

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

### 3 Revenue and other income (continued)

#### (b) Revenue recognition (continued)

##### (vi) Distributions from investments

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

### 4 Expenses

The Group has identified a number of significant expense items below that impacted financial performance for the year:

		30 June 2019 \$'000	30 June 2018 \$'000
	Note		
<b>EXPENSE</b>			
Finance costs	4(a)	(54,897)	(25,803)
Data centre rent paid to APDC (included in Data centre facility costs)	4(b)	-	(13,785)
APDC transaction costs (included in Professional fees)	4(c)	(5,459)	-
Landholder duty on acquisition of APDC properties (included in Office and administrative expenses)	4(c)	(3,498)	-

#### (a) Finance costs

Included in finance costs are costs related to unsecured notes on issue and interest expense on lease liabilities.

Refer to note 16 for details on unsecured notes on issue and note 12 for details on interest expense on lease liabilities for the year.

#### (b) Data centre rent paid to APDC

NEXTDC Limited acquired Asia Pacific Data Centre ("APDC") on 18 October 2018 (refer to note 26). Prior to acquisition, APDC was the landlord of three of NEXTDC's data centre facilities: M1 Melbourne, S1 Sydney and P1 Perth. For the year ended 30 June 2018, NEXTDC paid rent and ancillary amounts to APDC totalling \$13.8 million that was included in the Consolidated Statement of Comprehensive Income in Data centre facility costs. On early adoption of AASB 16 from 1 July 2018, this rent ceased to be a Data centre facility cost, and became a depreciation expense and finance cost, until 18 October 2018, when the three leases were derecognised on acquisition.

#### (c) APDC acquisition costs

A number of acquisition related costs were incurred as a result of the acquisition of APDC. Refer note 26 for further details.