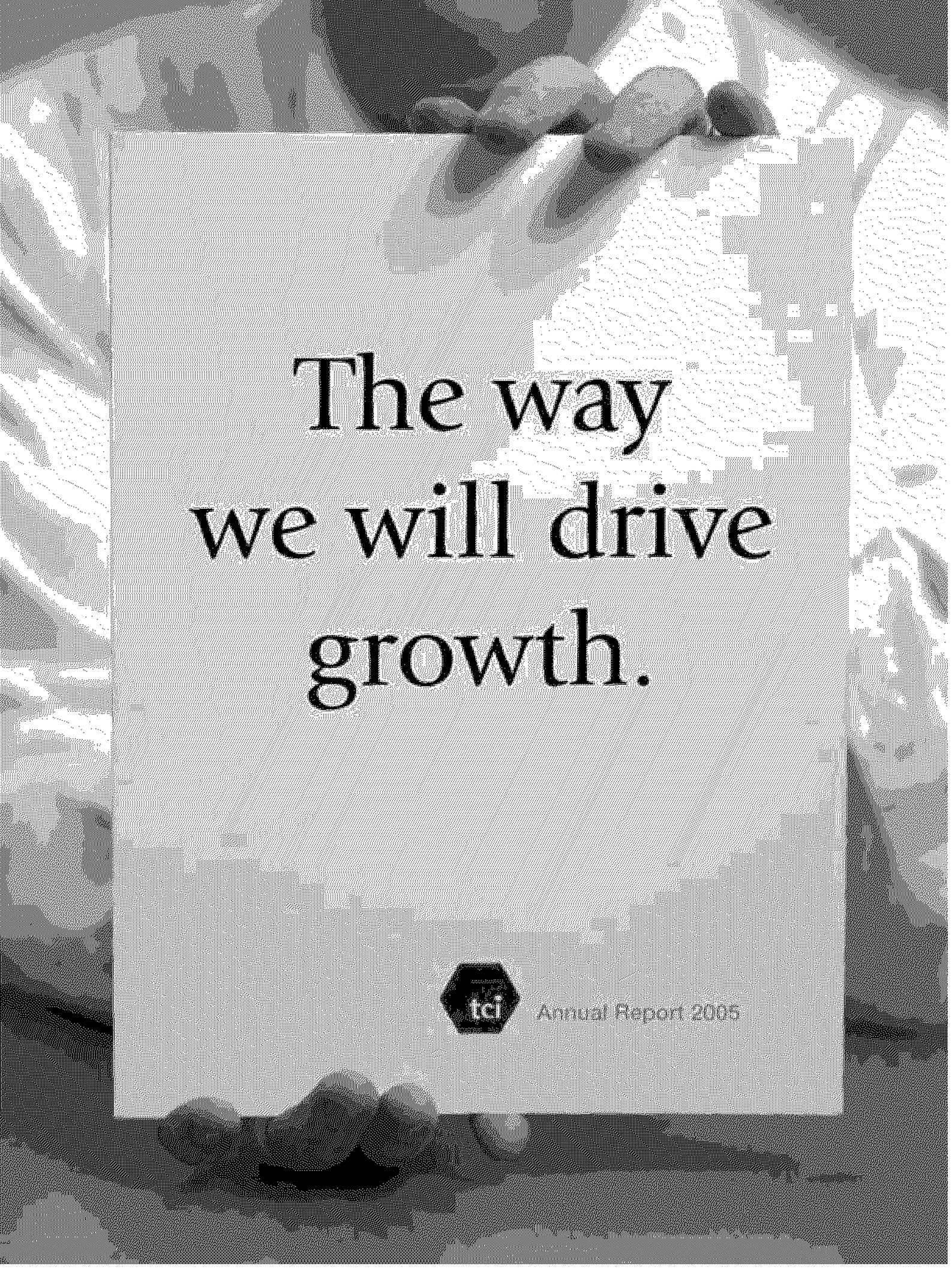


A black and white photograph of a hand holding a pen, writing on a notepad. The notepad is the central focus, with the text 'The way we will drive growth.' printed on it. In the background, a city skyline is visible, and the overall image has a halftone texture.

The way
we will drive
growth.



Annual Report 2005

Growth starts with
**intelligent
solutions**

Why do customers trust TCI with their turnkey infrastructure investment?

TCI is a provider of specialised infrastructure solutions with a proven track record in delivery across a range of industries. The Company is a market leader, offering in-house specialist skills that cover the full range of turnkey components – and a fully-accountable, co-ordinated delivery process. TCI delivers on its commitments – no excuses – and works according to a set of values that establish a clear framework for the achievement of business excellence.

OUR SERVICES

Project Management

Strong project management, with a focus on the key disciplines of time, cost, and quality is the foundation of our intelligent solutions platform.

Research and Development

Research and development activities focus on the kind of solutions which realise environmentally sustainable benefits – both to our clients and to the community.

Site Acquisition

Extensive experience in acquiring sites for telecommunications and utility infrastructure in city, urban, and rural environments throughout Australia ensures timely deployment and security of tenure throughout the project lifecycle.

Environmental Planning

Environmental planners work closely with local authorities and other project stakeholders to identify the most acceptable location for the provision of infrastructure technology solutions.

Site Design

Infrastructure design combines high level technical knowledge and accuracy with the key qualities of innovation and practicality.

Construction

Construction expertise ensures that the value engineering process achieves true cost, speed to market, and asset quality objectives for our clients.

Life-cycle / Asset Management

An in-depth knowledge of technology infrastructure combined with purpose-developed databases supports effective management of assets to protect client investments, and service obligations.

Installation and Commissioning

Expert teams work closely with clients, vendors and suppliers to ensure equipment installation and commissioning is integrated seamlessly into the deployment process.

TCI's INTELLIGENT SOLUTIONS PLATFORM

Our services are delivered by a combination of in-house based resources, property consultants, environmental planners, urban engineers, and a team of experienced contractors with whom we have established relationships.

Intelligent solutions begin with people

**How do you measure the
value of a company's spirit?**

In our organisation each individual shares a common vision, and a passion for service. These values are supported by a management team with outstanding leadership developed in a global environment. Together, our management track record, and shared vision, help to keep us strong. Collectively our skilled workforce brings a wealth of experience, expertise and enterprise to work every day. They never tire in their efforts to deliver intelligent solutions and successful outcomes for our clients.





"Working together as a team means we are able to achieve excellent results. We consider all aspects of the project and therefore we deliver the best solution."

1. Jenny Wu
(Senior Design Engineer)
2. Jason Webster
(National Project Manager)
3. Les Bolstad
(OHS and QA Manager)
4. Karl Reusche
(Project Manager)

Phillip John
Design Manager
"I ensure that my team produces high quality, innovative and practical engineering solutions that are efficiently delivered."

Rob Wilkins
IT Manager
"I am responsible for developing our bespoke project management information systems to ensure efficient delivery at every level."



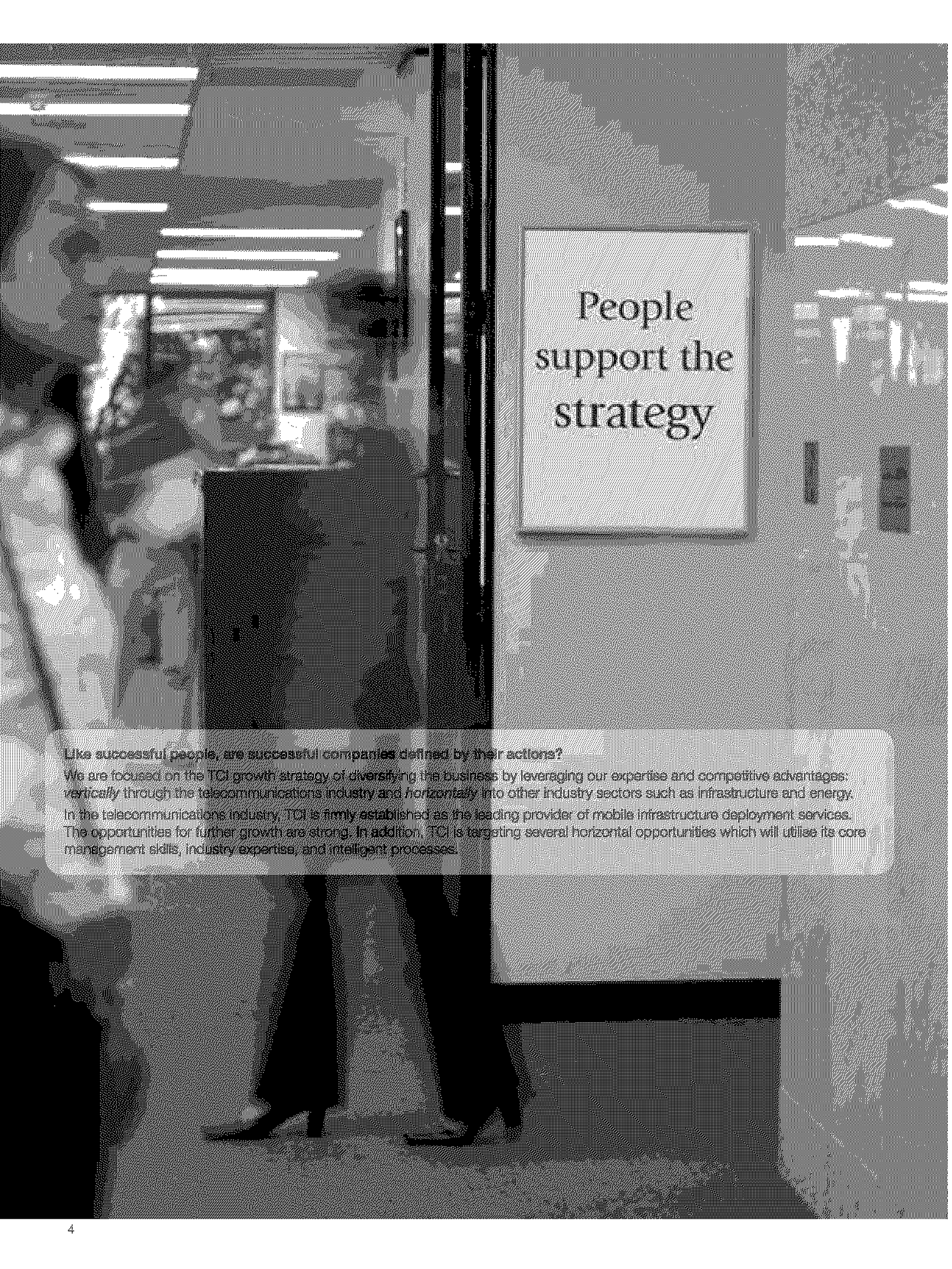
Penny Yuen
Accountant
"As a member of the accounting team, we are responsible for the delivery of prompt and accurate financial information to our project management teams, the directors, and our shareholders."



Hamish Woodin
Project Manager
"I lead a team developing unique solutions for mobile coverage within office towers, shopping centres, airports and tunnels."



Ileana Morfiadis
Project Coordinator
"I am actively involved in lease administration as a project coordinator in TCI's Site Lifecycle and Asset Management team."



People support the strategy

Like successful people, are successful companies defined by their actions?

We are focused on the TCI growth strategy of diversifying the business by leveraging our expertise and competitive advantages: *vertically* through the telecommunications industry and *horizontally* into other industry sectors such as infrastructure and energy.

In the telecommunications industry, TCI is firmly established as the leading provider of mobile infrastructure deployment services. The opportunities for further growth are strong. In addition, TCI is targeting several horizontal opportunities which will utilize its core management skills, industry expertise, and intelligent processes.

