

Tuvalu Telecommunications Corporation
Statement of Financial Performance
for the 1st quarter period ended 31st March 2017

	Notes	Actual 1st quarter 2017 \$	Year to Date Actual \$	Year to Date Budget \$	Variance \$	Variance %	Last Year to date Actual \$
Operating Income							
Mobile Income	2	163,424	163,424	172,761	(9,337)	-5%	95,810
Telephone Income	1	119,911	119,911	144,260	(24,348)	-17%	141,165
Internet Income	4	265,136	265,136	247,770	17,366	7%	178,484
Traffic Income	5	78,261	78,261	79,814	(1,553)	-2%	81,858
Total Operating income		626,732	626,732	644,605	(17,872)	-3%	497,316
Cost of sales							
Cost of sales		2,828	2,828	20,000	17,173	86%	1,261
Intern' Traffic Expenses_OP	14	4,847	4,847	7,500	2,653	35%	13,782
ISP connection charges	17	8,137	8,137	-	(8,137)	0%	24,370
Lease repayment_2G	20	-	-	-	-	0%	-
Lease repayment_3G	20	66,000	66,000	16,500	(49,500)	-300%	60,000
Satellite charges	17	229,095	229,095	239,436	10,341	4%	184,707
Total Direct cost		310,907	310,907	283,436	(27,471)	-10%	284,119
Gross profit		315,825	315,825	361,169	9,599	3%	213,197
Other operating income							
SKY TV Income	3	20,254	20,254	18,641	1,613	9%	15,225
Grant Income	6	19,721	19,721	93,688	(73,967)	-79%	145,400
Other Income	7	6,803	6,803	35,797.75	(28,995)	-81%	20,453
Total other operating income		46,778	46,778	148,127	(101,349)	-68%	181,077
TOTAL REVENUE		362,603	362,603	509,296	(146,693)	-28.80%	394,275
Less Expenses							
Personnel Expenses	8	118,163	118,163	148,786	30,623	21%	109,722
Allowances	9	2,160	2,160	8,695	6,535	75%	3,415
Bank Charge Expenses	10	27,474	27,474	4,339	(23,135)	-533%	5,244
Depreciation Expenses	11	66,793	66,793	89,662	22,868	26%	65,598
Freight & Custom Expenses	12	23,872	23,872	4,752	(19,119)	-402%	11,383
Fuel Expenses	13	186	186	625	439	70%	636
Rent Subsidies	15	16,534	16,534	16,665	131	1%	11,900
Repair & Maintenance Expenses	16	600	600	8,907	8,306	93%	3,956
Supplies Expenses	18	7,070	7,070	13,177	6,107	46%	9,186
Travel & DSA Allowance Ex	19	19,824	19,824	15,779	(4,045)	-26%	34,313
Other Recurrent Expenses	20	53,660	53,660	113,763	60,103	53%	67,486
TOTAL EXPENSES		336,337	336,337	425,149	88,813	21%	322,839
NET PROFIT/(LOSS)		26,267	26,267	84,147	(57,880)	-50%	71,436

The statement of Financial Performance is to be read in conjunction with the notes set out on pages 6 to 8.

Tuvalu Telecommunications Corporation
Statement of changes in equity
For the 1st quarter period ended 31st March 2017

	1st quarter 2017	1st quarter 2016
	A\$	A\$
Share capital		
Balance as at the beginning of the period	5,562,481	5,562,481
<i>Contribution by and distribution to owners of the Corporation_Government</i>	370,709	-
Balance as at the end of the period	<u>5,933,190</u>	<u>5,562,481</u>
Accumulated losses		
Balance as at the beginning of the period	-5,477,584	-5,190,543
Net profit (loss) for the period	26,267	71,436
Balance as at the end of the period	<u>-5,451,318</u>	<u>-5,119,107</u>
Total shareholder's funds	<u>481,873</u>	<u>443,374</u>

Tuvalu Telecommunications Corporation
Statement of financial position
As at 31st March 2017

