

Tuvalu Telecommunications Corporation
Statement of Financial Performance
for the 3rd Quarter period ended 30th September 2017

	Notes	Actual 1st quarter 2017 \$	Actual 2nd quarter 2017 \$	Actual 3rd quarter 2017 \$	Year to Date Actual \$	Year to Date Budget \$	Variance \$	Variance %	Actual 3rd quarter 2016	Last Year to date Actual \$
Operating Income										
Mobile Income	2	163,424	208,625	199,905	571,954	518,284	(53,670)	-10%	148,667	244,477
Telephone Income	1	119,911	101,222	76,013	297,146	432,779	135,633	31%	118,089	259,254
Internet Income	4	265,136	261,374	314,912	841,422	743,310	(98,112)	-13%	206,276	384,760
Traffic Income	5	78,261	71,672	67,170	217,102	239,442	22,340	9%	80,941	162,798
Total Operating income		626,732	642,893	657,999	1,927,625	1,933,814	6,190	0%	553,973	1,051,289
Cost of sales										
Cost of sales		2,828	22,921	9,584	35,333	60,000	(24,667)	-41%	2,356	3,617
Intern' Traffic Expenses_OP	14	4,847	610	559	6,016	22,500	(16,484)	-73%	19,017	32,799
ISP connection charges	17	8,137	-	-	8,137	-	8,137	0%	24,055	48,425
Lease repayment_2G	20	-	-	-	-	-	-	0%	-	-
Lease repayment_3G	20	66,000	74,516	74,516	215,032	49,500	165,532	334%	60,000	120,000
Satellite charges	17	229,095	234,364	222,835	686,294	718,308	(32,014)	-4%	187,470	372,177
Total Direct cost		310,907	332,411	307,494	950,813	850,308	100,505	12%	292,898	577,017
Gross profit		315,825	310,482	350,505	976,812	1,083,506	(94,315)	-9%	261,075	474,272
Other operating income										
SKY TV Income	3	20,254	17,969	21,263	59,486	55,924	(3,562)	-6%	10,488	25,713
Grant Income	6	19,721	22,501	21,961	64,183	281,065	216,882	77%	25,451	170,851
Other Income	7	6,803	11,866	7,818	26,487	107,393.25	80,906	75%	13,115	33,568
Total other operating income		46,778	52,336	51,042	150,157	444,382	294,225	66%	49,054	230,132
TOTAL REVENUE		362,603	362,818	401,547	1,126,968	1,527,888	199,910	13%	310,129	704,404
Less Expenses										
Personnel Expenses	8	118,163	118,253	139,856	376,273	446,358	(70,085)	-16%	111,119	220,841
Allowances	9	2,160	1,730	3,290	7,180	26,085	(18,905)	-72%	2,110	5,525
Bank Charge Expenses	10	27,474	25,965	24,006	77,445	13,018	64,428	495%	13,172	18,417
Depreciation Expenses	11	66,793	66,793	67,555	201,141	268,985	(67,844)	-25%	65,598	131,196
Freight & Custom Expenses	12	23,872	6,607	8,934	39,413	14,257	25,156	176%	19,404	30,787
Fuel Expenses	13	186	121	197	504	1,875	(1,371)	-73%	289	925
Rent Subsidies	15	16,534	14,949	15,849	47,332	49,995	(2,663)	-5%	18,114	30,014
Repair & Maintenance Expenses	16	600	946	3,295	4,841	26,720	(21,879)	-82%	4,151	8,107
Supplies Expenses	18	7,070	10,159	12,124	29,353	39,530	(10,177)	-26%	7,712	16,899
Travel & DSA Allowance Ex	19	19,824	24,045	11,392	55,260	47,336	7,924	17%	25,366	59,679
Other Recurrent Expenses	20	53,660	53,943	64,436	172,040	341,289	(169,250)	-50%	77,254	144,740
TOTAL EXPENSES		336,337	323,511	350,933	1,010,781	1,275,448	(264,667)	-21%	344,292	667,129
NET PROFIT/(LOSS)		26,267	39,307	50,614	116,187	252,440	464,577	184%	-34,163	37,275

The statement of Financial Performance is to be read in conjunction with the notes set out on pages 10 to 12.