How we will achieve our goals

COMMUNICATIONS MARKET GROWTH DRIVERS

Organic Growth

- Ensure high performance on current contracts to capture development opportunities
- Extend the range of in-house services to current clients
- Retain and develop key staff

New Business

- Target vertical growth through the addition of services and product supply
- Convert opportunities within the mobile, broadband and utilities sectors
- Address new regional markets and partnerships where appropriate

Priorities

- Meet delivery targets on initial 3G rollout, mobilise effectively for further stages
- Support ongoing development on 2G networks
- Service new and expand existing Broadband networks
- Increase competitiveness across the business
- Maintain all current contracts

NEW MARKET GROWTH OPPORTUNITIES

Strategy

- Identify and target new industries which leverage our core service offerings
- Achieve diversity in industry participation to provide growth opportunities and capacity against capital expenditure cycles

Focus

- Wind energy
- Water treatment
- Asset management

Priorities

- Secure commitments in both wind and water sectors
- Grow additional asset management revenues
- Identify and develop staff to support initiatives

Strategy fuels performance...

YEAR TO 30 JUNE	ACTUAL 2004	PROSPECTUS FORECAST 2005	ACTUAL 2005
Revenue (\$m)	67.0	89.8	94.1
EBITDA (\$m)	9.5	16.3	20.7
EBIT (\$m)	9.2	16.0	20.2
NPAT (\$m)	6.9	11.2	14.4
EPS (c)	N/A	10.3	14.1
Dividend (fully franked) (c)	N/A	4.4	7.2

Delivering shareholder value

TCI's dividend policy has been established to ensure shareholders receive an appropriate yield on their investment in both the short and medium term. The Board believes dividends are an integral part of capital management and should be balanced with the Company's need to grow organically and maintain sufficient working capital.

On this theme, a 2005 final ordinary dividend of 7.2 cents per share has been declared, franked to 100%, which will become payable on 30 September 2005. This represents a payout ratio of 76% of earnings attributable to the period since the Company's listing on the ASX.

Funding growth initiatives

As noted elsewhere in the Company's Annual Report, TCI will focus on growth in three sectors: Communications, Renewables, and Asset Management.

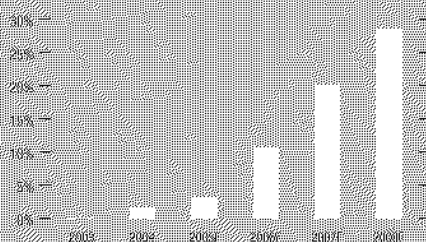
At 30 June 2005, TCI had zero debt. The Board expects to fund current plans for future growth in the abovementioned sectors through internally generated cash flow.

...and delivers opportunity

3G in Australia is in its infancy. The growth potential is significant.

1. 3G SUBSCRIBERS AS A % OF TOTAL MOBILE VOICE MARKET

"3G migration will become an issue in 2006"



Source: Citigroup, Australia Mobile update 19 July 2005

"3G capex pressure is less of an issue in the Australian market given infrastructure sharing deals have been entered into by all four operators. However we still expect to see an uplift in total capex to varying degrees by operator."

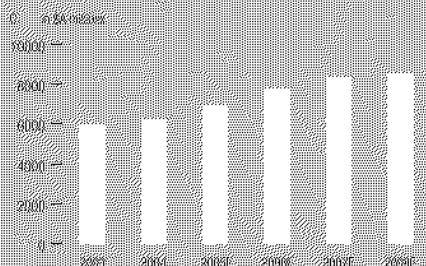
Source: Citigroup, Australia Mobile update 19 July 2005

Capex growth set to continue.

2. TELECOMMUNICATIONS SECTOR TOTAL CAPITAL EXPENDITURE

"We expect most operators to begin to increase capex in FY06 as the rollout of investments in ADSL, 3G and other mobile data services is undertaken."

Source: CSFR - Australian Telecommunications 2005 - Sector Review



Source: CSFR - Australian Telecommunications 2005 - Sector Review

"Broadband will be key to driving growth in this segment, however much of this growth will be at the expense of traditional data products."

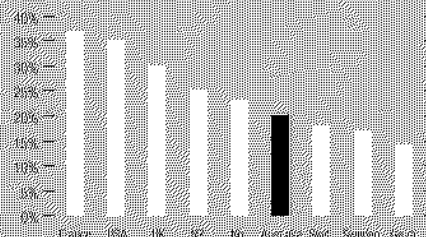
Source: CSFR - Australian Telecommunications 2005 - Sector Review

TCI is strategically targeting 3G and wireless broadband service providers.

"Mobile operators will increasingly target fixed line minutes of use to improve returns"

3. MOBILE MINUTES AS A PERCENTAGE OF TOTAL VOICE MINUTES

The gap between Australia and countries such as France and the USA is expected to narrow over time as mobile price competition intensifies and fixed to mobile (F2M) substitution increases.



Source: Citigroup, 11 October 2004

"The trend towards F2M and, generally, the increase in mobile minutes of use, is likely to have a significant impact on carriers' capex as existing excess network capacity is used up and additional in-fill capacity is required in order to maintain high levels of service. Despite technological improvements that have resulted in the increased efficiency of base stations, analysts are forecasting that the number of base stations globally will almost double, from 1.8 million to 3.5 million, between 2004 and 2009, in order to handle the increase in subscribers and minutes of use."

Source: Cellular Base Stations 2009: The Future Isn't So Bright (Base Station Forecast, in Q&A)

Annual capex \$2 billion.

4. OPPORTUNITY IN THE AUSTRALIAN WATER INDUSTRY

Australian Government Water Fund \$2 billion

Raising National Water Standards
\$200 million
Administered by the National Water Commission

Water Smart Australia Programme
\$1.6 billion
Administered by the National Water Commission

Community Water Grants Programme
\$200 million
Administered by the Departments of the Environment & Heritage & Agriculture, Fisheries & Forestry

Financial Statistics for the Australian Water Industry:

- Gross turnover of water industry \$6.2 billion annually (estimated)
- Total written down replacement value of infrastructure \$66 billion (estimated)
- Value of water industry research \$100 m annually, approx.
- Value of capital works, annually \$2 billion, plus

Source: Australian Water Resources Assessment 2000, National Land & Water Resources Audit

The Australian Government Water Fund, which is in addition to the existing estimated capital works investment, is a \$2 billion Australian Government programme established in September 2004 to invest in water infrastructure, improved water management, and better practices in the stewardship of Australia's scarce water resources over a five year period. The Fund will support practical on-ground water projects that will improve Australia's water efficiency and environmental outcomes.

Total Communications Infrastructure Limited

ACN 072 364 870

CORPORATE PROFILE

As a service provider to the wireless, wind energy, water treatment, and asset management sectors, TCI is specifically focused on integrating of technology solutions with the construction industry.

Our services include property acquisition, environmental planning, design, construction, installation, commissioning, and ongoing maintenance for communications and renewable energy facilities.

A focused strategy with disciplined execution.

This is how TCI will drive growth.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT

Dear fellow shareholders and colleagues

We are proud to present our inaugural annual report as a public company.

In both revenue and profit performance our Company has exceeded the financial forecasts detailed in our prospectus of December 2004.

A result of this strong performance is a dividend payable on 30/09/05 of 7.2 cents per share, compared with the 4.4 cents per share forecast in our prospectus. The dividend represents a 76% payout ratio based on post listing earnings consistent with our policy of a minimum 70% return to shareholders.

REVIEW OF OPERATIONS

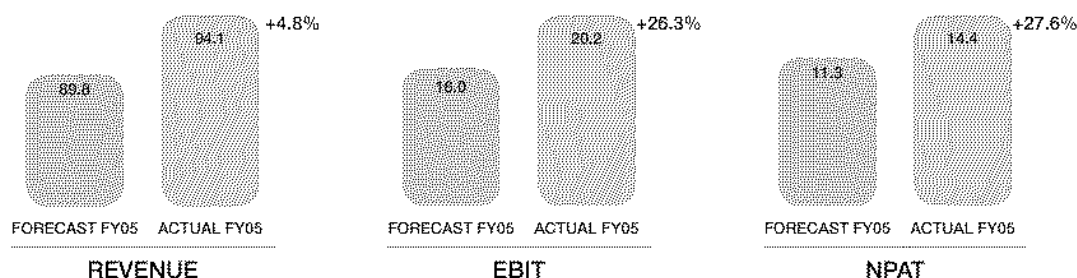
Profit for the 2005 financial year reflected solid operating performance from our core business of providing turnkey infrastructure solutions. **Our project teams have been actively involved with a number of clients in deploying 3G technology, as well as adding capacity and coverage solutions to existing 2G networks.**

The rapid deployment of a 3G network for the Vodafone component of the joint venture with Optus has overcome significant program, engineering and community consultation challenges to support a commercial launch in Sydney and Melbourne by November 2005.



Left to right

Rodney Stanton
Chief Executive Officer
Jim Cooney
Non-executive Chairman



Working closely with Vodafone and its other project partners, the TCI teams have met all project milestones. This outcome demonstrates the outstanding capability that exists within our turnkey deployment model and business structure.

As part of this roll-out, works have also commenced in Brisbane, Adelaide and Perth, with follow up phases in Sydney and Melbourne. The initial coverage program to the main capital cities will progress through to late 2007, followed by coverage of major regional centres. There will be further addition of capacity to inner metro areas in anticipation of the steady migration of customers from 2G to 3G technology.

This reporting period also saw the completion of a number of sites for Hutchison Telecommunications as they fulfilled their responsibilities on the network prior to the joint venture arrangements with Telstra. TCI has worked closely with Hutchison since 2000 undertaking design and construction activities in support of the first 3G network to be launched in Australia.

Work on 2G infrastructure for Vodafone, Optus and Ericsson has been consistent throughout the year, with new site deployment responding to our clients' needs in both urban and rural areas. Site upgrade programs with Vodafone and Nokia (Optus Network) have also generated a significant amount of activity.

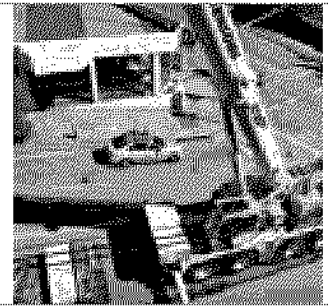
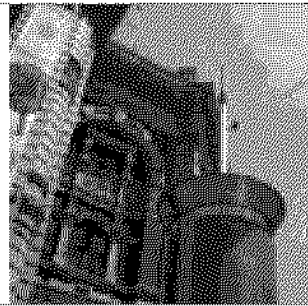
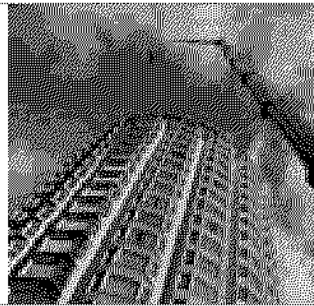
Our clients have sought to maximise the capacity of their existing 2G networks in response to growth in customer numbers.

Rate of uptake of both fixed and wireless broadband services within the Australian market has increased significantly over the last three years.

Rate of uptake of both fixed and wireless broadband services within the Australian market has increased significantly over the last three years.

Since February 2001, TCI has supported the rollout of the iBurst wireless broadband service. Initially this was as a consortium partner on the 12-site trial network in Sydney then moving through to retention as the national deployment manager.

We take great pride in our safety record. Since our commencement in 1996, we have built over 3000 sites without major incident or injury.



TCI has completed all iBurst sites in phase one of Personal Broadband's network in Sydney, Melbourne, Brisbane, Gold Coast and Canberra. Additional sites are planned to enhance the service in all areas.

Other major projects have included the design and installation of mobile phone coverage to the Sydney Cross City Tunnel.

Working closely with the major carriers, builder and technology suppliers, a solution was developed to incorporate a multi-carrier multi-technology fibre fed coverage system. This was completed well in advance of the tunnel opening.

