

National
Broadband
Network

NBN Co Limited Unaudited Financial Statements

For the nine months ended 31 March 2014
ABN 86 136 533 741



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Date

These unaudited management accounts are dated 31 March 2014.

Unaudited Statement of Comprehensive Income

For the nine months ending	NBN Group	
	31 March 2014 \$'000	31 March 2013 \$'000
Revenue		
Telecommunication revenue	38,511	10,065
Other revenue	737	233
Interest income	30,574	36,685
Total Revenue	69,822	46,983
Other income	3,539	-
Expenses		
Direct telecommunications costs	(231,809)	(105,596)
Employee benefits expenses	(278,506)	(236,782)
External services costs – systems and organisation costs	(79,198)	(49,309)
Legal and negotiation support costs	(9,766)	(11,193)
IT and communications expenses	(76,477)	(63,930)
Occupancy expenses	(28,117)	(23,617)
Travel and entertainment costs	(14,083)	(12,596)
Communication and public information	(8,740)	(6,869)
Depreciation and amortisation expense	(276,160)	(122,256)
Other expenses	(20,931)	(11,116)
Finance costs	(154,334)	(41,203)
Total Expenses	(1,178,121)	(684,467)
(Loss) before income tax	(1,104,760)	(637,484)
Income tax benefit	(11,851)	(12,744)
(Loss) for the period	(1,116,611)	(650,228)
(Loss) attributable to the shareholders	(1,116,611)	(650,228)
Other comprehensive (loss)/income		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of cash flow hedges	(39,503)	(42,481)
Income tax relating to components of other comprehensive income	11,851	12,744
Total other comprehensive income for the period, net of tax	(27,652)	(29,737)
Total comprehensive (loss) for the period	(1,144,263)	(679,965)
Total comprehensive (loss) attributable to the shareholders	(1,144,263)	(679,965)

Unaudited Balance Sheet

As at	NBN Group	
	31 March 2014	30 June 2013
	\$'000	\$'000
Current assets		
Cash and cash equivalents	614,610	103,472
Trade and other receivables	79,252	56,907
Inventories	11,968	6,118
Derivative financial assets	19,269	42,528
Held to maturity investment	80,000	915,097
Other current assets	32,256	30,055
Total current assets	837,355	1,154,177
Non-current assets		
Trade and other receivables	34	393
Derivative financial assets	5,688	20,946
Property, plant & equipment	6,823,975	3,717,115
Intangible assets	725,252	619,658
Other non-current assets	8,058	6,435
Total non-current assets	7,563,007	4,364,547
Total assets	8,400,362	5,518,724
Current liabilities		
Trade and other payables	878,100	597,496
Other liabilities	5,500	4,299
Other financial liabilities	18,145	37,770
Derivative financial liability	419	-
Provisions	30,216	19,818
Total current liabilities	932,380	659,383
Non-current liabilities		
Trade and other payables	2,004	455
Other liabilities	167,944	118,155
Other financial liabilities	2,935,850	1,299,493
Derivative financial liability	48	-
Provisions	28,742	23,581
Total non-current liabilities	3,134,588	1,441,684
Total liabilities	4,066,968	2,101,067
Net assets	4,333,394	3,417,657
Equity		
Contributed equity	7,288,445	5,228,445
Other reserves	16,625	44,277
(Accumulated losses)	(2,971,676)	(1,855,065)
Total equity	4,333,394	3,417,657

Unaudited Statement of Changes in Equity

For the nine months ending	NBN Group			Total equity \$'000
	Accumulated losses \$'000	Contributed equity \$'000	Other reserves \$'000	
Balance at 30 June 2012	(923,400)	2,832,000	15,726	1,924,326
Loss for the period	(650,228)	-	-	(650,228)
Other comprehensive income	-	-	(29,736)	(29,736)
Contributions of equity, net of transaction costs	-	1,746,445	-	1,746,445
Balance at 31 March 2013	(1,573,629)	4,578,445	(14,011)	2,990,805
Balance at 30 June 2013	(1,855,065)	5,228,445	44,277	3,417,657
Loss for the period	(1,116,611)	-	-	(1,116,611)
Other comprehensive income	-	-	(27,652)	(27,652)
Contributions of equity, net of transaction costs	-	2,060,000	-	2,060,000
Balance at 31 March 2014	(2,971,676)	7,288,445	16,625	4,333,394

Unaudited Statement of Cash Flows

For the nine months ending	NBN Group	
	Period ended 31 March 2014 \$'000	Period ended 31 March 2013 \$'000
Cash flows from operating activities		
Receipts from customers (incl GST)	39,386	10,205
Payments to suppliers and employees (incl GST)	(670,188)	(496,065)
Interest received	37,941	39,601
Interest paid	(1)	(58)
Net cash (used in) operating activities	(592,862)	(446,316)
Cash flows from investing activities		
Receipts from held to maturity investments	1,424,504	1,131,558
Payments for in held to maturity investments	(589,407)	(1,142,197)
Payment for property, plant and equipment	(1,474,015)	(927,544)
Payment for intangibles	(203,583)	(127,596)
Net cash (used in) investing activities	(842,501)	(1,065,780)
Cash flows from financing activities		
Payment for finance leases and right of use licences	(113,810)	(20,363)
Equity injection for ordinary shares by the Commonwealth of Australia	2,060,000	1,746,445
Net cash provided by financing activities	1,946,190	1,726,082
Net (decrease)/increase in cash and cash equivalents	510,827	213,986
Cash and cash equivalents at the beginning of the period	103,471	217,896
Effects of exchange rate changes on cash and cash equivalents	312	-
Cash and cash equivalents at the end of the period	614,610	431,882

Unaudited Schedule of Commitments

For the period ended 31 March 2014

As at	NBN Group	
	31 March 2014	30 June 2013
By type	\$'000	\$'000
Commitments receivable		
Equity receivable	22,211,555	25,171,555
Total commitments receivable	22,211,555	25,171,555
Commitments payable		
Assets ordered under finance lease and right of use licence arrangements	3,661,515	7,735,119
Property, plant and equipment	978,143	1,479,444
Intangible software assets	23,068	33,009
Operating leases	333,924	235,327
Other operating commitments	372,161	272,666
Aggregate commitments payable, gross of future interest charges	5,368,811	9,755,565
Future interest charges on finance lease and right of use licences	(2,396,569)	(5,263,595)
Aggregate commitments payable, net of future interest charges	2,972,242	4,491,970
By maturity		
Commitments receivable		
Within one year	5,220,000	5,400,555
From one to five years	16,991,555	19,771,000
Over five years	-	-
Total commitments receivable	22,211,555	25,171,555
Commitments payable		
Within one year	1,277,461	1,373,926
From one to five years	742,079	1,536,163
More than five years	3,349,271	6,845,476
Aggregate commitments payable, gross of future interest charges	5,368,811	9,755,565
Future interest charges on finance lease and right of use licences	(2,396,569)	(5,263,595)
Aggregate commitments payable, net of future interest charges	2,972,242	4,491,970