



LATE REPORTS

ATTACHMENTS

COUNCIL MEETING

19 December 2024

CONTENTS

**10.1 - Monthly Financial Statements for the Period Ending 30
November 2024**

10.1(1)2

APPENDICES

SHIRE OF NORTHAMPTON
MONTHLY FINANCIAL REPORT
 (Containing the required statement of financial activity and statement of financial position)
For the period ended 30 November 2024

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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SHIRE OF NORTHAMPTON
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2024

	Supplementary	24/25 Adopted Budget Estimates	YTD Budget Estimates	YTD Actual	Variance* \$	Variance* %	Var.
	Information	(a) \$	(b) \$	(c) \$	(c) - (b) \$	((c) - (b))/(b) %	
OPERATING ACTIVITIES							
Revenue from operating activities							
General rates	10	5,407,071	5,376,151	5,393,450	17,299	0.32%	▲
Grants, subsidies and contributions	13	8,999,031	3,939,548	2,979,479	(960,069)	(24.37%)	▼
Fees and charges		1,314,913	1,090,682	1,120,933	30,251	2.77%	▲
Interest revenue		232,000	107,120	131,738	24,618	22.98%	▲
		15,953,015	10,513,501	9,625,600	(887,901)	(8.45%)	
Expenditure from operating activities							
Employee costs		(4,985,863)	(2,186,865)	(2,122,354)	64,511	2.95%	▲
Materials and contracts		(10,792,380)	(4,501,125)	(6,773,721)	(2,272,596)	(50.49%)	▼
Utility charges		(363,600)	(151,400)	(84,372)	67,028	44.27%	▲
Depreciation		(2,652,550)	(1,105,185)	0	1,105,185	100.00%	▲
Finance costs		(41,551)	(17,305)	(2,679)	14,626	84.52%	▲
Insurance		(250,862)	(249,703)	(248,494)	1,209	0.48%	▲
Other expenditure		(915,804)	(380,229)	(330,743)	49,486	13.01%	▲
		(20,002,610)	(8,591,812)	(9,562,363)	(970,551)	(11.30%)	
Non-cash amounts excluded from operating activities	Note 2(b)	2,652,550	1,333,418	0	(1,333,418)	(100.00%)	▼
Amount attributable to operating activities		(1,397,045)	3,255,107	63,237	(3,191,870)	(98.06%)	
INVESTING ACTIVITIES							
Inflows from investing activities							
Proceeds from capital grants, subsidies and contributions	14	5,124,803	2,135,325	186,276	(1,949,049)	(91.28%)	▼
Proceeds from disposal of assets	6	115,500	50,000	0	(50,000)	(100.00%)	▼
Proceeds from financial assets at amortised cost - self supporting loans		17,684	8,755	8,755	0	0.00%	
		5,257,987	2,194,080	195,031	(1,999,049)	(91.11%)	
Outflows from investing activities							
Payments for property, plant and equipment	5	(1,733,100)	(832,530)	(606,014)	226,516	27.21%	▲
Payments for construction of infrastructure	5	(5,763,383)	(2,415,935)	(530,436)	1,885,499	78.04%	▲
		(7,496,483)	(3,248,465)	(1,136,451)	2,112,014	65.02%	
Amount attributable to investing activities		(2,238,496)	(1,054,385)	(941,420)	112,965	10.71%	
FINANCING ACTIVITIES							
Inflows from financing activities							
Proceeds from new debentures	11	817,987	0	0	0	0.00%	
Transfer from reserves	4	222,000	0	0	0	0.00%	
		1,039,987	0	0	0	0.00%	
Outflows from financing activities							
Repayment of borrowings	11	(150,463)	(45,534)	(45,534)	0	0.00%	
Transfer to reserves	4	(480,286)	0	(18,404)	(18,404)	0.00%	▼
		(630,749)	(45,534)	(63,938)	(18,404)	(40.42%)	
Amount attributable to financing activities		409,238	(45,534)	(63,938)	(18,404)	(40.42%)	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus or deficit at the start of the financial year		3,410,687	3,410,687	3,188,795	(221,892)	(6.51%)	▼
Amount attributable to operating activities		(1,397,045)	3,255,107	63,237	(3,191,870)	(98.06%)	▼
Amount attributable to investing activities		(2,238,496)	(1,054,385)	(941,420)	112,965	10.71%	▲
Amount attributable to financing activities		409,238	(45,534)	(63,938)	(18,404)	(40.42%)	▼
Surplus or deficit after imposition of general rates		184,384	5,565,875	2,246,674	(3,319,201)	(59.63%)	▼

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

* Refer to Note 3 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

**SHIRE OF NORTHAMPTON
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 NOVEMBER 2024**

	Supplementary Information	30 June 2024	30 November 2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	6,855,126	3,628,497
Trade and other receivables		787,252	2,426,305
Other financial assets		0	(8,755)
Inventories	8	191,944	192,870
TOTAL CURRENT ASSETS		7,834,322	6,238,917
NON-CURRENT ASSETS			
Trade and other receivables		90,709	90,709
Other financial assets		376,990	376,990
Property, plant and equipment		36,369,643	36,975,657
Infrastructure		144,719,842	145,250,279
TOTAL NON-CURRENT ASSETS		181,557,184	182,693,635
TOTAL ASSETS		189,391,506	188,932,552
CURRENT LIABILITIES			
Trade and other payables	9	1,565,880	902,946
Other liabilities	12	1,096,534	1,096,534
Borrowings	11	150,463	104,928
Employee related provisions	12	861,115	861,115
TOTAL CURRENT LIABILITIES		3,673,992	2,965,523
NON-CURRENT LIABILITIES			
Borrowings	11	656,944	656,944
Employee related provisions		127,185	127,185
Other provisions		1,539,048	1,539,048
TOTAL NON-CURRENT LIABILITIES		2,323,177	2,323,177
TOTAL LIABILITIES		5,997,169	5,288,700
NET ASSETS		183,394,337	183,643,852
EQUITY			
Retained surplus		90,536,314	90,767,424
Reserve accounts	4	1,686,553	1,704,958
Revaluation surplus		91,171,470	91,171,470
TOTAL EQUITY		183,394,337	183,643,852

This statement is to be read in conjunction with the accompanying notes.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2024**

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

This prescribed financial report has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Local Government (Financial Management) Regulations 1996, regulation 34 prescribes contents of the financial report. Supporting information does not form part of the financial report.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 15 to these financial statements.