Tuvalu Telecommunications Corporation
Statement of changes in equity
For the 3rd Quarter period ended 30th September 2017

	<u>3rd quarter 2017</u>	<u>3rd quarter 2016</u>	<u>3rd quarter 2015</u>
	A\$	A\$	A\$
Share capital			
Balance as at the beginning of the period	5,933,190	5,562,481	5,562,481
<i>Contribution by and distribution to owners of the Corporation_Government</i>	-	-	-
Balance as at the end of the period	<u>5,933,190</u>	<u>5,562,481</u>	<u>5,562,481</u>
Accumulated losses			
Balance as at the beginning of the period	(5,400,705)	(4,877,175)	(5,092,528)
Net profit (loss) for the period	<u>39,307</u>	<u>(34,163)</u>	<u>- 85,399</u>
Balance as at the end of the period	<u>(5,361,398)</u>	<u>(4,911,338)</u>	<u>(5,177,927)</u>
Total shareholder's funds	<u>571,793</u>	<u>651,143</u>	<u>384,554</u>

Tuvalu Telecommunications Corporation
Statement of financial position
As at 30th September 2017

	Notes A	3rd quarter 2017 A\$	3rd quarter 2016 A\$	3rd quarter 2015 A\$
Current assets				
Cash and cash equivalents	21	176,385	167,547	54,833
Investment		71,863	16,691	6,406
Trade and other receivables	22	156,104	283,769	62,863
Inventories	23	64,055	21,049	33,133
Total current assets		468,407	489,056	157,236
Non - current assets				
Property, plant & equipment	26	2,878,518	1,620,598	1,712,448
Total non - current assets		2,878,518	1,620,598	1,712,448
Total assets		3,346,925	2,109,653	1,869,683
Current liabilities				
Creditors and accruals	24	865,406	782,383	690,821
Employee benefits		32,395	31,989	21,306
Income tax liability		-	-	-
Deferred revenue	25	16,787	9,046	9,046
Total current liabilities		914,588	823,418	721,173
Non - current liabilities				
Term Loan		913,864	80,352	176,370
Employee benefits		49,479	54,216	34,324
Deferred tax liability		323,581	297,449	286,722
Deferred revenue	25	573,620	203,074	241,441
Deferred revenue_sales		-	-	25,100
Total non - current liabilities		1,860,544	635,091	763,957
Total liabilities		2,775,131	1,458,510	1,485,129
Net (liabilities)/assets		571,793	651,143	384,554
Shareholder's funds				
Capital		5,933,190	5,562,481	5,562,481
Accumulated losses	-	5,361,397	4,911,338	5,177,927
Deficiencies/surplus in shareholder's funds		571,793	651,143	384,554

The statement of financial position is to be read in conjunction with the notes set out on pages 12 to 14.

Tuvalu Telecommunications Corporation
Statement of cash flows
For the 3rd quarter period ended 30th September 2017

	Notes A	3rd quarter 2017	3rd quarter 2016	3rd quarter 2015
		A\$	A\$	A\$
Cash Flow from Operating Activities				
Cash receipts from customers		739,578	648,370	419,901
Cash payments to suppliers and employees	-	1,231,399	657,343	338,697
CSO_Income		5,174	14,224	45,595
Interest paid	-	22,303	2,346	3,670
Interest received		690	1,121	30
Net cash provided by operating activities		508,260	4,026	123,159
Cash Flow from Investing Activities				
Purchase of plant, property and equipment	-	427,214	52,953	280,500
Net cash provided by investing activities		427,214	52,953	280,500
Cash Flow from Financing Activities				
Loan_NBT		977,801	105,306	176,370
Loan repayment	-	63,937	24,954	-
Net receipts from financing activities		913,864	80,352	176,370
Net Increase/(Decrease) for 3rd quarter 2017	-	21,610	31,425	19,030
Cash at the Beginning of the period_1/07/2017		269,825	152,813	42,215
Cash at the End of the period_30/09/2017	27	248,215	184,238	61,245

The statement of cash flows is to be read in conjunction with the notes set out on pages 14.

Tuvalu Telecommunications Corporation
Notes A to and forming parts of the financial statements
For the 3rd quarter period ended 30th September 2017