SAFETY

TCI places the highest importance on ensuring that all business activities are conducted in accordance with both the Company's Occupational Health and Safety Plan and legal obligations. We take great pride in our safety record. Since our commencement in 1996, we have built over 3000 sites without major incident or injury. We are aware, however, that the maintenance of our record requires ever increasing vigilance and commitment. This begins at Board level and extends through to our staff and subcontractors.

From executive directors conducting site inspections through to comprehensive Safe Working plans being completed for all our projects, regular inspections by our supervisory teams and audits by our Occupational Health & Safety Manager, we take our responsibility very seriously.

On that theme, mandatory training standards are regularly reviewed across our internal staff and subcontractor base. This ensures personnel are adequately equipped to address the risks and hazards faced on existing and new facilities.

Suggested improvements to our Occupational Health and Safety Plan or related initiatives are encouraged and recognised through a quarterly reward scheme open to all TCI staff.

QUALITY

After many years of using internally developed Quality Management Systems, TCI has refined these to comply with the International Quality Standard ISO9001. Concluded in March 2005, the review, implementation and accreditation was completed in just over two months: a clear reflection of the standard of our existing system and the quality of service we have been delivering to our clients since inception. TCI enjoys an enviable industry record for delivering high quality network deployment services and adding true value beyond its contractual obligations.



COMMUNITY

In the area of community relations we actively participate in consultative processes. A disciplined and balanced approach to site selection which fully considers client and community needs has resulted in minimal negative publicity and response, or delays to rollout programs.

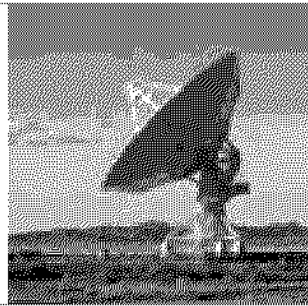
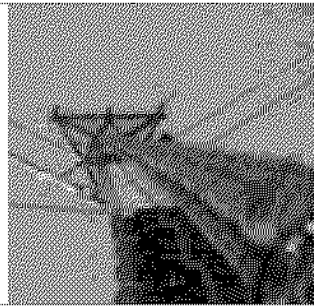
TCI also supports several charities including The Royal North Shore Hospital Spinal Unit, Nelune Rajapakse Cancer Appeal, and the Cystic Fibrosis Foundation. A total of \$25,000 was donated during the financial year, including \$15,000 raised through TCI's annual golf day, with the support of our major subcontractors and suppliers.

OUTLOOK

The mobile telecommunications industry is witnessing significant capital investment by carriers in delivering the next generation of technology. Higher speed networks will increase the amount of content and services available to consumers who will progressively migrate from existing technology. Importantly, the deployment of new technology is characterised by phases of initial coverage (2-3 years), capacity expansion (2-3 years) and mature network consolidation (3-4 years) progressing in line with consumer demand. The developments in wireless broadband technology will further enhance demand on high speed networks. In this climate of growth, TCI is strongly placed to continue its role in the delivery of network infrastructure through both existing and potential contracts.

In this climate of growth, TCI is strongly placed to continue its role in the delivery of network infrastructure through both existing and potential contracts.

Our first priority is to provide total support to our existing client base. We will deliver growth by ensuring we exceed their network development objectives.



THE WAY WE WILL DELIVER GROWTH

Given the maturity and strength of our business in the telecommunications industry it is now appropriate to commence the next phase of growth which will address new markets.

Our first priority is to provide total support to our existing client base. We will deliver growth by ensuring we exceed their network development objectives. This includes extending our range of services to realise time to market delivery, cost efficiencies and revenue growth. We will also address opportunities outside our existing client base within the wireless mobile, broadband, emergency services and utilities markets.

GROWTH STARTS WITH INTELLIGENT SOLUTIONS

TCI first entered the telecommunications infrastructure market after it recognised that the market was in its infancy, was moving towards outsourcing (following initial carrier management) and could be best serviced by organisations retaining specialist resources and total solutions.

Adopting the same strategy, we have established a Renewable Energy business unit, targeting the wind energy and water recycling industries.

Still in its developmental stage, the wind energy market in Australia is primarily driven by a regulatory regime imposed by the Federal Government. The key drivers for growth of the

industry are Renewable Energy Certificates (RECs) that are produced by renewable energy sources. Wind energy is the primary source of RECs in Australia. The Renewable Energy (Electricity) Act 2000 creates a market for RECs by requiring electricity retailers to purchase an additional 9500 GWh per annum of renewable energy by 2010.

Water supply in Australia is also facing a critical challenge with industry addressing solutions to meet increasing demand. Governments and policy makers have recognised this need. They are turning to the water industry to suggest the most effective and environmentally sound systems for water reclamation and desalination. We are confident of responding to this demand with turnkey infrastructure solutions for government, commercial, and residential markets.

INTELLIGENT SOLUTIONS BEGIN WITH PEOPLE

TCI retains a team of highly committed, capable and industry-focused staff to deliver our range of projects. This includes specialists in project management, property, environmental planning, civil, structural, electrical & mechanical engineering, IT and administration support. From a base of around 90 staff in mid 2004, a further 60 staff were engaged to meet the demands of the increasing workload. The successful integration of new staff has supported quality and high volume site acquisition and construction. Further, it has minimised the risks of delay to client programs and launch dates.

We are focused on three fundamental sectors to drive our growth plan:

- Communications (existing)
- Renewables (new)
- Assets and Infrastructure (new)

At TCI, all staff receive industry-specific training and then undertake further skills development and education according to needs identified in regular performance appraisals. We support all staff in undertaking further studies, from MBA programs through to short courses and seminars.

As a professional services-based business, the retention and development of our human capital is key to our capability and future growth. Collectively, we have embraced a set of values that supports staff in reaching their personal and project team potential and goals.

Importantly the core skills of our people and existing business processes may be readily leveraged into our proposed new business activities. This will minimise start up costs and development lead times.

PEOPLE SUPPORT THE STRATEGY

Our base and new business strategy has been endorsed at Board level and communicated and embraced by all our staff. We recognise the need to maintain exceptional service levels on our telecommunications projects and look forward to the challenge of our entry into the renewables sector. Importantly, diversification will present a new range of experience and opportunities for our staff to further their professional development within the business.

STRATEGY FUELS PERFORMANCE AND OPPORTUNITY

Our strategy of vertical and organic growth in the telecommunications sector has resulted in strong market share and return on equity. This has seen TCI develop a market leading reputation for the delivery of complex and high volume projects. We adopt a flexible approach in working closely with our clients, appreciating the dynamics of their business and accommodating change as 'business as usual.'

Whilst not immediate, we anticipate achievement through our horizontal growth into the renewables sector.

Overall, we are working toward steady growth through our capacity to service both the telecommunications and renewable energy sectors with our turnkey solutions business model.

We extend our personal thanks to our shareholders for their support and thank and acknowledge our staff as being primarily responsible for the success we have achieved since our commencement and more recently as a public company.



Rod Stanton
Managing Director



Jim Cooney
Chairman

Board of Directors



Rod Stanton

Chief Executive Officer (42)

Rod is a Civil Engineer who has 20 years experience in Project Management with the last seven years devoted specifically to project management in the telecommunications industry whilst employed by TCI. Prior to joining the Company, Rod spent 12 years with Civil & Civic, progressing to the role of Project Manager. During this time, he acquired extensive business and project management experience, managing large scale engineering projects. Rod holds a Degree in Engineering from the University of Sydney.

Rod has relevant interest in 400,000 ordinary shares in Total Communications Infrastructure Limited.

Pictured Above

1. Rod Stanton
2. Trevor Duff
3. Jim Cooney
4. Mark Stackpool
5. Ian Thorley

Chief Executive Officer
Non-executive Director
Non-executive Chairman
Chief Financial Officer
Non-executive Director

Trevor Duff

Non-executive Director (55)

Trevor has more than 25 years experience in the telecommunications services industry, in Australia and internationally. He is currently CEO and Managing Director of MCI WorldCom Australia Pty Ltd as well as other MCI subsidiaries in Australia and New Zealand. In the past he has held Senior Executive positions at OTC (now Telstra), in sales and international markets. Trevor was Managing Director of Sprint International, Australia & New Zealand, for 5 years from 1991, and Managing Director of Global One, for 4 years from 1996. He joined MCI WorldCom in November 2000. Trevor has had extensive international business experience in the Asia Pacific region and worked for some years in the USA in the 1980s. He has also operated a private consultancy practice in Business Development, and has represented the interests of SBC Corporation in Australia and New Zealand. Trevor holds a Bachelor of Commerce (Merit), from the University of New South Wales.

Trevor has relevant interest in 58,000 ordinary shares in Total Communications Infrastructure Limited.

Jim Cooney

Non-executive Chairman (44)

Jim is a Chartered Engineer with 20 years experience in Engineering and Telecommunications in Australia and the UK. Following a number of years in senior roles with Connell Wagner and Vodafone, Jim founded TCI in 1996. Jim holds Bachelor of Engineering (University of Sydney), and Master of Science (University of London) degrees together with a Diploma of the Imperial College (London). Jim has been admitted as a Chartered Engineer to the Institution of Structural Engineers (UK), the Institution of Engineers Australia, and the Institution of Civil Engineers (UK). He is a Director (and until recently was CEO and Chairman) of Personal Broadband Australia Limited.

Jim has relevant interest in 49,324,308 ordinary shares in Total Communications Infrastructure Limited.

Mark Stackpool

Chief Financial Officer and
Company Secretary (44)

Mark is a Chartered Accountant with over 20 years experience in corporate administration, financial & management accounting, audit and taxation. As CFO of the Company, Mark is responsible for the accounting, finance and payroll functions, HR, IT, insurances, facilities and fleet management. Immediately prior to joining the Company in January 1998, Mark spent eight years with the TNT Group. He has extensive experience in the Chartered Accounting profession, including internal audit and commercial roles both locally and overseas. Mark has a Commerce degree from the University of New South Wales and was admitted as a member of the Australian Institute of Chartered Accountants (ICAA) in 1985.

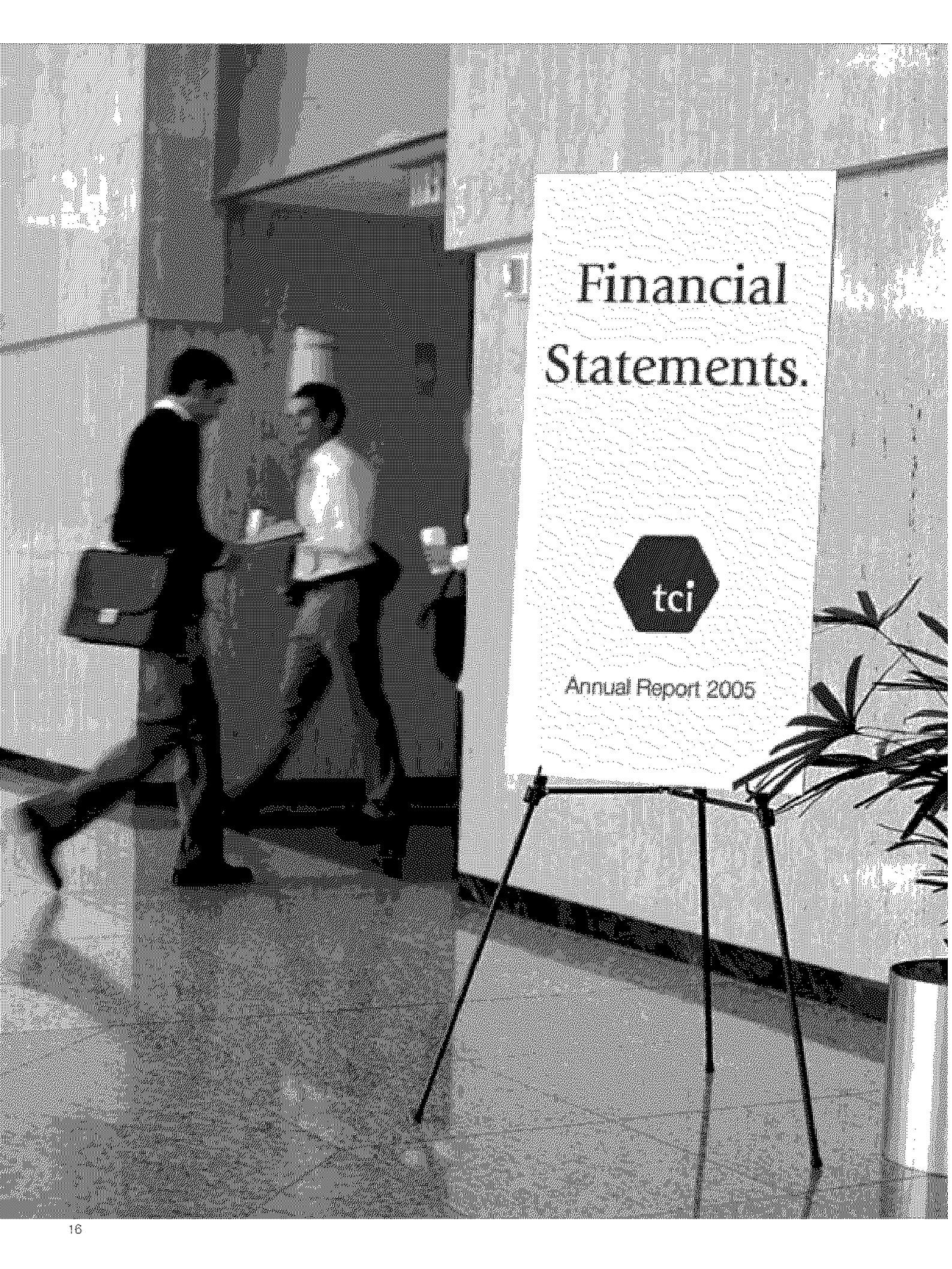
Mark has relevant interest in 300,000 ordinary shares in Total Communications Infrastructure Limited.

