

Notes to the Consolidated Financial Report  
30 June 2019  
(continued)

## 2 Earnings/(loss) per share (continued)

### (f) Earnings/(loss) per share

#### (i) Basic earnings/(loss) per share

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

#### (ii) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 3 Revenue and other income

	30 June 2019 \$'000	30 June 2018 \$'000
<b>FROM CONTINUING OPERATIONS</b>		
Data centre services revenue	169,696	152,560
Interest income	8,220	5,778
Distributions from investments	1,344	3,191
<b>Subtotal - other revenue</b>	<b>9,564</b>	<b>8,969</b>
 <b>Total revenue</b>	 <b>179,260</b>	 <b>161,529</b>
 Gain on extinguishment of B1 lease	 1,068	 -
Gain on extinguishment of APDC leases	1,291	-
Other items included in gains	675	284
<b>Total Other income</b>	<b>3,034</b>	<b>284</b>

### (a) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward revenue received in advance.

	30 June 2019 \$'000	30 June 2018 \$'000
<i>Revenue recognised that was included in the contract liability balance at the beginning of the year</i>		
Data centre services revenue	4,293	-

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(continued)

### 3 Revenue and other income (continued)

#### (b) Revenue recognition

AASB 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers and requires application of a five-step process to identify the contract with the customer, identify performance obligations in the contract, determine transaction price, allocate the transaction price to the performance obligations and recognise revenue when performance obligations are satisfied.

Revenue is recognised for the major business activities as follows:

##### (i) *Data centre services*

Data centre services revenue primarily consists of recurring monthly service fees and upfront project fees.

Revenue from the provision of recurring monthly service fees is recognised in the accounting period in which the services are rendered. Project fees are primarily comprised of installation services relating to a customer's initial deployment. As this is not considered to be a distinct service, revenue is deferred and recognised over the term of the contract with the customer, taking into account renewal options that are held by the customer. Upfront discounts provided to customers are contract assets that are amortised over the expected contract life - refer to Note 6(b).

The Group applies the practical expedient in the revenue standard and does not disclose information about the transaction price allocated to remaining performance obligations on contracts that are unsatisfied, as the Group has the right to consideration from its customers in an amount that corresponds directly with the value to the customer of the Group's services to date. This is applied to all its data centre services revenue, on the basis that the upfront project fees are not a significant portion of each contract.

##### (ii) *Interest income*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

##### (iii) *Distributions from investments*

Distributions from investments are recognised as revenue when the right to receive payment is established.

The following disclosures relate to 30 June 2018 balances:

Revenue is measured at the fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

##### (iv) *Data centre services*

Revenue is recognised only when the service has been provided, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group. Upfront discounts provided to customers are amortised over the contract term.

##### (v) *Interest income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.