

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

ABN 46 072 369 870

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2004**

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TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED
ABN 46 072 369 870

DIRECTORS' REPORT

The directors submit the financial statements for the year ended 30 June 2004.

Directors

The names of the directors in office at the date of this report are:

Mark A. Stackpool

Rodney A. Stanton

James J. Cooney resigned on 17 February 2004.

Principal Activities

The principal activity of the company during the financial year was telecommunications infrastructure project management.

No significant change in the nature of the activity occurred during the year.

Results and Dividends

The net profit after providing for income tax amounted to \$6,935,559.

Fully franked dividends of \$7,561,924 were paid during the year.

Insurance of Officers

During the financial year the company paid a premium of \$11,978 to insure the Directors of the company. The possible liabilities covered include costs incurred in defending civil or criminal proceedings that may be brought against officers in their capacity as officers of the company.

Except for the above, the company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or

paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

DIRECTORS' REPORT (Cont)

Matters Subsequent to the End of the Financial Year

On 1 July 2004, the Company made an unsecured loan on normal commercial terms to James Cooney and Samantha Grant of \$2,525,000 (Refer Note 23).

Apart from the above, no matters or circumstances have arisen since 30 June 2004 which have significantly affected or may significantly affect in subsequent financial years:

- (i) the operations of the company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Company.

Capital Commitments

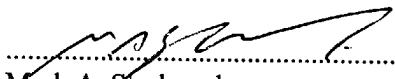
The company has no capital commitments as at 30 June 2004.

Future Developments

Disclosure of information in relation to likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Signed in accordance with a resolution of the directors:

Director 
.....
Rodney A. Stanton

Director 
.....
Mark A. Stackpool

Dated 17/9/04

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
REVENUE FROM ORDINARY ACTIVITIES	2	67,043,338	57,151,550
EXPENSES FROM ORDINARY ACTIVITIES	3	<u>57,115,756</u>	<u>47,171,885</u>
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		9,927,582	9,979,665
Income Tax Expense	4	<u>2,992,023</u>	<u>3,059,920</u>
PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		<u>6,935,559</u>	<u>6,919,745</u>

The statement of financial performance is to be read in conjunction with the accompanying notes.

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash	5	4,014,879	7,284,793
Receivables	6	9,665,955	7,970,888
Other	7	355,093	376,732
Inventories	8	852,838	1,851,716
TOTAL CURRENT ASSETS		<u>14,888,765</u>	<u>17,484,129</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	990,259	566,200
Receivables	10	4,811,523	3,223,252
Deferred Tax Assets	11	289,861	110,737
TOTAL NON-CURRENT ASSETS		<u>6,091,643</u>	<u>3,900,189</u>
TOTAL ASSETS		<u>20,980,408</u>	<u>21,384,318</u>
CURRENT LIABILITIES			
Payables	12	7,098,901	7,050,607
Borrowings	13	66,468	149,714
Current Tax Liabilities	14	710,225	621,881
Provisions	15	274,719	149,092
TOTAL CURRENT LIABILITIES		<u>8,150,313</u>	<u>7,971,294</u>
NON-CURRENT LIABILITIES			
Borrowings	16	25,183	61,085
Deferred Tax Liabilities	17	-	11,372
Provisions	18	150,149	59,439
TOTAL NON-CURRENT LIABILITIES		<u>175,332</u>	<u>131,896</u>
TOTAL LIABILITIES		<u>8,325,645</u>	<u>8,103,190</u>
NET ASSETS		<u>12,654,763</u>	<u>13,281,128</u>
EQUITY			
Contributed Equity	19	2	2
Retained Profits	20	12,654,761	13,281,126
TOTAL EQUITY		<u>12,654,763</u>	<u>13,281,128</u>

The statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
Cash Flows from Operating Activities:			
Receipts from Operations		62,041,049	56,263,995
Interest Received		648,271	609,186
Payment to Suppliers & Employees		(55,585,142)	(46,026,329)
Income Tax Paid		(3,094,175)	(3,119,671)
Interest & Other Costs of Finance		(12,488)	(24,767)
Net Cash Provided by (Used in) Operating Activities	22(a)	<u>3,997,515</u>	<u>7,702,414</u>
Cash Flows from Investing Activities:			
Proceeds from Property, Plant & Equipment		8,248	233,713
Payment for Property, Plant & Equipment		(657,358)	(318,341)
Net Cash Provided by (Used in) Investing Activities		<u>(649,110)</u>	<u>(84,628)</u>
Cash Flows from Financing Activities:			
Finance Lease Repayments		(69,159)	(213,113)
Increase in Borrowings		1,012,764	(3,658,710)
Dividends Paid		(7,561,924)	(724,527)
Net Cash Provided by (Used in) Financing Activities		<u>(6,618,319)</u>	<u>(4,596,350)</u>
Net Increase (Decrease) in Cash Held		<u>(3,269,914)</u>	<u>3,021,436</u>
Cash at Beginning of Financial Year		<u>7,284,793</u>	<u>4,263,357</u>
CASH AT END OF FINANCIAL YEAR	22(b)	<u><u>4,014,879</u></u>	<u><u>7,284,793</u></u>

This statement of cash flows is prepared in conformity with the accounting policies set out in the financial statements.

Approved for issue

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

1 STATEMENT OF ACCOUNTING POLICIES

The company is not a reporting entity because in the directors' opinion, users are unlikely to exist who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the Corporations Act 2001 requirements to prepare and distribute a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to the needs of members.

The company has applied Accounting Standard AASB1025, Application of the Reporting Entity Concept and Other Amendments, which amends the application clauses of all existing standards so that they now apply only to companies that qualify as reporting entities. However, the financial report has been prepared in accordance with AASB1018 Statement of Financial Performance, AASB1034: Information to be Disclosed in Financial Reports, AASB1040 Statement of Financial Position and other applicable Accounting Standards and Urgent Issues Group Consensus Views, with the exception of the following.

AASB1005 – Financial Reporting by Segments

AASB1017 – Related Party Disclosures

AASB1033 – Presentation and Disclosure of Financial Instruments

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations on non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

Reporting Period

The financial statements cover the year to 30 June 2004.

Revenue Recognition

Sales revenue is recognised at the time the chargeable stage of work is completed in accordance with customer contracts. Interest revenue is taken up on an accruals basis when due to the company.

Income Tax

Tax-effect accounting procedures are adopted whereby the income tax expense is calculated on the operating profit, adjusted for permanent differences between taxable and accounting income.

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

1 STATEMENT OF ACCOUNTING POLICIES(Cont.)

Income Tax (continued)

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit and taxable income, are brought to account as either a provision for deferred income tax or a future income tax benefit.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to entities with tax losses are only brought to account when their realisation is virtually certain.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Construction Work in Progress

The construction periods for each job site are short term, generally less than one month. Construction work in progress comprises costs incurred on construction work which is unbilled at the end of the year.

Property, Plant and Equipment

Property, plant and equipment is brought to account at cost or at director's valuation, less where applicable, any accumulated depreciation.

Depreciation is calculated so as to write off the net cost of each depreciable non-current asset over its expected useful life. Estimates of remaining useful lives are reviewed on a regular basis for all assets, with annual reassessments for major items. The depreciation rates used for each class of asset are as follows:

Plant and Equipment	6% - 20%
Motor Vehicles	11% - 22.5%
Office Furniture and Equipment	6% - 20%
Assets under Lease	6% - 20%

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

1 STATEMENT OF ACCOUNTING POLICIES(Cont.)

Payables

Trade creditors and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

Employee Benefits

Provision is made, or a current liability for the legal liability to permanent employees for annual leave. Long Service Leave is not provided until a permanent employee attains five years continuous service. Sick Leave is expired or incurred.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred. The company has no legal obligation to provide benefits to employees on retirement.