	Notes A	1st quarter 2017 A\$	1st quarter 2016 A\$	1st quarter 2015 A\$
Current assets				
Cash and cash equivalents	21	358,828	127,832	111,474
Investment		46,067	6,486	377
Trade and other receivables	22	1,332,214	156,916	199,877
Inventories	23	12,726	41,770	34,385
Total current assets		1,749,836	333,004	346,113
Non - current assets				
Property, plant & equipment	26	1,429,152	1,593,802	1,548,679
Total non - current assets		1,429,152	1,593,802	1,548,679
Total assets		3,178,987	1,926,807	1,894,792
Current liabilities				
Bank overdraft		-	-	-
Creditors and accruals	24	788,054	743,197	790,881
Employee benefits		24,182	26,492	14,642
Income tax liability		-	-	-
Deferred revenue	25	14,007	9,046	9,046
Total current liabilities		826,243	778,735	814,570
Non - current liabilities				
Term Loan		1,039,418	129,752	-
Employee benefits		56,763	54,149	57,487
Deferred tax liability		323,581	297,449	286,722
Deferred revenue	25	451,110	223,347	259,533
Deferred revenue_sales		-	-	25,100
Total non - current liabilities		1,870,872	704,697	628,842
Total liabilities		2,697,115	1,483,432	1,443,411
Net (liabilities)/assets		481,873	443,374	451,381
Shareholder's funds				
Capital		5,933,190	5,562,481	5,562,481
Accumulated losses	-	5,451,318	-5,119,107	-5,111,101
Deficiencies/surplus in shareholder's funds		481,873	443,374	451,381

The statement of financial position is to be read in conjunction with the notes set out on pages 8 to 9.

Tuvalu Telecommunications Corporation
Statement of cash flows
For the 1st quarter period ended 31st March 2017

	Notes A	1st quarter 2017	1st quarter 2016	1st quarter 2015
		<u>A\$</u>	<u>A\$</u>	<u>A\$</u>
Cash Flow from Operating Activities				
Cash receipts from customers		857,203	459,303	484,400
Cash payments to suppliers and employees	-	1,374,683	-	475,105
CSO_Income		5,714	136,354	45,559
Interest paid	-	25,329	-	-
Interest received		295	447	2
Net cash provided by operating activities		<u>536,801</u>	<u>77,934</u>	<u>54,856</u>
Cash Flow from Investing Activities				
Purchase of plant, property and equipment	-	79,304	-	8,122
Net cash provided by investing activities		<u>79,304</u>	<u>-</u>	<u>8,122</u>
Cash Flow from Financing Activities				
Loan_NBT		1,101,060	129,752	-
Loan repayment	-	61,642	-	-
Net receipts from financing activities		<u>1,039,419</u>	<u>129,752</u>	<u>-</u>
Net Increase/(Decrease) for 1st quarter 2017		423,314	51,818	46,734
Cash at the Beginning of the period_1/01/2017		-	82,501	65,216
Cash at the End of the period_31/03/2017	27	<u>404,895</u>	<u>134,319</u>	<u>111,950</u>

The statement of cash flows is to be read in conjunction with the notes set out on pages 9.

Tuvalu Telecommunications Corporation
Notes A to and forming parts of the financial statements
For the 1st quarter period ended 31st March 2017

	1st quarter 2017 A\$	1st quarter 2016 A\$	1st quarter 2015 A\$
1 Telephone revenue			
Telephone handset	1850	1,976	2,143
Telephone cables	177	144	0
Telephone fixed deposit	20,459	20,609	13,652
Telephone installation fees	900	543	850
Telephone extension line		25	350
Telephone reconnection fees		47	44
Telephone shifting fees	325	322	
Telephone prepaid telecard_123	92,229	113,405	85,439
Telephone prepaid global_789	3,865	4,095	5,776
Telephone_Live Coverage fee	107		
	119,911	141,165	108,254
2 Mobile			
Mobile handset	2028.86	11,178	28
Mobile recharge cards	156,197	78,202	46,478
Mobile simcards	5001.87	6,430	3,819
Mobile SD Cards	0	-	10
Mobile Fault	196		
	163,424	95,810	50,336
3 Sky Pacific TV			
Sky subscription revenue	16682.44	10,782	5,401
Sky decoders (receivers)	3468.05	2,290	2,088
Sky dish (2.4m)		1,408	2,070
Sky installation		197	778
Sky RG6 coaxial cables	15	34	581
Sky RG6 F connectors	9	15	49
Sky LNB PX800		80	-
Sky LNB PX 1200		56	-
Sky TV realignment fee	80	120	-
Sky TV Penalty fee		195	-
Calvanised pipe		47	-
	20,254	15,225	10,966
4 Internet			
Internet (ADSL) subscription	129484.61	85,566	91,250
Governemnt Bandwidth link	78000	60,000	36,000
Internet modem		90	-
ADSL _penalty fees	50		
ADSL reconnection fee	300	50	1,250
Internet Installation	350	630	900
Internet shifting fee		100	125
Internet cable		-	0
Wifi cards	52015.21	24,348	27,493
Wifi U1		-	55
Public internet link leases	4936.45	7,700	-
	265,136	178,484	157,072