	3rd quarter 2017 A\$	3rd quarter 2016 A\$	3rd quarter 2015 A\$
1 Telephone revenue			
Telephone handset	850	1,850	1,950
Telephone cables	20	203	609
Telephone fixed deposit	15,845	20,049	22,938
Telephone installation fees	500	700	950
Telephone extension line		65	73
Telephone reconnection fees		-	0
Telephone shifting fees	200	59	298
Telephone prepaid telecard_123	55,907	91,770	90,768
Telephone prepaid global_789	2,692	3,393	6,165
Telephone_Live Coverage fee		-	-
	76,013	118,089	123,751
2 Mobile			
Mobile handset	-	4,187	-
Mobile recharge cards	193,423	136,964	39,050
Mobile simcards	6,265	7,458	1,240
Mobile SD Cards	-	-	60
Mobile Fault	\$216.00	59	-
	199,905	148,667	40,350
3 Sky Pacific TV			
Sky subscription revenue	13,273	9,870	12,108
Sky decoders (receivers)	3,264	-	2,784
Sky dish (2.4m)	2,960.00	-	109
Sky installation	700.00	50	4,554
Sky RG6 coaxial cables	15.00	-	399
Sky RG6 F connectors	0	8	1,006
Sky LNB PX800		20	466
Sky LNB PX 1200	975	-	57
Sky TV realignment fee	50	180	54
Sky TV Penalty fee		360	300
SKY TV remote control	26	-	-
	21,263	10,488	21,837
4 Internet			
Internet (ADSL) subscription	123,050	105,620	83,937
Govermenmt Bandwidth link	78,000	60,000	36,000
ADSL _penalty fees	-	572	-
ADSL reconnection fee	50	200	200
Internet Installation	550	400	450
Internet shifting fee	50	50	100
Internet cable	-	57	-
Wifi cards	52,007	39,222	22,581
Wifi U1	-	155	-
Public internet link leases	61,204	-	-
	314,912	206,276	143,268
5 Inpayments			
Traffic inpayment revenue_PacTel	67,170	80,941	100,090
	67,170	80,941	100,090
6 Government Grant			
CSO_grant	5,174	14,224	45,559
Amortisation of grant income	16,787	11,226	9,046
	21,961	25,451	54,606

Notes A to and forming parts of the financial statements
For the 3rd quarter period ended 30th September 2017

	3rd quarter 2017	3rd quarter 2016	3rd quarter 2015
7 Other revenues			
Conference Room Fees	3,040	1,033	240
Directory sales	0	-	-
Interest income	690	1,121	30
Other revenues	3,490	10,693	4,105
Unrealised & realised exchange	598	269	-
	7,818	13,115	4,375
TOTAL REVENUES	\$ 709,041	\$ 603,027	\$ 488,277
8 Personnel			
Salaries & wages	93,821	78,008	74,601
Provident fund contribution	29,974	24,021	25,997
Long service bonus	5,054	-	-
PAYE expenses	11,007	9,090	11,495
	139,856	111,119	112,093
9 Allowances			
Height allowance	100.00	-	1,300
Disturbance allowance	-	1,000	-
Director sitting allowance	3,190	1,110	2,940
	3,290	2,110	4,240
10 Bank charges			
Bank services charges	1,703	10,827	1,724
Interest_bank loan	22,303	2,346	3,670
	24,006	13,172	5,394
11 Depreciation expense			
Plant and machinery	49,592	49,592	49,495
Buildings	12,069	11,958	11,958
Office equipment & furniture	4,415	2,569	2,519
Software	388	388	388
Motor vehicles	1,091	1,091	925
	67,555	65,598	65,285
12 Freight and custom services			
Freight	316	-	572
Custom clearance and charges	8,618	19,404	4,767
	8,934	19,404	5,339
13 Fuel expenses			
Fuel expenses	197	289	539
14 Outpayments			
Out payments - PacTel Internet gateway	559	19,017	20,666
	559	19,017	20,666
15 Rent			
Staff rent subsidies	13,800	13,450	12,000
Office rent subsidies	2,049	4,664	-
	15,849	18,114	12,000
16 Repair & maintenance			
Repair & Maintenance_PE	-	-	-
Repair & Maintenance_OE	183	315	35
Repair & Maintenance_building	936	3,515	1,377
Repair & Maintenance_MV	2,176	321	235
	3,295	4,151	1,647

Notes A to and forming parts of the financial statements
For the 3rd quarter period ended 30th September 2017