Foreign Currency Transactions and Balances

Foreign currency transactions during the period are converted to Australian currency at the rate of exchange applicable at the date of the transactions. Amounts receivable and payable in foreign currency at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short term assets and liabilities, whether realised or unrealised, are included in operating profit before income tax as they arise.

Maintenance and Repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
2 REVENUE		
Revenue from operating activities		
Sale of Services	66,213,690	56,542,364
Revenue from outside the operating activities		
Interest received	648,271	536,938
Other	181,377	72,248
	<u>67,043,338</u>	<u>57,151,550</u>
3 PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expense includes the following specific net expenses:		
Depreciation	<u>225,052</u>	<u>161,420</u>
Amortisation	<u>23,601</u>	<u>78,652</u>
Employee Entitlements	<u>216,337</u>	<u>182,058</u>
4 INCOME TAX EXPENSE		
The prima facie tax payable on operating profit is reconciled to the income tax provided in the accounts as follows:		
Prima facie tax payable on operating profit & extraordinary items at 30%	2,978,275	2,993,900
Add tax effect of permanent differences:		
Entertainment	9,236	3,457
Non-deductible expenditure	4,512	1,114
	<u>2,992,023</u>	<u>2,998,471</u>
Less tax effect of:		
Timing differences not taken up	-	61,449
Income Tax Expense	<u>2,992,023</u>	<u>3,059,920</u>

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
5 CASH		
CURRENT		
Cash at Bank	<u>4,014,879</u>	<u>7,284,793</u>
6 RECEIVABLES		
CURRENT		
Trade Debtors	9,297,960	4,840,329
Other Debtors	16,235	104,173
Retentions Held By Hutchison	780	-
Loan - TCI UK Limited	350,980	1,186,751
- Habagou Properties	-	283,923
- Total Communications Innovations	<u>-</u>	<u>1,555,712</u>
	<u>9,665,955</u>	<u>7,970,888</u>
7 OTHER ASSETS		
CURRENT		
Prepayments	312,582	281,915
Deposits	<u>42,511</u>	<u>94,817</u>
	<u>355,093</u>	<u>376,732</u>
8 INVENTORIES		
Construction Work in Progress – At Cost	<u>852,838</u>	<u>1,851,716</u>

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
9 PROPERTY, PLANT & EQUIPMENT		
Furniture & Fittings - At Cost	175,324	172,704
Less: Accumulated Depreciation	<u>(61,631)</u>	<u>(105,623)</u>
	<u>113,693</u>	<u>67,081</u>
Office Furniture & Equipment – At Cost	1,145,728	646,056
Less: Accumulated Depreciation	<u>(487,997)</u>	<u>(362,503)</u>
	<u>657,731</u>	<u>283,553</u>
Other Assets under Lease	113,918	170,888
Less: Accumulated Amortisation	<u>(54,812)</u>	<u>(65,393)</u>
	<u>59,106</u>	<u>105,495</u>
Motor Vehicles – At Cost	355,035	373,311
Less: Accumulated Amortisation	<u>(196,656)</u>	<u>(263,240)</u>
	<u>158,379</u>	<u>110,071</u>
Leasehold Improvements – At Cost	123,392	120,165
Less: Accumulated Depreciation	<u>(122,042)</u>	<u>(120,165)</u>
	<u>1,350</u>	<u>-</u>
Total Property, Plant & Equipment	<u>990,259</u>	<u>566,200</u>