**Notes A to and forming parts of the financial statements
For the 1st quarter period ended 31st March 2017**

5 Inpayments

Traffic inpayment revenue_TNZI		-	-
Traffic inpayment revenue_PacTel	78261	81,858	89,888
	<u>78,261</u>	<u>81,858</u>	<u>89,888</u>

6 Government Grant

CSO_grant	5,714	136,354	45,559
Amortisation of grant income	14,007	9,046	9,046
	<u>19,721</u>	<u>145,400</u>	<u>54,606</u>

7 Other revenues

Conference Room Fees	800	-	-
Directory sales		-	-
Interest income	294.65	447	2
Other revenues	837.83	20,006	15,646
Unrealised & realised exchange	4870.34	-	-
	<u>6,803</u>	<u>20,453</u>	<u>15,649</u>

TOTAL REVENUES	\$ 673,511	\$ 678,393	\$ 486,770
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8 Personnel

Salaries & wages	84,617	76,248	74,730
Provident fund contribution	25,610	22,894	23,073
Long service bonus		1,583	-
PAYE expenses	7,936	8,996	9,666
	<u>118,163</u>	<u>109,722</u>	<u>107,470</u>

9 Allowances

Height allowance		1,250	1,325
Disturbance allowance	600	305	1,400
Director sitting allowance	1560	1,860	2,550
	<u>2,160</u>	<u>3,415</u>	<u>5,275</u>

10 Bank charges

Bank services charges	2145.1	1,373	1,246.58
Interest_bank loan	25329.3	3,871	-
Interet_ OD facility		-	-
	<u>27,474</u>	<u>5,244</u>	<u>1,246.58</u>

11 Depreciation expense

Plant and machinery	49,592	49,592	43,263
Buildings	12,069	11,958	11,958
Office equipment & furniture	3,654	2,569	2,294
Software	388	388	388
Motor vehicles	1,091	1,091	448
	<u>66,793</u>	<u>65,598</u>	<u>58,351</u>

12 Freight and custom services

Freight	7,230	2	-
Custom clearance and charges	16641.57	11,381	1,538
	<u>23,872</u>	<u>11,383</u>	<u>1,538</u>

**Notes A to and forming parts of the financial statements
For the 1st quarter period ended 31st March 2017**

13 Fuel expenses			
Fuel expenses	186.17	636	179
14 Outpayments			
Out payments - PacTel Bilatera		-	-
Out payments - PacTel Internet gateway	4,847	13,782	13,520
	4,847	13,782	13,520
15 Rent			
Staff rent subsidies	14484.66	11,900	10,450
Office rent subsidies	2049	-	-
	16,534	11,900	10,450
16 Repair & maintenance			
Repair & Maintenance_PE		-	-
Repair & Maintenance_OE	114.72	310	306
Repair & Maintenance_building	37.8	3,224	880
Repair & Maintenance_MV	447.5	423	164
	600	3,956	1,349
17 Satellite charges			
Satellite charges - INTELSAT	8,137	24,370	21,621
N-soft		-	-
Satellite charges - PACTEL	135,124	137,919	130,477
Satellite charges - ABS	93,972	46,788	
	237,233	209,076	152,098
18 Supplies expenses			
Office cleaning	522.81	564	184
Office supplies	2705.21	1,385	373
Operation supplies	3841.72	7,238	9,372
IT supplies		-	
	7,070	9,186	9,929
19 Travelling & subsistence allowance			
Travel - International	14020.46	26,943	9,496
Travel - National	5803.5	7,370	3,596
	19,824	34,313	13,093
20 Other recurrent expenses			
Advertisement	262	90	-
Agency fee	50	45	19
Audit fee		-	-
Electricity	24,596	15,836	28,423
Entertainment	3,551	1,284	2,076
Lease repayment_recharge cards		-	20,000
Lease repayment_3G mobile network	66,000	60,000	
License & support fees		-	-
Membership fee		-	-