Ian Thorley

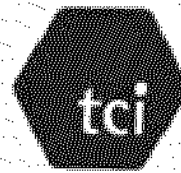
Non-executive Director (53)

Ian has 25 years experience as a senior executive in the services sector and has held a wide range of operational and strategic positions in private and public listed healthcare organisations throughout Australia. He has been the Chief Executive Officer of a major private healthcare company and is currently the Chief Operating Officer of Little Company of Mary Health Care, a major national private hospital and aged care provider. Ian has had extensive experience in business development, organisational restructuring, strategic planning and government relations. He is currently the Chairman of a private healthcare services company and has held directorships in private companies and industry associations. He has graduate qualifications in Health Administration, a Masters degree in Commerce and has consulted to the private hospital and health insurance industries.

Ian has relevant interest in 100,000 ordinary shares in Total Communications Infrastructure Limited.



Financial Statements.



Annual Report 2005

Financial Report

30 JUNE 2005

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Total Communications Infrastructure Limited is a company limited by shares, incorporated and domiciled in Australia.

Principal place of business:

Total Communications Infrastructure Limited
Level 1, 118-120 Pacific Highway
St Leonards NSW 2065

Registered Office:

Australian Company Secretaries
Level 5, 255 George Street
Sydney NSW 2000

A description of the nature of the Company's operations and its principal activities is included in the Director's Report on pages 18-24.

ABN 46 072 369 870

Director's Report

Your directors present their report on Total Communications Infrastructure Limited (TCI) for the year ended 30 June 2005.

DIRECTORS

The following persons were directors of Total Communications Infrastructure Limited during the whole of the financial year and up to the date of this report:

Rodney A Stanton
Mark A Stackpool
Jim Cooney (appointed 29 September 2004)
Trevor Duff (appointed 12 November 2004)
Ian Thorley (appointed 17 December 2004)

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the Company consisted of property acquisition, planning, construction, installation, commissioning, ongoing maintenance and management of communications facilities.

There were no significant changes in the nature of the Company's activities during the year.

REVIEW AND RESULTS OF OPERATIONS

TCI generated Revenue of \$94,168,734 and EBITDA of \$20,745,883 for the year ended 30 June 2005. Net Profit After Tax was \$14,427,489 for the period.

A review of TCI's operations, results for the year and commentary on the Company's business strategies and prospects for future years is contained within the Chairman and CEO's Report on pages 9 to 14.

EARNINGS PER SHARE

	2005
Earnings per share – basic	14.18 cents
Earnings per share – diluted	14.18 cents

DIVIDENDS – TOTAL COMMUNICATIONS INFRASTRUCTURE LIMITED

Fully franked dividends of \$16,720,115 were paid during the year. These dividends were paid to the original founding shareholders prior to TCI's listing on the ASX.

A final dividend for the year to 30 June 2005 of \$7,891,906 being 7.2 cents per ordinary share, fully franked, will be paid on 30 September 2005.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year were as follows:

- (a) An increase in contributed equity of \$9,055,000 (from \$2 to \$9,055,002) as a result of:

	2005 \$
Issue of 18,555,000 fully paid ordinary shares @ \$1.00 each	18,555,000
Demerger of investment in Personal Broadband Australia Limited	(9,500,000)
Net increase in share capital	9,055,000

- (b) Net cash received from the increase in contributed equity amounting to \$9,055,000 was used principally to pay a dividend to the founders of pre-listing retained earnings and to retire debt.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since 30 June 2005, which have significantly affected or may significantly affect in subsequent financial years:

- (a) the Company's operations in future financial years; or
(b) the results of those operations in future financial years; or
(c) the Company's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Commentary on likely developments and on expected results of certain of the operations of the Company are included in Chairman and CEO's Report on pages 9 to 14.

This report omits information on likely developments in the operations of the Company and the expected results of operations that the directors believe would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL REGULATION

The Company recognises the importance of environmental and occupational health and safety (OH&S) issues and is committed to the continuing education of all staff and contractors engaged on Company activities. The Company's activities do not have a major environmental impact though the Company is conscious of its responsibility to ensure that its staff and operations conform to local environmental standards.

INFORMATION ON DIRECTORS AND COMPANY SECRETARIES

Jim Cooney (44 yrs)

Non-executive chairman

Mr Cooney is a Chartered Engineer with 20 years experience in Engineering and Telecommunications in Australia and the UK. Following a number of years in senior roles with Connell Wagner and Vodafone, Mr Cooney founded TCI in 1996. Mr Cooney holds a Bachelor of Engineering (University of Sydney), Master of Science (University of London) and the Diploma of the Imperial College (London). Mr Cooney has been admitted as a Chartered Engineer to the Institution of Structural Engineers (UK), the Institution of Engineers Australia, and the Institution of Civil Engineers (UK). Mr Cooney is a Director (and until recently was CEO and Chairman) of Personal Broadband Australia Limited.

Mr Cooney has relevant interest in 49,324,308 ordinary shares in Total Communications Infrastructure Limited.

Rodney Stanton (42 yrs)

Chief Executive Officer

Mr Stanton is a Civil Engineer who has 20 years experience in Project Management with the last 7 years devoted specifically to project management in the telecommunications industry whilst employed by TCI. Prior to joining the Company, Mr Stanton spent 12 years with Civil & Civic, progressing through to the role of Project Manager. During this time, he acquired extensive business and project management experience, managing numerous large scale engineering projects. Mr Stanton holds a Degree in Engineering from University of Sydney.

Mr Stanton has relevant interest in 400,000 ordinary shares in Total Communications Infrastructure Limited.

Mark Stackpool (44 yrs)

Chief Financial Officer and Company Secretary

Mr Stackpool is a Chartered Accountant with over 20 years experience in corporate administration, financial and management accounting, audit and taxation. As CFO of the Company Mr Stackpool is responsible for the accounting, finance and payroll functions, HR, IT, insurances, facilities and fleet management. Immediately prior to joining the Company in January 1998, Mr Stackpool spent 8 years with the TNT Group. He has extensive experience in the Chartered Accounting profession, internal audit and commercial roles both locally and overseas. Mr Stackpool holds a Commerce degree from the University of New South Wales and was admitted as a member of the Australian Institute of Chartered Accountants in 1985.

Mr Stackpool has relevant interest in 300,000 ordinary shares in Total Communications Infrastructure Limited.

Trevor Duff (55 yrs)

Non-executive Director

Mr Duff has more than 25 years experience in the telecommunications services industry, in Australia and internationally. He is currently CEO and Managing Director of MCI WorldCom Australia Pty Ltd as well as other MCI subsidiaries in Australia and New Zealand. In the past he has held senior executive positions at OTC (now Telstra), in sales and international markets. Mr Duff was Managing Director of Sprint International, Australia & New Zealand, for 5 years from 1991, and Managing Director of Global One, for 4 years from 1996. He joined MCI WorldCom in November 2000. Mr Duff has had extensive international business experience in the Asia Pacific region and worked for some years in the USA in the 1980s. He has also operated a private consultancy practice in Business Development, and has represented the interests of SBC Corporation in Australia and New Zealand. Mr Duff holds a Bachelor's Degree in Commerce (Merit), from the University of New South Wales.

Mr Duff has relevant interest in 58,000 ordinary shares in Total Communications Infrastructure Limited.

Director's Report

Ian Thorley (53 yrs) *Non-executive Director*

Mr Thorley has 25 years experience as a senior executive in the services sector and has held a wide range of operational and strategic positions in private and public listed healthcare organisations throughout Australia. He has been the Chief Executive Officer of a major private healthcare company and is currently the Chief Operating Officer of Little Company of Mary Health Care, a major national private hospital and aged care provider. Mr Thorley has had extensive experience in business development, organisational restructuring, strategic planning and government relations. He is currently the Chairman of a private healthcare services company and has held directorships in private companies and industry associations. He has graduate qualifications in Health Administration, a Masters

Degree in Commerce and has consulted to the private hospital and health insurance industries.

Mr Thorley has relevant interest in 100,000 ordinary shares in Total Communications Infrastructure Limited.

Nick Geddes *Company Secretary*

Mr Geddes is the principal of Australian Company Secretaries, a company secretarial practice, that he formed in 1993. He is a member of the National Council of Chartered Secretaries Australia and Chairman of the NSW Branch of that Institute. He is also a Fellow of both the Australian and English Institutes of Chartered Accountants. His previous experience as a Chartered Accountant and Company Secretary includes investment banking and development and venture capital in Europe, Africa the Middle East and Asia.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of directors and of each Board committee held during the year ended 30 June 2005, and the numbers of meetings attended by each director were:

	Meetings of Directors		Remuneration Committee Meetings		Board Audit Risk & Compliance Committee Meetings	
	Number Eligible to attend	Number Number attended	Number Eligible to attend	Number attended	Eligible to attend	Number attended
James Julian Cooney (appointed 29/9/2004)	10	10	–	–	–	–
Trevor Duff (appointed 12/11/2004)	9	9	–	–	–	–
Ian Ronald Thorley (appointed 17/12/2004)	7	7	–	–	–	–
Mark Alexander Stackpool	11	10	–	–	–	–
Rodney Allen Stanton	11	9	–	–	–	–

REMUNERATION REPORT

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The key principles of TCI's remuneration policy are:

- Remuneration is set at levels that will attract and retain good performers and motivate and reward them to continually improve business results.
- Remuneration is structured to reward employees for increasing shareholder value.
- Rewards are linked to the achievement of business strategies and goals.

Remuneration Structure

The remuneration structure is in two parts:

- **Fixed Remuneration** comprises base salary, superannuation and other benefits provided by the Company, and is the pre-tax cost to TCI of these components.
- **Variable Remuneration** comprises a short term incentive, usually an annual cash bonus payment.

TCI aims to set fixed annual remuneration at or above market median levels for jobs of comparable nature, and to provide incentives to enable top performers to be remunerated at the upper end of the market, subject always to the performance of TCI.