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
9 PROPERTY, PLANT & EQUIPMENT (cont'd)		
(a) Movements in Carrying Amounts		
Furniture & Fittings		
Balance at the beginning of year	67,081	75,670
Additions	81,320	8,660
Disposals	(14,256)	-
Depreciation expense	(20,452)	(17,249)
Carrying amount at the end of year	<u>113,693</u>	<u>67,081</u>
Office Furniture & Equipment		
Balance at the beginning of year	283,553	191,066
Additions	552,924	182,698
Disposals	(53,252)	-
Depreciation expense	(125,494)	(90,211)
Carrying amount at the end of year	<u>657,731</u>	<u>283,553</u>
Other Assets under Lease		
Balance at the beginning of year	105,495	322,272
Additions	-	45,522
Disposals	(22,788)	(183,649)
Amortisation expense	(23,601)	(78,650)
Carrying amount at the end of year	<u>59,106</u>	<u>105,495</u>
Motor Vehicles		
Balance at the beginning of year	110,071	105,192
Additions	117,400	81,461
Disposals	(38,369)	(50,064)
Depreciation expense	(30,723)	(26,518)
Carrying amount at the end of year	<u>158,379</u>	<u>110,071</u>
Leasehold Improvements		
Balance at the beginning of year	-	-
Additions	3,227	-
Depreciation expense	(1,877)	-
Carrying amount at the end of year	<u>1,350</u>	<u>-</u>
Total Carrying Amount of Property, Plant & Equipment	<u>990,259</u>	<u>566,200</u>

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
10 RECEIVABLES		
NON - CURRENT		
Loan - TCI UK Limited	4,811,523	219,311
- Habagou Properties	<u>-</u>	<u>3,003,941</u>
	<u>4,811,523</u>	<u>3,223,252</u>
11 DEFERRED TAX ASSETS		
NON - CURRENT		
Future Income Tax Benefit	<u>289,861</u>	<u>110,737</u>
12 PAYABLES		
Trade Creditors & Accrued Expenses	6,733,547	6,849,513
GST Payable	198,354	49,770
Income in Advance	<u>167,000</u>	<u>151,324</u>
	<u>7,098,901</u>	<u>7,050,607</u>
13 BORROWINGS		
CURRENT		
Lease Liability	35,901	45,556
Loan - Total Communications Innovations	<u>30,567</u>	<u>104,158</u>
	<u>66,468</u>	<u>149,714</u>
14 TAX LIABILITIES		
CURRENT		
Provision for Income Tax	<u>710,225</u>	<u>621,881</u>
15 PROVISIONS		
CURRENT		
Provision for Annual Leave	<u>274,719</u>	<u>149,092</u>
16 BORROWINGS		
NON-CURRENT		
Lease Liability	<u>25,183</u>	<u>61,085</u>

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
17 DEFERRED TAX LIABILITIES		
CURRENT		
Deferred Income Tax Liability	-	11,372
18 PROVISIONS		
NON-CURRENT		
Provision for Long Service Leave	150,149	59,439
19 CONTRIBUTED EQUITY		
Paid Up Capital		
2 Ordinary Shares of \$1 each, fully paid	2	2
20 RETAINED PROFITS		
Balance at beginning of the year	13,281,126	7,085,907
Net Profit for the year	6,935,559	6,919,745
Dividends Paid	(7,561,924)	(724,526)
Balance at end of the year	12,654,761	13,281,126
21 LEASE COMMITMENTS		
Other Assets under Lease		
Not later than one year	39,715	51,737
Later than one year and not later than two years	10,287	39,716
Later than two years and not later than five years	17,065	23,923
Less: Future Finance Charges	67,067 (2,700)	115,376 (8,735)
	64,367	106,641
Operating Leases		
Not later than one year	659,562	521,908
Later than one year and not later than two years	912,875	244,959
Later than two years and not later than five years	1,447,817	218,043
	3,020,254	984,910