	3rd quarter 2017	3rd quarter 2016	3rd quarter 2015
17 Satellite charges			
Satellite charges - INTELSAT	-	24,055	23,670
N-soft	-	15,676	-
Satellite charges - PACTEL	127,363	135,702	145,256
Satellite charges - ABS	95,471	36,092	40,333
	<u>222,835</u>	<u>211,525</u>	<u>209,259</u>
18 Supplies expenses			
Office cleaning	571	252	377
Office supplies	2,596	970	2,297
Operation supplies	6,148	3,606	7,470
IT supplies	2,809	2,884	3,070
	<u>12,124</u>	<u>7,712</u>	<u>13,214</u>
19 Travelling & subsistence allowance			
Travel - International	6,669	18,809	16,852
Travel - National	4,723	6,557	4,770
	<u>11,392</u>	<u>25,366</u>	<u>21,622</u>
20 Other recurrent expenses			
Advertisement	-	-	60
Agency fee	1,362	111	23
Audit fee	-	-	-
Electricity	28,085	33,418	24,111
Entertainment	1,052	2,138	2,625
Lease repayment_recharge cards	-	-	20,000
Lease repayment_3G mobile network	74,516	60,000	-
License & support fees	7,202	-	-
Membership fee	-	465	-
Other expenses	10,196	24,268	14,354
Stationery	-	26	143
Security charge	5,410	4,234	4,234
Sky Subscription expenses	9,784	12,594	-
Training fees	1,346	-	697
	<u>138,952</u>	<u>137,254</u>	<u>66,247</u>
TOTAL EXPENDITURES	<u>648,843</u>	<u>634,833</u>	<u>537,545</u>
21 Cash and cash equivalents			
NBT_Normal a/c # 01-950572-01	91,592	73,217	14,764
NBT_Sky TV cheque a/c# 01-661463-0	18,688	2,939	6,284
NBT_OI cheque a/c: 01-121782-01	4,204	51,577	4,429
DBT mobilization a/c# 480001-5	61,868	39,645	29,317
Cashier cash float	30	30	30
Petty cash fund	3	139	9
	<u>176,385</u>	<u>167,547</u>	<u>54,833</u>
22 Trade and other receivables			
<i>Trade receivables</i>			
Trade debtors		-	-
Less: allowance for doubtful debts			
<i>Other receivables</i>			
Account receivable_traffic	89,514	61,924	57,967
Staff advances-Imprest	-	-	766
Receivable from staff	7,253	1,124	638
Interest receivables	127	27	5
Prepayments	14,691	190,464	3,487
Refundable_security deposit	44,519	30,231	-
	156,104	283,769	62,863
Less: allowance for doubtful debts		-	-

Notes A to and forming parts of the financial statements
For the 2nd quarter period ended 30th June 2017

	3rd quarter 2017	3rd quarter 2016	3rd quarter 2015
22 Trade and other receivables (cont..)			
	156,104	283,769	62,863
	156,104	283,769	62,863
23 Inventories			
Inventory - phone cards	267	5,416	553
Inventory - rechargeable cards	575	4,314	16,188
Inventory - sim cards	173	1,108	-
Inventory - mobile handsets	679	2,831	154
Inventory - Sky Pacific TV sup	54,534	2,484	6,273
Inventory - telephone handsets	4,220	2,690	6,160
Inventory - office supplies	2,648	972	1,860
Inventory - IT supplies	-	5	137
Inventory - Tech equip	129	129	411
Inventory - WIFI cards	210	364	662
Inventory - ADSL cards	621	736	735
	64,055	21,049	33,133
24 Creditors and accruals			
Accounts payable_traffic	148,574	90,230	26,152
Accounts payable_local	28,485	31,092	10,314
Accounts payable_overseas	7,890	3,539	15,845
Account payable_others	157,169	84,055	23,670
Revenue in advance	-	-	38,520
Refundable deposit	6,420	-	-
PAYE payable	270,864	270,202	270,851
Due to provident fund	8,371	7,667	7,048
TCT collected	526,017	477,988	349,130
TCT paid	- 377,643	- 208,684	- 50,709
TCT payable	89,259	26,294	-
	865,406	782,383	690,821
25 Deferred revenue			
Grant received	946,658	506,801	506,801
Less accumulated amortisation	- 356,251	- 294,680	- 256,314
	590,407	212,121	250,487
Current	16,787	11,226	9,046
Non-current	607,194	223,347	259,533
26 Property, plant and equipment (PPE)			
Plant and machinery	14,469,210	14,606,835	14,460,737
Acc depn - plant and equipment	- 13,497,198	- 13,307,767	- 13,108,839
Buildings	1,217,541	1,217,541	1,217,541
Acc depn - building	- 991,646	- 943,482	- 895,649
Office equipment & furniture	563,078	545,988	520,852
Acc depn - office equipment	- 521,557	- 507,078	- 496,938
Motor vehicles	148,403	148,403	148,403
Acc depn - motor vehicles	- 144,063	- 140,262	- 135,630
Intangible assets (Software)	6,501	6,501	6,501
Acc depn-software	- 7,631	- 6,081	- 4,530
WIP	1,635,880	-	-
	2,878,518	1,620,598	1,712,448
27 Reconciliation of cash flows			
(a) Cash and cash equivalent			
Account at NBT: 01-950572-01	91,592	75,119	14,764
Account at NBT: 01-121782-01	4,204	51,577	4,429
Account at NBT: 01-661463-01	18,688	2,405	6,284
IBD account at NBT: 01-950572-40	71,863	16,691	6,406
DBT passbook	61,868	38,277	29,317
Sub-total	248,215	184,069	61,200
(b) Cash on hand			
Cashier cash float	30	30	30
Petty cash fund	3	139	15
Sub-total	33	169	45
Grand total	248,248	184,238	61,245