In a limited number of cases, superior performance or strong market demand (for specific job categories) justify above median fixed remuneration.

The remuneration for executives and staff is reviewed annually, using a performance appraisal process and market data derived from independent surveys for people with similar competencies and responsibilities.

The aim of short term incentives is to drive performance to successfully implement business plans, achieve targets and increase shareholder value.

Short term incentives are used to differentiate rewards based on performance on a year by year basis. That is, with good Company financial performance, a very good performer would normally achieve a high short term incentive, which when added to fixed remuneration, would bring the combination of these two components to at or above the upper quartile of market rates.

The key principles of TCI's short term incentive plan are:

- Performance indicators will normally be based on both business financial performance and individual achievement of specified goals.
- At senior executive levels, the financial measures carry a heavier weighting than the non financial measures.
- The individual performance indicators must be genuine drivers of business performance.
- All short term incentive plans are self funding. That is, the cost of the incentives is deducted from the result before determining the performance level.

Remuneration of Executive Directors and Key Senior Officers

Executive directors and key senior officers of the Company receive a balance of fixed and variable (at risk) remuneration in line with the Remuneration Policy and Structure outlined above. The proportions vary reflecting the capacity of the individuals to influence the overall outcome of the Company's operations and returns to shareholders by way of dividends and capital growth in share value. The Remuneration Committee is responsible for reviewing the performance, remuneration and reward initiatives of the executive directors and key senior officers.

No evaluation of the performance of non executive board members has been undertaken during the reporting period.

Service Agreements

It is TCI's policy that service contracts for senior executives, excluding executive directors, be unlimited in term but capable of termination on one months notice and that the Company retains the right to terminate the contract immediately, by making payment equal to one months pay in lieu of notice. The senior executives are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave. The service contract outlines the components of remuneration paid to the senior executives but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account cost-of-living changes, any changes in the scope of the role performed by the senior executive and any changes required to meet the principles of the remuneration policy.

Employment agreements with the two executive directors specify the duties and obligations they are to fulfil. The employment agreements were entered into on 1 December 2004 for a term of three years. An executive director may resign from the Company by the giving of three months written notice. The Company may terminate an executive director by giving written notice of the greater of the remainder of the employment term or twelve months. The Company may pay the executive director in lieu of notice.

Director's Report

Details of Remuneration

Details of each element of the emoluments of each director of the Company and each of the officers of the Company receiving the highest emoluments are set out in the following tables:

	Primary		Post Employment		Equity		
2005	Salary & fees	Bonus*	Non- Monetary Benefits	Super- annuation	Retirement Benefits	Options	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Directors of Total Communications Infrastructure Limited</i>							
J Cooney	18.6	–	11.3	1.7	–	–	31.6
R Stanton	258.3	–	41.3	25.0	–	–	324.6
M Stackpool	217.5	131.5	31.5	32.9	–	–	413.4
T Duff	20.2	–	–	1.8	–	–	22.0
I Thorley	17.7	–	–	1.6	–	–	19.3
<i>Other Executives of Total Communications Infrastructure Limited</i>							
C Evans	115.0	93.7	15.5	18.8	–	–	243.0
J Webster	120.0	79.2	18.6	17.9	–	–	235.7
S Jones	113.5	74.3	20.2	17.1	–	–	225.1
B Coyne	140.0	5.5	4.9	13.1	–	–	163.5
T Kisorbo	92.5	24.5	14.4	10.5	–	–	141.9

* Bonuses are performance incentive amounts paid in relation to the prior financial year and were paid prior to ASX listing, with the exception \$14,530 for C Evans and \$10,256 for T Kisorbo which were paid post listing and relate to the current financial year.

Analysis of bonuses included in remuneration

The short term incentive cash bonus for each of the directors and executives fully vests.

SHARE OPTIONS

There are no shares under option.

INSURANCE OF OFFICERS

During the financial year, the Company paid a premium of \$50,592 to insure the directors and secretaries of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in

connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of TCI, nor has any application been made in respect of TCI under section 237 of the *Corporations Act 2001* (which allows members and other persons to bring proceedings on behalf of companies).

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Details of the amounts paid to the auditor (V J Ryan & Co) for audit and non-audit services provided during the year are set out below.

The Board of directors has considered the position and, in accordance with the advice received from the audit committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- * all non-audit services have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor.
- * none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 25.

During the year the following services were paid to the audit firm, its related practices and non-related audit firms:

	2005 \$	2004 \$
Assurance services		
1. Audit services		
Fees paid to V J Ryan & Co:		
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	27,210	14,250
Fees paid to related practices of V J Ryan & Co	—	—
Fees paid to other audit firms	—	—
Total remuneration for audit services	27,210	14,250
2. Other assurance services		
Fees paid to V J Ryan & Co:		
Audit of regulatory returns	—	—
Due diligence services	—	—
Controls assurance services	—	—
AEIFRS accounting services	—	—
Fees paid to related practices of V J Ryan & Co	—	—
Fees paid to other audit firms	—	—
Total remuneration for other assurance services	—	—
Total remuneration for assurance services	27,210	14,250

Director's Report

<i>Assurance services continued</i>	2005 \$	2004 \$
Taxation services		
Fees paid to V J Ryan & Co		
Tax compliance services, including review of company income tax returns	2,900	2,830
Tax advice on mergers and acquisitions	-	-
Fees paid to related practices of V J Ryan & Co	-	-
Fees paid to other audit firms	-	-
Total remuneration for taxation services	2,900	2,830
Advisory services		
Fees paid to V J Ryan & Co	-	-
Fees paid to related practices of V J Ryan & Co	-	-
Fees paid to other audit firms	-	-
Total remuneration for advisory services	-	-

AUDITOR

V J Ryan & Co continues in office to perform the audit in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.



Rodney Allen Stanton
Director

Sydney
9 September 2005

Auditor's Independence Declaration



The Board of Directors
Total Communications Infrastructure Limited
Level 1
115-120 Pacific Highway
ST LEONARDS NSW 2065

Dear Sirs

Auditor's Independence Declaration to the Directors of Total Communications Infrastructure Limited

In relation to our audit of the financial report of Total Communications Infrastructure Limited for the year ended 30 June 2009, in the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2003 or any applicable code of professional conduct.

V.J. Ryan Co

VJ RYAN & CO

A handwritten signature in black ink, appearing to read 'P.D. Wyer'.

P.D. Wyer
Partner

Date: 9 September 2009

Statement of Corporate Governance

The Board of Total Communications Infrastructure Limited (TCI) is committed to achieving best practice in meeting its responsibilities in directing the affairs of the Company.

This statement describes the Corporate Governance Practices in place for the period since ASX listing on 9 December 2004, and these practices comply with the recommendations of the ASX Corporate Governance Council recommendations. Where TCI has not followed any of the recommendations, or recommendations were not in place for the full period since ASX listing, this is disclosed.

TCI's Corporate Governance Statement is now structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

- Principle 1.** Lay solid foundations for management and oversight
- Principle 2.** Structure the board to add value
- Principle 3.** Promote ethical and responsible decision-making
- Principle 4.** Safeguard integrity in financial reporting
- Principle 5.** Make timely and balanced disclosure
- Principle 6.** Respect the rights of shareholders
- Principle 7.** Recognise and manage risk
- Principle 8.** Encourage enhanced performance
- Principle 9.** Remunerate fairly and responsibly
- Principle 10.** Recognise the legitimate interests of stakeholders

The Board of Directors

The skills experience and expertise relevant to the position held by each director in office at the date of the annual report is included in the Director's Report. Directors of TCI are considered to be independent when they are independent of management and free from any business or other relationship, that could materially interfere with or could be perceived to materially interfere with, the exercise of their independent judgement.

The directors in office at the date of this statement are:

Name	Position	Independent
J Cooney	Non Executive Chairman	No
R Stanton	Executive Director – CEO	No
M Stackpool	Executive Director – CFO	No
T Duff	Non Executive Director	Yes
I Thorley	Non Executive Director	Yes

The ASX Corporate Governance Council Recommendations provides that there be a majority of the Board that is independent as defined and that the chairperson be an independent director. TCI has not complied with these recommendations. During the financial year, the chairman, James Cooney was not an independent director under the recommendations. Under the Corporations Act section 9, he is considered to hold a substantial shareholding in TCI and also held a controlling interest in one of TCI's major clients, Personal Broadband Australia Limited. TCI considers industry experience and specific expertise to be important attributes of its Board members with the aim of adding value to the business.

Responsibilities of the Board

In general the Board is responsible for and has responsibility to determine, all matters relating to policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. The principle function and responsibilities of the Board include but are not limited to:

- Leadership of the organisation
- Strategy formulation and providing strategic guidance
- Reviewing and approving business plans
- Overseeing and monitoring organisational performance
- Shareholder liaison
- Making timely accurate and balanced disclosure to the ASX
- Overseeing the Company's risk management
- Monitoring financial performance
- Appointment, performance assessment and if necessary removal of CEO, CFO and monitoring the performance of senior executives
- Delegating appropriate powers to the CEO to ensure effective day to day management.

Nomination Committee

The Board has not established a formal Nomination Committee at this time, but will continue to revisit this recommendation on an ongoing basis. Due to the relative size of TCI and its recent listing on the ASX, the board does not believe it is necessary or appropriate for a Nomination Committee to be established at this time. The responsibilities identified by the ASX guidelines as typically delegated to such a committee are currently the responsibility of the full Board.

Ethical Standards

The Board is committed to the establishment and maintenance of appropriate ethical standards to underpin the Company's operations and corporate practices.

The Board has procedures in place for reporting any matters that may give rise to conflict between the interests of a director and those of the Company.

Trading of Company shares by directors is prohibited under certain circumstances as described in the ASX listing rules and during certain periods of the financial year. A director must not deal in TCI shares at any time when he or she has unpublished information, which, if generally available, might affect the share price.

Audit Committee

On 1 July 2005, the Board established a Board Audit Risk and Compliance Committee comprised of the chairman and two non-executive directors. Where considered appropriate, TCI's external auditors and TCI's senior executive management are invited to attend meetings.

The role of the Audit Committee is to assist the Board to fulfil its responsibilities in relation to safeguarding the integrity in financial reporting, making timely and balanced disclosure, and recognising and managing risk.

There are procedures in place, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

Communication with Shareholders

The Board provides shareholders with information using a comprehensive Continuous Disclosure Policy, which includes identifying matters that may have a material effect on the price of the Company's securities and notifying them to the ASX in a timely, clear and objective manner. Communication with shareholders

is also achieved through the distribution of the Annual and Half Yearly Reports, the Annual General Meeting, media releases and information provided through the Company's website.

Risk Management

The Board's collective experience will enable accurate identification of the principal risks which may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Performance

The Board and senior management monitor the performance of all operating divisions through the preparation of monthly management accounts, associated key performance indicators and comparison of these results to forecast. The monitoring of TCI's performance by the Board and management assists in identifying the correct allocation of resources to maximise the overall return to shareholders.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee (comprised of the chairman and one non-executive director) link the nature and amount of executive directors' and officers' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives
- Attraction of quality management to the Company
- Performance incentives which allow executives to share the rewards of the success of TCI.