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$	2003 \$
22 STATEMENT OF CASH FLOWS		
(a) Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax		
Operating Profit (Loss) after Income Tax	6,935,559	6,919,745
Non Cash Flows and Non-Operating Items in Operating Profit:		
Unrealised Foreign Exchange Gain	-	6,032
Amortisation	23,601	78,652
Depreciation	225,053	133,977
Profit on sale of Property, Plant & Equipment	-	(1,100)
Changes in Assets & Liabilities:		
Decrease (Increase) in Receivables	(4,317,389)	(416,294)
Decrease in Deferred Tax Asset	(190,496)	(4,937)
Decrease (Increase) in Prepayments	(30,667)	(54,532)
Decrease (Increase) in Inventories	998,878	(957,061)
Increase (Decrease) in Trade Creditors	48,294	2,053,859
Increase (Decrease) in Provisions	304,682	(55,927)
Net Cash Provided (Used) by Operating Activities	3,997,515	7,702,414

(b) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flow is reconciled to the related item in the balance sheet as follows:

Cash at Bank	4,014,879	7,284,793
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(c) Non-Cash Financing and Investing Activities

During the financial year, the company acquired no plant and equipment by means of finance leases (Refer Note 9).

23 EVENT OCCURRING AFTER BALANCE DATE

On 1 July 2004, the Company made an unsecured loan to James Cooney and Samantha Grant of \$2,525,000. The loan is repayable over 7 years and the interest rate is 10% per annum unless both parties agree otherwise.

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

ABN 46 072 369 870

DIRECTORS' DECLARATION

As stated in Note 1 to the financial statements, in the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements.

The financial report has been prepared in accordance with Accounting Standard AASB 1025: *Application of the Reporting Entity Concept and Other Amendments* and other Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1.

The directors declare that the financial statements and notices set out on pages 3 to 15 :

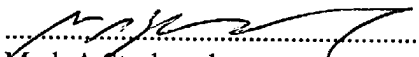
- (a) comply with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the *Corporations Regulations 2001*; and
- (b) give a true and fair view of the company's financial position as at 30 June 2004 and of its performance, as represented by the results of its operations for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Director 
Rodney A Stanton

Director 
Mark A Stackpool

Dated 17/9/04.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED

ABN 46 072 369 870

Audit Opinion

In our opinion, the financial report, set out on pages 3 to 16:

- (a) presents a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Total Communications Infrastructure Pty Limited as at 30 June 2004 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
- (b) is presented in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia to the extent described in Note 1 to the financial statements, the *Corporations Act 2001* and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and Summary of our role

The financial report – responsibility and content

The preparation of the financial report, being a special purpose financial report, for the year ended 30 June 2004 is the responsibility of the directors of Total Communications Infrastructure Pty Limited. It includes the financial statements for Total Communications Infrastructure Pty Limited (the Company) and has been prepared for distribution to members for the purpose of fulfilling the director's financial reporting requirements under the *Corporation Act 2001*.

The directors have determined that the accounting policies used and described in Note 1 to the financial statements, including the basis of accounting, which forms part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and the needs of members.

The Auditor's role and work

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which they were prepared.

Our role was to conduct the audit in accordance with Australian Auditing Standards. Our audit did not involve an analysis of the prudence of business decisions made by the director or management.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

TOTAL COMMUNICATIONS INFRASTRUCTURE PTY LIMITED
ABN 28 104 504 449

The Auditor's role and work (continued)

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the *Corporations Act 2001*, the accounting policies described in Note 1 to the financial statements and the *Corporations Regulations 2001*, which is consistent with our understanding of the Company's financial position, and its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The procedures included:

- (a) selecting and examining evidence, on a test basis, to support amounts and disclosures in the financial report;
- (b) evaluating significant accounting estimates made by director in the preparation of the financial report; and
- (c) obtaining written confirmation regarding material representations made to us in connection with the audit.

Our audit opinion was formed on the basis of these procedures.

Independence

As auditor, we are required to be independent of the Company and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the *Corporations Act 2001* and the Auditing and Assurance Standards Board.

V. J. Ryan & Co

V J RYAN & CO
Chartered Accountants



Peter D Wyer
Partner

Dated at Sydney this 17th day of September 2004