
Other Revenue/(Expenditure)	(13,832)	-	(143,693)	(213,203)	-	(172,031)	(542,759)
<b>Surplus/(Deficit)</b>	<b>40,842</b>	<b>15,097</b>	<b>54,917</b>	<b>184,749</b>	<b>14,246</b>	<b>(160,750)</b>	<b>149,101</b>



**Tas Communications Unit Trust**  
**Notes to the Financial Report**  
**For the year ended 30 June 2014**

<b>2013</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>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues</b>							
Connection Fees	-	-	19,202	-	273	-	19,475
Other Income	-	-	-	-	-	3,230	3,230
Product Sales	-	-	-	195,635	-	-	195,635
Rentals	-	-	96,824	-	-	-	96,824
Sales	-	88,631	-	-	-	-	88,631
Service Fees	33,180	-	551,616	690,231	61,545	-	1,336,572
<b>Total Revenue</b>	<b>33,180</b>	<b>88,631</b>	<b>667,642</b>	<b>85,866</b>	<b>61,818</b>	<b>3,230</b>	<b>1,740,367</b>
<b>Less: Cost of Goods Sold</b>							
Internet Communications Internetwork Communications	-	-	-	3,130	-	-	3,130
Maintenance & Repairs	-	-	13,913	348	-	-	14,261
Miscellaneous Purchases	-	-	-	195,212	-	-	195,212
Products & Installation Purchases	-	-	1,674	-	691	-	2,365
Rental & Hire Charges	20,000	82,310	-	-	-	-	102,310
Software Maintenance	-	-	199,630	-	-	-	199,630
Stock Movement	-	-	-	251,612	-	-	251,612
	-	-	-	-	2,147	-	2,147
<b>Total Cost of Goods Sold</b>	<b>20,000</b>	<b>82,310</b>	<b>215,217</b>	<b>450,302</b>	<b>61,812</b>	<b>-</b>	<b>829,641</b>
<b>Gross Profit (Loss)</b>	<b>13,180</b>	<b>6,321</b>	<b>452,426</b>	<b>435,563</b>	<b>6</b>	<b>3,230</b>	<b>910,726</b>
Gross profit margin	40%	7%	68%	49%	0%	100%	
Depreciation	-	-	(178,167)	(65,723)	-	(2,782)	(246,673)
Other Revenue/(Expenditure)	(17,769)	-	(69,644)	(260,126)	-	(164,984)	(512,523)
<b>Surplus/(Deficit)</b>	<b>(4,589)</b>	<b>6,321</b>	<b>204,615</b>	<b>109,714</b>	<b>6</b>	<b>(164,537)</b>	<b>151,531</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 2014 and the results of its performance for the year ended on that date.

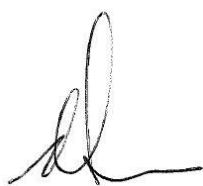
In the trustees' opinion:

- 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



Andrew Wardlaw  
Chairman Tas Communications Pty Ltd (Trustee)  
28 July 2014



Rodney Greene  
Director Tas Communications Pty Ltd (Trustee)  
28 July 2014