In relation to the payment of bonuses, discretion is exercised by the Board, having regard to the overall performance of TCI and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2005	NOTES	2005 \$	2004 \$
Revenues from ordinary activities	2	(94,168,734)	(67,043,338)
Cost of Sales (excl depreciation amortisation and borrowing costs)		(66,380,354)	(52,743,649)
Cost of Sales – Depreciation and Amortisation expense		(30,610)	(54,324)
Cost of Sales – Borrowing cost expense		(3,789)	(5,966)
Overheads – Administrative salaries, benefits and related costs		(3,475,480)	(2,232,000)
Overheads – Depreciation and amortisation expense		(459,110)	(194,329)
Overheads – Borrowing cost expense		(174,025)	(12,488)
Overheads – Other expenses from ordinary activities		(3,022,498)	(1,873,000)
Profit from ordinary activities before related income tax expense	3	20,622,868	9,927,582
Income tax expense	4	(6,195,379)	(2,992,023)
Profit from ordinary activities after related income tax expense		14,427,489	6,935,559
Net profit attributable to members of Total Communications Infrastructure Limited	20	14,427,489	6,935,559
Total changes in equity attributable to members of Total Communications Infrastructure Limited other than those resulting from transactions with owners as owners	21	14,427,489	6,935,559
Basic earnings per share (cents per share)	33	14.18	
Diluted earnings per share (cents per share)	33	14.18	

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

Statement of Financial Position

AS AT 30 JUNE 2005	NOTES	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	5	19,548,233	4,014,879
Receivables	6	14,580,002	9,665,955
Inventories	7	4,316,883	852,838
Other	8	388,734	355,093
Total current assets		38,833,852	14,888,765
NON-CURRENT ASSETS			
Property, plant & equipment	9	842,941	990,259
Receivables	10	–	4,811,523
Deferred tax assets	11	645,671	289,861
Total non-current assets		1,488,612	6,091,643
Total assets		40,322,464	20,980,408
CURRENT LIABILITIES			
Payables	12	18,591,067	7,098,901
Interest bearing liabilities	13	–	66,468
Current tax liabilities	14	1,615,289	710,225
Provisions	15	528,673	274,719
Total current liabilities		20,735,029	8,150,313
NON-CURRENT LIABILITIES			
Interest bearing liabilities	16	–	25,183
Provisions	18	170,298	150,149
Total non-current liabilities		170,298	175,332
Total liabilities		20,905,327	8,325,645
Net assets		19,417,137	12,654,763
EQUITY			
Contributed Equity	19	9,055,002	2
Retained Profits	20	10,362,135	12,654,761
Total equity	21	19,417,137	12,654,763

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2005	NOTES	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		89,818,465	62,041,049
Payments to suppliers and employees		(66,064,986)	(55,585,142)
Interest received		544,520	648,271
Income tax paid		(5,646,123)	(3,094,175)
Interest and other costs of finance		(174,025)	(12,488)
Net cash flows provided by operating activities	31	18,477,851	3,997,515
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant & equipment		186,874	8,248
Purchase of property, plant & equipment		(537,105)	(657,358)
Net cash flows used in investing activities		(350,231)	(649,110)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease repayments		(610,874)	(69,159)
Proceeds from issue of ordinary shares		9,055,000	–
Repayment of loan by related party		5,131,936	–
(Decrease)/Increase in borrowings		–	1,012,764
Dividends paid		(16,720,115)	(7,561,924)
Net cash flows used in financing activities		(2,594,266)	(6,618,319)
Net decrease in cash held		15,533,354	(3,269,914)
Cash at the beginning of the financial year		4,014,879	7,284,793
Cash at end of the financial year	5	19,548,233	4,014,879

The above statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of assets.

These accounting policies have been consistently applied by the Company, except where there is a change in accounting policy as set out in policy note(s), and are consistent with those of the previous year.

b) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation, and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c) Revenue Recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows.

(i) Professional Services Revenue

Professional services revenue is recognised at the time the chargeable stage of work is completed in accordance with the prices schedule set in the customer contracts.

(ii) Construction Contracts

Contract revenue and expenses are recognised by applying the stage of completion method where the outcome of a construction contract can be estimated reliably.

When accounting for construction contracts, the contracts are either combined or disaggregated if this is deemed necessary to reflect the substance of the agreement.

Revenue arising from fixed price and cost plus contracts is recognised in accordance with the percentage of completion method. Stage of completion is measured by reference to number of construction days completed to balance date as a percentage of total estimated construction days to complete each contract.

(iii) Interest Revenue

Interest revenue is taken up on an accruals basis.

d) Inventories

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

e) Acquisitions of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date, unless the

Notes to the Financial Statements

notional price at which they could be placed in the market is a better indicator of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Provisions for employee termination benefits are recognised as at the date of acquisition of an entity or part thereof on the basis described in the employee benefits note (note 1 (j)).

Where an entity or operation is acquired and the fair value of the identifiable net assets acquired, including any liability for restructuring costs, exceeds the cost of acquisition, the difference, representing a discount on acquisition, is accounted for by reducing proportionately the fair values of the non-monetary assets acquired until the discount is eliminated. Where, after reducing the recorded amounts of the non-monetary assets acquired to zero, a discount balance remains it is recognised as revenue in the statement of financial performance.

f) Depreciation of Property, Plant and Equipment

Depreciation is calculated on a straight line basis 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	40%
Motor Vehicles	22.5%
Office Furniture and Equipment	40%
Assets under Lease	6%-30%

g) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits associated with ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the Company will obtain ownership of the asset, the life of the asset. Lease assets held at the reporting date are being amortised over periods ranging from 5 to 15 years.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between interest (calculated by applying the interest rate implicit in the lease to the outstanding amount of the liability), rental expense and reduction of the liability.

The present value of future payments for surplus leased space under non-cancellable operating leases which are not onerous contracts is recognised as a liability, net of sub-leasing revenue, in the period in which it is determined that the leased space will be of no future benefit to the Company. The net future lease payments are discounted using the interest rates implicit in the leases. Each lease payment is allocated between the liability and finance charges.

Other operating lease payments are charged to the statement of financial performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

h) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition.

r) Earnings per share (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

t) Changes in accounting policies

(i) AASB 1009 – Construction Contracts

The Company has adopted AASB 1009 '*Construction Contracts*' effective from 1 July 2004. As a result, revenue and expenses are recognised by applying the stage of completion method where the outcome of a construction contract can be estimated reliably. Previously construction revenues were recognised at the time of raising of an invoice, which occurred at completion of a contract.

The impact of the change in accounting policy is a net increase in profit before tax and work in progress of \$1,388,458 for the year ended 30 June 2005. The effect on the net profit before tax for the year ended 30 June 2004 would have been a net decrease on the net profit before tax of \$409,038 and an increase in work in progress of \$104,397.

(ii) AASB 1028 – Employee Benefits

The Company has adopted AASB 1028 '*Employee Benefits*' effective from 1 July 2004. As a result, the long service leave provision represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The portion of the long service leave liability not expected to be settled within 12 months is discounted using the rates applicable to national government securities at reporting date, which most closely match the terms of maturity of the related liability. This represents a change in accounting policy, whereas previously, long service leave was not provided for until a permanent employee attains five years of continuous service. The impact of the change in accounting policy is a net increase in profit before tax of \$64,771 for the year ended 30 June 2005. The effect on the net profit before tax for the year ended 30 June 2004 would have been a net increase on the net profit before tax of \$14,125.

u) Impact of adopting Australian Equivalents to International Financial Reporting Standards

TCI is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial year commencing 1 July 2005. The adoption of AIFRS will be reflected in TCI's financial statements for the year ended 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

TCI management have assessed the significance of the expected changes and are preparing for their implementation. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards, has been considered where applicable.

Those standards identified as having an impact on the Company's statements of financial performance and financial position are as follows:

AASB 112 – Income Tax
AASB 116 – Property, Plant and Equipment
AASB 136 – Impairment of Assets

Notes to the Financial Statements

The directors are of the opinion that there are no material differences in TCI's accounting policies on conversion to AIFRS. Users of the financial statements should, however, note that this could change if there are any amendments by standard-setters to the current AIFRS, or interpretation of the AIFRS requirements changes from the continued work of TCI's AIFRS management team.

	2005	2004
	\$	\$

FOR THE YEAR ENDED 30 JUNE 2005

NOTE 2 REVENUE

Revenue from operating activities

Sale of Services	93,624,213	66,213,690
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Revenue from outside the operating activities

Interest received	544,521	648,271
Other	–	181,377
	94,168,734	67,043,338

NOTE 3 PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before related income tax expense includes the following specific expenses:

Net loss on disposal of property, plant and equipment	7,348	11,125
Depreciation	474,420	225,052
Amortisation	15,298	23,601
Bad and doubtful debts	1,042,307	–

NOTE 4 INCOME TAX EXPENSE

The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

Profit from ordinary activities before income tax expense	20,622,868	9,927,582
Income tax calculated at 30%(2004 – 30%)	6,186,861	2,978,275
Tax effect of permanent differences:		
Entertainment	4,598	9,236
Non-deductible expenditure	3,920	4,512
Income tax adjusted for permanent differences	6,195,379	2,992,023
Under (over) provision from previous year	–	–
Income tax expense attributable to profit from ordinary activities	6,195,379	2,992,023

NOTE 5 CURRENT ASSETS – CASH

Cash at bank and on hand	19,548,233	4,014,879
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FOR THE YEAR ENDED 30 JUNE 2005	2005 \$	2004 \$
NOTE 6 CURRENT ASSETS – RECEIVABLES		
Trade Debtors	15,318,466	9,267,960
Less: Provision for Doubtful Trade Debtors	(818,502)	–
	14,499,964	9,267,960
Other Debtors	298,058	17,045
Less: Provision for Doubtful Other Debtors	(218,020)	–
	80,038	17,045
Loans to related parties	–	350,980
	14,580,002	9,665,955
NOTE 7 CURRENT ASSETS – INVENTORIES		
Construction work in progress (amount due from customers for contract work)	4,316,883	852,838
Contract costs incurred and recognised profits		
Less: Recognised Losses	–	–
Less: Progress Billings	–	–
	4,316,883	852,838
NOTE 8 CURRENT ASSETS – OTHER		
Prepayments	388,734	312,582
Deposits		42,511
	388,734	355,093
NOTE 9 NON-CURRENT ASSETS – PROPERTY, PLANT & EQUIPMENT		
Furniture & Fittings – At Cost	192,369	175,324
Less: Accumulated Depreciation	(104,001)	(61,631)
	88,368	113,693
Office Furniture & Equipment – At Cost	1,528,048	1,145,728
Less: Accumulated Depreciation	(821,143)	(487,997)
	706,905	657,731
Other Assets under Lease	–	113,918
Less: Accumulated Amortisation	–	(54,812)
	–	59,106
Motor Vehicles – At Cost	–	355,035
Less: Accumulated Depreciation	–	(196,656)
	–	158,379

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005	2005 \$	2004 \$
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NOTE 9 NON-CURRENT ASSETS – PROPERTY, PLANT & EQUIPMENT *continued*

Leasehold Improvements – At Cost	68,489	123,392
Less: Accumulated Amortisation	(20,821)	(122,042)
	47,668	1,350
Total Property, Plant & Equipment	842,941	990,259

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Furniture & Fittings	Office Furniture & Equipment	Other Assets under Lease	Motor Vehicles	Leasehold Improvements	Total
Balance at the beginning of year	113,693	657,731	59,106	158,379	1,350	990,259
Additions	17,045	454,800	–	–	65,260	537,105
Disposals	–	(7,828)	(43,808)	(143,067)	–	(194,703)
Depreciation expense	(42,370)	(397,798)	(15,298)	(15,312)	(18,942)	(489,720)
Carrying amount at the end of year	88,368	706,905	–	–	47,668	842,941
					2005 \$	2004 \$

NOTE 10 NON-CURRENT ASSETS – RECEIVABLES

Loan to Total Communications Infrastructure Limited (UK)	–	4,811,523
	–	4,811,523

NOTE 11 NON-CURRENT ASSETS – DEFERRED TAX ASSETS

Future Income Tax Benefit	645,671	289,861
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NOTE 12 CURRENT LIABILITIES – PAYABLES

Trade creditors	11,041,330	4,420,128
Accrued creditors	6,030,488	2,313,419
Other creditors	1,258,394	198,354
Income in Advance	260,855	167,000
	18,591,067	7,098,901