Notes A to and forming parts of the financial statements**For the 1st quarter period ended 31st March 2017**

Other expenses	6,579	45,534	17,616
Stationery	459	463	248
Security charge	5,410	4,234	3,629
Sky Subscription expenses	11,348		
Training fees	1,406	-	380
	119,660	127,486	72,390

TOTAL EXPENDITURES	644,417	605,697	446,887
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21 Cash and cash equivalents

NBT_Normal a/c # 01-950572-01	165,312	40,100	13,733
NBT_Sky TV cheque a/c# 01-661463-0	19,791	19,716	6,705
NBT_OI cheque a/c: 01-121782-01	30,712	15,946	28,247
DBT mobilization a/c# 480001-5	142,963	52,037	62,850
Cashier cash float	30	30	30
Petty cash fund	20	4	8
	358,828	127,832	111,574

22 Trade and other receivables*Trade receivables*

Trade debtors

Less: allowance for doubtful debts

Traffic debtors

Other receivables

Account receivable_traffic	73,413	96,097	76,368
Staff advances-Imprest	-	-	266
Receivable from staff	10,119	2,134	2,307
Interest receivables	63	11	1
Prepayments	1,206,059	47,476	118,256
Refundable_security deposit	42,560	11,198	-
	1,332,214	156,916	197,198
Less: allowance for doubtful debts	-	-	-
	1,332,214	156,916	197,198

23 Inventories

Inventory - phone cards	512	1,888	528
Inventory - rechargeable cards	1,313	5,650	16,404
Inventory - sim cards	639	539	61
Inventory - mobile handsets	5,874	28,114	231
Inventory - Sky Pacific TV sup	468	2,241	10,965
Inventory - telephone handsets	974	509	1,279
Inventory - office supplies	972	1,474	2,596
Inventory - IT supplies	5	36	137
Inventory - Tech equip	300	300	432
Inventory - WIFI cards	1,036	340	995
Inventory - ADSL cards	633	679	757
	12,726	41,770	34,385

**Notes A to and forming parts of the financial statements
For the 1st quarter period ended 31st March 2017**

24 Creditors and accruals

Accounts payable_traffic	166,398	44,890	28,827
Accounts payable_local	8,975	14,375	21,135
Accounts payable_overseas	13,142	17,119	72,544
Account payable_others	30,137	66,573	-
Revenue in advance	83,460	-	
Refundable deposit	6,420		
PAYE payable	270,828	273,660	270,744
Due to provident fund	12,082	12,589	108,844
Accrued salaries and wages	-	-	-
TCT collected	553,144	418,470	300,490
TCT paid	- 401,067	- 151,030	-19,611
TCT payable	44,535	46,550	7,914
	788,054	743,197	790,888

25 Deferred revenue

Grant received	787,794	506,801	506,801
Less accumulated amortisation	- 322,677	- 274,407	-238,222
	465,117	232,394	268,579
Current	- 14,007	- 9,046	-9,046
Non-current	451,110	223,348	259,533

26 Property, plant and equipment (PPE)

Plant and machinery	14,469,210	14,469,210	14,181,233
Acc depn - plant and equipment	- 13,398,014	- 13,208,583	-13,015,972
Buildings	1,217,541	1,217,541	1,217,541
Acc depn - building	- 967,509	- 919,565	-871,733
Office equipment & furniture	547,859	525,622	519,939
Acc depn - office equipment	- 513,488	- 501,940	-491,626
Motor vehicles	148,403	148,403	140,594
Acc depn - motor vehicles	- 141,881	- 138,080	-134,043
Intangible assets (Software)	6,501	6,501	6,501
Acc depn-software	- 6,856	- 5,306	-3,755
WIP	67,385	-	-
	1,429,152	1,593,802	1,548,679

27 Reconciliation of cash flows

(a) Cash and cash equivalent

Account at NBT: 01-950572-01	165,312	40,100	13,733
Account at NBT: 01-121782-01	30,712	15,946	28,247
Account at NBT: 01-661463-01	19,791	19,716	6,705
IBD account at NBT: 01-950572-40	46,067	6,486	377
DBT passbook	142,963	52,037	62,850
Sub-total	404,845	134,284	111,912

(b) Cash on hand

Cashier cash float	30	30	30
Petty cash fund	20	4	8
Sub-total	50	34	38
Grand total	404,895	134,318	111,950