FOR THE YEAR ENDED 30 JUNE 2005	2005 \$	2004 \$
NOTE 13 CURRENT LIABILITIES ~ INTEREST BEARING LIABILITIES		
Secured		
Lease Liability (Note 27)	–	35,901
Total secured current interest bearing liabilities	–	35,901
Unsecured		
Other loans – Total Communications Innovations	–	30,567
Total unsecured current interest bearing liabilities	–	30,567
	–	66,468
NOTE 14 CURRENT LIABILITIES ~ TAX LIABILITIES		
Income Tax	1,615,289	710,225
NOTE 15 CURRENT LIABILITIES ~ PROVISIONS		
Employee Benefits (note 28)	528,673	274,719
NOTE 16 NON-CURRENT ~ INTEREST BEARING LIABILITIES		
Secured		
Lease Liability (Note 27)	–	25,183
Total secured interest bearing non-current liabilities	–	25,183
Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.		
NOTE 17 NON-CURRENT LIABILITIES ~ DEFERRED TAX LIABILITIES		
Deferred Income Tax Liability	–	–
NOTE 18 NON-CURRENT LIABILITIES ~ PROVISIONS		
Employee Benefits (note 28)	170,298	150,149

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005	2005 \$	2004 \$
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NOTE 19 CONTRIBUTED EQUITY

Share capital

Ordinary Shares 109,609,808 (2004:2)	9,055,002	2
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Movements in ordinary share capital

Date	Details	Number of shares	Issue Price	\$
1 July 2004	Opening balance	2	\$1	2
3 December 2004	Increment in shares resulting from share split	91,054,806	–	–
3 December 2004	Issue of 18,555,000 fully paid ordinary shares @ \$1.00 each	18,555,000	\$1	18,555,000
3 December 2004	Demerger of investment in Personal Broadband Australia Ltd	–	–	(9,500,000)
30 June 2005	Balance	109,609,808		9,055,002

NOTE 20 RETAINED PROFITS

Balance at beginning of the financial year	12,654,761	13,281,126
Net profit attributable to members of Total Communications Infrastructure Limited	14,427,489	6,935,559
Dividends provided for or paid	(16,720,115)	(7,561,924)
Retained profits at the end of the financial year	10,362,135	12,654,761

NOTE 21 EQUITY

Equity at beginning of the financial year	12,654,761	13,281,124
Contributed equity	9,055,002	2
Net profit attributable to members of Total Communications Infrastructure Limited	14,427,489	6,935,559
Dividends provided for or paid	(16,720,115)	(7,561,924)
Total equity at the end of the financial year	19,417,137	12,654,761

FOR THE YEAR ENDED 30 JUNE 2005	2005 \$	2004 \$
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NOTE 22 DIVIDENDS

Dividends recognised in the current year by the Company are:

Interim dividends for the year fully franked*	16,720,115	7,561,924
Total dividends provided for or paid	16,720,115	7,561,924

Dividends paid in cash or satisfied by the issue of shares during the years ended 30 June 2005 and 2004 were as follows:

Paid in cash	16,720,115	7,561,924
Satisfied by issue of shares	—	—
	16,720,115	7,561,924

* Declared and paid to original shareholders prior to ASX listing

A Final Dividend (100% franked at 30%), totalling \$7,891,906, in respect of ordinary shares at 7.2 cents per share for the year ended 30 June 2005 has not been recognised as a provision in this financial report because the final dividend was declared subsequent to 30 June 2005. This Dividend will be payable on 30 September 2005.

Dividend franking account:

30% franking credits available to shareholders of TCI Limited for subsequent financial years	5,680,292	6,294,866
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The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

- (a) franking credits that will arise from the payment of the current tax liability
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end
- (c) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

NOTE 23 FINANCIAL INSTRUMENTS

(a) Credit Risk Exposures

The credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally the carrying amount, net of any provisions for doubtful debts.

Notes to the Financial Statements

NOTE 23 FINANCIAL INSTRUMENTS *continued*

(b) Interest Rate Risk Exposure

The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

Floating	Fixed Interest		Non Interest Bearing	Total
	Interest Rate 1 year or Less	Interest Rate 1 to 5 Years		
	\$'000	\$'000	\$'000	\$'000
2005				
Financial Assets				
Cash assets	19,548	–	–	19,548
Receivables	–	–	14,580	14,580
	19,548	–	14,580	34,128
Weighted average interest rate	4.46%	0.00%	0.00%	–
Financial liabilities				
Trade and other creditors	–	–	18,591	18,591
Interest bearing liabilities	–	–	–	–
	–	–	18,591	18,591
Weighted average interest rate	–	–	%	–
Net financial assets (liabilities)	19,548	–	(4,011)	15,537
2004				
Financial Assets				
Cash assets	4,015	–	–	4,015
Receivables	351	4,811	9,315	14,477
	4,366	4,811	9,315	18,492
Weighted average interest rate	3.99%	9.35%	0.00%	
Financial liabilities				
Trade and other creditors	–	–	7,099	7,099
Lease liabilities	36	25	–	61
Interest bearing liabilities	30	–	–	30
	66	25	7099	7190
Weighted average interest rate	4.19%	7.87%	0.00%	
Net financial assets (liabilities)	4,300	4,786	2,216	11,302

NOTE 24 DIRECTOR AND EXECUTIVE DISCLOSURES

Details of the nature and amount of each major element of the remuneration of the directors and senior executive officers:

a) Directors

The following persons were directors of Total Communications Infrastructure Limited during the financial year:

Chairman – non-executive

Jim Cooney

Executive directors

Rodney Stanton, Chief Executive Officer

Mark Stackpool, Chief Financial Officer

Non-executive directors

Trevor Duff

Ian Thorley

b) Executives (other than directors) with the greatest authority for strategic direction and management

The following persons were the five executives with the greatest authority for the strategic direction and management of the Company ('specified persons') during the financial year:

Name	Position
Shay Jones	Operations Support Manager
Craig Evans	National Project Manager
Jason Webster	National Project Manager
Jason Myers	National Project Manager
Thierry Kisorbo	Project Manager

All of the above persons were also specified executives during the year ended 30 June 2004, except for Jason Myers who commenced employment with the Company on 22 November 2004.

c) Remuneration of directors and executives

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The key principles of TCI's remuneration policy are:

- Remuneration is set at levels that will attract and retain good performers and motivate and reward them to continually improve business results.
- Remuneration is structured to reward employees for increasing shareholder value.
- Rewards are linked to the achievement of business strategies and goals.

Remuneration Structure

The remuneration structure is in two parts:

- Fixed Remuneration comprises base salary, superannuation and other benefits provided by the Company, and is the pre-tax cost to TCI of these components.
- Variable Remuneration comprises a short term incentive, usually an annual cash bonus payment.

TCI aims to set fixed annual remuneration at or above market median levels for jobs of comparable nature, and to provide incentives to enable top performers to be remunerated at the upper end of the market, subject always to the performance of TCI.

In a limited number of cases, superior performance or strong market demand (for specific job categories) justify above median fixed remuneration.

The remuneration for executives and staff is reviewed annually, using a performance appraisal process and market data derived from independent surveys for people with similar competencies and responsibilities.

The aim of short term incentives is to drive performance to successfully implement business plans, achieve targets and increase shareholder value.

Short term incentives are used to differentiate rewards based on performance on a year by year basis. That is, with good Company financial performance, a very good performer would normally achieve a high short term incentive, which when added to fixed remuneration, would bring the combination of these two components to at or above the upper quartile of market rates.

Notes to the Financial Statements

NOTE 24 DIRECTOR AND EXECUTIVE DISCLOSURES *continued*

Details of Remuneration

Details of the remuneration for the year ended 30 June for each director and each of the five specified executives of the Company, including their personally-related entities, are set out in the following tables.

Directors of Total Communications Infrastructure Limited

	Primary			Post Employment		Equity	
2005	Salary & fees	Bonus*	Non- Monetary Benefits	Super- annuation	Retirement Benefits	Options	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Directors of Total Communications Infrastructure Limited</i>							
J Cooney	18.6	–	11.3	1.7	–	–	31.6
R Stanton	258.3	–	41.3	25.0	–	–	324.6
M Stackpool	217.5	131.5	31.5	32.9	–	–	413.4
T Duff	20.2	–	–	1.8	–	–	22.0
I Thorley	17.7	–	–	1.6	–	–	19.3
<i>Other Executives of Total Communications Infrastructure Limited</i>							
C Evans	115.0	93.7	15.5	18.8	–	–	243.0
J Webster	120.0	79.2	18.6	17.9	–	–	235.7
S Jones	113.5	74.3	20.2	17.1	–	–	225.1
J Myers	70.1	–	5.0	8.8	–	–	83.9
T Kisorbo	92.5	24.5	14.4	10.5	–	–	141.9

* Bonus amounts paid are in relation to the prior financial year and were paid prior to ASX listing, with the exception \$14,530 for C Evans and \$10,256 for T Kisorbo which were paid post listing and relate to the current financial year

Service Agreements – Not Applicable

Share-based Compensation – Options – Not Applicable

Share-based Compensation – Employee Share Scheme – Not Applicable

NOTE 24 DIRECTOR AND EXECUTIVE DISCLOSURES *continued*

d) Equity instrument disclosures relating to directors and executives

No options or shares are provided as remuneration

Relevant interest in shares held by Directors and Specified Executives, including their personally related entities

	Held at 1 July 2004	Purchases	Sold at IPO	Sales	Held at 30 June 2005
<i>Specified Directors</i>					
J Cooney	91,054,808	–	41,730,500	–	49,324,308
R Stanton	–	400,000	–	–	400,000
M Stackpool	–	330,000	–	–	330,000
T Duff	–	58,000	–	–	58,000
I Thorley	–	100,000	–	–	100,000
<i>Specified Executives</i>					
C Evans	–	–	–	–	–
J Webster	–	3,000	–	2,000	1,000
S Jones	–	5,000	–	4,000	1,000
J Myers	–	3,000	–	–	3,000
T Kisnorbo	–	–	–	–	–

e) Loans with Directors and Specified Executives

Details regarding loans to specified directors and specified executives, where the individual's aggregated loan balance exceeded \$100,000 at any time during the reporting period are as follows:

	Balance at 1 July 2004	Balance at 30 June 2005	Interest paid and payable in the reporting period	Highest balance in period
	\$	\$	\$	\$
<i>Specified Directors</i>				
J Cooney	5,162,503	–	325,473	7,771,551

The above mentioned loan transactions are comprised of two individual loans which were entered into on arms length terms, one being to Total Communications Infrastructure Limited UK (an entity controlled by J Cooney) at an interest rate of 9.68% per annum, and the other being to J Cooney and S Grant at an interest rate of 10.00% per annum.

Each of the above mentioned loan transactions related to the period prior to the Company's listing on the ASX and were fully cleared by repayment immediately prior to listing date.

f) Other transactions with Directors and Specified Executives

Other transactions with Directors and Specified Executives are detailed in Note 29 Related Parties.

Notes to the Financial Statements

	2005 \$	2004 \$
NOTE 25 REMUNERATION OF AUDITORS		
During the year the following services were paid to the auditor, its related practices and non-related audit firms:		
Assurance services		
Audit services		
Fees paid to V J Ryan & Co:		
Audit and review of financial reports and other audit work under the Corporations Act 2001	27,210	14,250
Fees paid to related practices of V J Ryan & Co	-	-
Fees paid to other audit firms	-	-
Total remuneration for audit services	27,210	14,250
Other assurance services		
Fees paid to V J Ryan & Co:		
Audit of regulatory returns	-	-
Due diligence services	-	-
Controls assurance services	-	-
AEIFRS accounting services	-	-
Fees paid to related practices of V J Ryan & Co	-	-
Fees paid to other audit firms	-	-
Total remuneration for other assurance services	-	-
Total remuneration for assurance services	27,210	14,250
Taxation services		
Fees paid to V J Ryan & Co:		
Tax compliance services, including review of company income tax returns	2,900	2,830
Tax advice on mergers and acquisitions	-	-
Fees paid to related practices of V J Ryan & Co	-	-
Fees paid to other audit firms	-	-
Total remuneration for taxation services	2,900	2,830
Advisory services		
Fees paid to V J Ryan & Co	-	-
Fees paid to related practices of V J Ryan & Co	-	-
Fees paid to other audit firms	-	-
Total remuneration for advisory services	-	-

NOTE 26 CONTINGENT LIABILITIES

The Company had no contingent liabilities at 30 June 2005.

	2005 \$	2004 \$
NOTE 27 COMMITMENTS FOR EXPENDITURE		
Finance Leases		
Not later than one year	–	39,715
Later than one year and not later than five years	–	27,352
Later than five years	–	–
	–	67,067
Less: Future Finance Charges	–	(5,983)
	–	61,084
Operating Leases		
Not later than one year	965,187	659,562
Later than one year and not later than five years	1,694,672	2,360,692
Later than five years	–	–
	2,659,859	3,020,254

The Company leases property under non-cancellable operating leases with expiry dates between 16 July 2004 and 31 August 2007. Leases generally provide for a right of renewal at which time the leases are renegotiated. Lease rental payments comprise a base amount plus an incremental contingent rental based on movements in the consumer price index.

NOTE 28 EMPLOYEE BENEFITS

Employee benefit and related on-costs liabilities

Provision for employee benefits – current (note 15)	528,673	274,719
Provision for employee benefits – non-current (note 18)	170,298	150,149
Aggregate employee benefit and related on-costs liabilities	698,971	424,868

	2005 Number	2004 Number
Employee numbers		
Average number of employees during the financial year	165	85

NOTE 29 RELATED PARTIES

Directors

The names of persons who were directors of Total Communications Infrastructure Limited at any time during the financial year are Jim Cooney, Rodney Stanton, Mark Stackpool, Trevor Duff and Ian Thorley.

Remuneration and retirement benefits

Information on the remuneration of directors is disclosed in note 24.

Notes to the Financial Statements

NOTE 29 RELATED PARTIES *continued*

Other transactions of directors and director related entities

Aggregate amounts included in the determination of profit from ordinary activities before related income tax that resulted from transactions with each class of other related parties:

	2005 \$	2004 \$
REVENUES		
Sales revenue:		
Personal Broadband Australia Pty Limited	11,122,369	4,518,476
Interest revenue:		
Total Communications Infrastructure Limited (UK)	220,068	302,056
J Cooney & S Grant	105,405	62,385
Management Fees:		
J Cooney & S Grant	-	7,717
Personal Broadband Australia Pty Limited	-	126,978
EXPENSES		
Doubtful debts expense:		
Personal Broadband Australia Pty Limited	1,036,522	-
Interest expense:		
Total Communications Infrastructure Limited (UK)	-	5,498
Rental of premises from related parties J Cooney & S Grant	-	166,419
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:		
RECEIVABLES – CURRENT		
Personal Broadband Australia Pty Limited	1,036,522	1,737,311
Provision for Doubtful Debt	(1,036,522)	-
Loans advanced to		
Total Communications Infrastructure Limited (UK)	-	350,980
J Cooney and S Grant	-	-
RECEIVABLES – NON-CURRENT		
Loans advanced to		
Total Communications Infrastructure Limited (UK)	-	4,811,523
J Cooney and S Grant	-	-
BORROWINGS – CURRENT		
Loans advanced from		
Total Communications Infrastructure Limited (UK)	-	31,000

NOTE 29 RELATED PARTIES *continued*

(i) Jim Cooney was Chairman and CEO of Personal Broadband Australia (PBA) and held a controlling interest in the Company until 28 June 2005. During the year, PBA operated and further developed a wireless broadband network. Total Communications Infrastructure Limited (TCI) provided turnkey deployment services for PBA on commercial terms and conditions for the majority of the year. In association with the acquisition of PBA by Commander Communications Limited in June 2005, TCI accepted a payment schedule from PBA on 17 June 2005 deferring the PBA debtor balance of \$818,502 until 30 September 2005, and deferring the invoicing of completed professional services work on a number of specific base station sites, valued at \$218,020, until such time as PBA instructs TCI to complete further work on those sites. There is no interest component associated with these deferrals. TCI has established a doubtful debt provision against these deferred receivables.

(ii) Jim Cooney and Samantha Grant each owned a 50% shareholding in TCI prior to the Company's listing on the ASX in December 2004, and subsequently have retained a shareholding of 22.5% each. Jim Cooney and Samantha Grant control Total Communications Infrastructure Limited UK (TCI UK), a technology infrastructure deployment company based in the United Kingdom. Prior to the Company's listing on the ASX in December 2004, Total Communications Infrastructure Limited (Australia) had both advanced and received funds from TCI UK on normal commercial terms and market interest rates. The net loan balance between these entities was cleared immediately prior

to the ASX listing and no subsequent loan transactions have occurred between the parties. From time to time certain expenses or disbursements are paid by one party on behalf of the other, and these transactions are cleared by way of cash payment on 30 day terms

(iii) On 1 July 2004, TCI advanced a \$2,525,000 loan to Jim Cooney and Samantha Grant. The loan was subject to a documented agreement with monthly principal and interest payments on arms length commercial terms. This loan balance was cleared by way of full repayment immediately prior to the Company's listing on the ASX.

Sale of Motor Vehicles.

From time to time during the period, the Company sold second hand motor vehicles from its fleet to staff including specified directors. These vehicles were sold at their written down and approximate market value. The Company recorded neither a profit nor loss on the sale to specified directors. The selling price (including GST) of vehicles to specified directors was

J Cooney	\$107,253
R Stanton	\$ 24,015
M Stackpool	\$ 19,015

Information on the remuneration of directors is disclosed in note 24.

NOTE 30 EVENTS OCCURRING AFTER REPORTING DATE

Not Applicable.

Notes to the Financial Statements

NOTE 31 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING PROFIT AFTER INCOME TAX

Operating Profit (Loss) after Income Tax	14,427,492	6,935,559
Non Cash Flows and Non-Operating Items in Operating Profit:		
Unrealised Foreign Exchange Gain	-	
Amortisation	15,298	23,601
Depreciation	474,423	225,053
Profit/Loss on Sale/Disposal of Property, Plant & Equipment	7,827	-
Changes in Assets & Liabilities:		
Decrease (Increase) in Receivables	(5,222,516)	(4,317,389)
Increase in Deferred Tax Asset	(355,810)	(190,496)
Decrease (Increase) in Prepayments	(76,152)	(30,667)
Decrease (Increase) in Inventories	(3,464,045)	998,878
Increase (Decrease) in Trade Creditors	11,492,167	48,294
Increase (Decrease) in Provisions	1,179,167	304,682
Net Cash Provided (Used) by Operating Activities	18,477,851	3,997,515

NOTE 32 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).

NOTE 33 EARNINGS PER SHARE

Basic earnings per share	14.18
Diluted earnings per share	14.18
(a) Weighted average number of ordinary shares used in the calculation of basic earnings per share	101,730,287
(b) Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share	101,730,287

Earnings per share has not been calculated for the comparative year 30 June 2004 as the Company's shares were not listed at balance date, and the Company's share structure has significantly changed since then.

NOTE 34 ECONOMIC DEPENDENCY

The Company depends, for a significant volume of revenue, on Vodafone and Optus. During the year ended 30 June 2005, approximately 83% (2004: 87%) of the Company's operating revenue was sourced from Vodafone and Optus. Alternative sources of revenue continue to be sought which will reduce future dependency on Vodafone and Optus.

NOTE 35 SEGMENT REPORTING

The Company operates as a telecommunications infrastructure professional services provider, construction project manager and property manager solely within Australia.

Director's Declaration

In the opinion of the directors of Total Communications Infrastructure Limited ("the Company"):

- (a) the financial statements and notes, set out on pages 28 to 51, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2005 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 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.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2005.

Dated at Sydney this 9th day of September 2005.

Signed in accordance with a resolution of the directors:



Rodney Allen Stanton
Director

Independent Audit Report



Independent audit report to members of Total Communications Infrastructure Limited

Scope

The financial report and directors' responsibilities

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements and the directors' declaration for Total Communications Infrastructure Limited ("the company"), for the year ended 30 June 2015.

The members of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have performed an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been conducted in order to obtain an opinion whether, in all material respects, the financial report is presented fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory professional reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical requirements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Total Communications Infrastructure Limited is in accordance with:

- (i) the Corporations Act 2001, including:
 - (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (ii) other mandatory professional reporting requirements in Australia.

V.J. Ryan & Co

VJRYAN & CO

J.D. Ryan
Partner

Date: 11 September 2015

Level 2, 255 George Street
SYDNEY NSW 2000

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 30/06/2005. Data to be not earlier than 6 weeks before annual report sent to shareholders – target 31/8/05

a) Distribution of equity securities

The number of shareholders, by size of holding is:

	Ordinary shares	
	Number of holders	Number of shares
1 – 1,000	61	49,439
1,001 – 5,000	260	910,821
5,001 – 10,000	271	2,386,687
10,001 – 100,000	529	16,082,602
100,001 and over	59	90,180,259
	1,180	109,609,808

Each ordinary share is entitled to one vote.

b) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

	Listed Ordinary shares	
	Number of holders	Percentage of Issued shares
Mr James Julian Cooney	24,662,154	22.500
Ms Samantha Alexandra Grant	24,662,154	22.500
UBS Nominees Pty Limited	10,097,917	9.213
J P Morgan Nominees Australia Limited	5,767,578	5.262
Westpac Custodian Nominees Limited	5,700,000	5.200
Tricom Nominees Pty Limited	2,404,750	2.194
UBS Private Clients Australia Nominees Pty Ltd	1,487,123	1.357
National Nominees Limited	1,408,000	1.285
McNeil Nominees Pty Limited	967,347	0.883
Warnford Nominees Pty Limited	907,800	0.828
Health Super Pty Ltd	885,382	0.808
HSBC Custody Nominees (Australia) Limited-GSCO ECSA	522,500	0.477
Mr Stephen Alfred Aboud	500,000	0.456
Ian Gamsy Everingham & Mrs Christine Mary Everingham (Rosebank Staff S/Fund a/c)	500,000	0.456
Ms Sue Hadley	500,000	0.456
Invia Custodian Pty Limited	415,501	0.379
Mr Rodney Allan Stanton	400,000	0.365
Tenth Highwire Pty Ltd	358,698	0.327
RBC Global Services Australia Nominees Pty Limited	338,000	0.308
Pavilion Drive Pty Limited	333,000	0.304
	82,817,904	75.557

(c) Substantial Shareholders

An extract from the Company's register of substantial shareholders giving details of the number of ordinary shares in which they have a relevant interest, is set out below.

	Number of shares	Percentage of shares then issued
James Julian Cooney	22,662,154	22.500
Samantha Alexandra Grant	22,662,154	22.500
LFG Holdings Pty Ltd	7,529,942	6.870

(d) Voting Rights

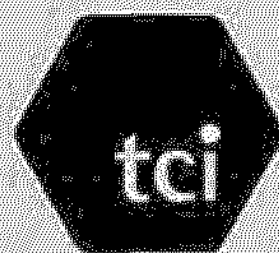
— Clause 69 of the constitution states:

Every member entitled to vote who is present in person or by proxy or by attorney or in the case of a corporation by representative shall upon a show of hands have one (1) vote only and on a poll every member entitled to vote shall whether present in person or by proxy or attorney or in the case of a corporation or representative have one (1) vote for every share held by him.

— Clause 70 of the constitution states:

Where there are joint registered holders of any shares any one (1) of such persons may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one (1) of such joint holders be present at any meeting personally or by attorney or proxy that one (1) of the said persons whose name stands first in the register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any shares stand shall for the purpose of this clause be deemed joint holders thereof.

Notes



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