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies utilised in the preparation of these statements are as described within the 2023-24 Annual Budget. Please refer to the adopted budget document for details of these policies.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 16 December 2024

**SHIRE OF NORTHAMPTON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2024**

2 STATEMENT OF FINANCIAL ACTIVITY INFORMATION

(a) Net current assets used in the Statement of Financial Activity	Supplementary Information	Adopted Budget	Actual as at	Year to Date
		Opening 1 July 2024	30 June 2024	30 November 2024
Current assets		\$	\$	\$
Cash and cash equivalents	3	6,855,126	6,855,126	3,628,497
Trade and other receivables		593,028	787,252	2,426,305
Other financial assets		17,684	0	(8,755)
Inventories	8	191,944	191,944	192,870
		<u>7,657,782</u>	<u>7,834,322</u>	<u>6,238,917</u>
Less: current liabilities				
Trade and other payables	9	(1,266,323)	(1,565,880)	(902,946)
Other liabilities	12	(1,096,534)	(1,096,534)	(1,096,534)
Borrowings	11	(150,463)	(150,463)	(104,928)
Employee related provisions	12	(744,555)	(861,115)	(861,115)
		<u>(3,257,875)</u>	<u>(3,673,992)</u>	<u>(2,965,523)</u>
Net current assets		4,399,907	4,160,330	3,273,394
Less: Total adjustments to net current assets	Note 2(c)	(1,001,050)	(971,535)	(1,026,719)
Closing funding surplus / (deficit)		3,398,857	3,188,795	2,246,674

(b) Non-cash amounts excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Non-cash amounts excluded from operating activities	Adopted Budget	YTD Actual (a)	YTD Actual (b)
	\$	\$	\$
Adjustments to operating activities			
Less: Profit on asset disposals	6	0	(19,855)
Less: Movement in liabilities associated with restricted cash			37,599
Less: Fair value adjustments to financial assets at amortised cost		0	(4,045)
Add: Loss on asset disposals	6	0	214,534
Add: Depreciation		2,652,550	1,105,185
Total non-cash amounts excluded from operating activities		2,652,550	1,333,418

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets	Adopted Budget Opening 30 June 2024	Last Year Closing 30 June 2024	Year to Date 30 November 2024
	\$	\$	\$
Less: Reserve accounts	4	(1,686,553)	(1,686,553)
Less: Financial assets at amortised cost - self supporting loans	8	(17,684)	0
- Land held for resale		(180,000)	(180,000)
Add: Current liabilities not expected to be cleared at the end of the year:			
- Current portion of borrowings	11	150,463	150,463
- Current portion of employee benefit provisions		732,724	744,555
Total adjustments to net current assets	Note 2(a)	(1,001,050)	(971,535)

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

**SHIRE OF NORTHAMPTON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2024**

3 EXPLANATION OF MATERIAL VARIANCES

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date actual materially.
The material variance adopted by Council for the 2024-25 year is \$10,000 or 0.00% whichever is the greater.

Description	Var. \$ \$	Var. % %	
Revenue from operating activities			
General rates	17,299	0.32%	▲
Interim Rates			
Grants, subsidies and contributions	(960,069)	(24.37%)	▼
Timing in receiving grants.			
Fees and charges	30,251	2.77%	▲
Timing will reconcile.			
Interest revenue	24,618	22.98%	▲
Timing/Cash in bank.			
Expenditure from operating activities			
Employee costs	64,511	2.95%	▲
Timing.			
Materials and contracts	(2,272,596)	(50.49%)	▼
Timing as works progress.			
Utility charges	67,028	44.27%	▲
Timing.			
Depreciation	1,105,185	100.00%	▲
Depreciation for July to November 2024 not run, pending June 2024 Assets settling.			
Finance costs	14,626	84.52%	▲
Timing will reconcile.			
Insurance	1,209	0.48%	▲
Timing. Insurance paid Sept/Oct.			
Other expenditure	49,486	13.01%	▲
Timing will reconcile.			
Non-cash amounts excluded from operating activities	(1,333,418)	(100.00%)	▼
Depreciation for July to November 2024 not run, pending June 2024 Assets settling.			
Inflows from investing activities			
Proceeds from capital grants, subsidies and contributions	(1,949,049)	(91.28%)	▼
Timing as funds are received.			
Proceeds from disposal of assets	(50,000)	(100.00%)	▼
Timing, no asset disposal.			
Outflows from investing activities			
Payments for property, plant and equipment	226,516	27.21%	▲
Timing.			
Payments for construction of infrastructure	1,885,499	78.04%	▲
Timing.			
Outflows from financing activities			
Transfer to reserves	(18,404)	0.00%	▼
Surplus or deficit at the start of the financial year	(221,892)	(6.51%)	▼
Variance budget of position.			
Surplus or deficit after imposition of general rates	(3,319,201)	(59.63%)	▼
Due to variances described above/timing.			

SHIRE OF NORTHAMPTON
SUPPLEMENTARY INFORMATION
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SHIRE OF NORTHAMPTON
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 NOVEMBER 2024

1 KEY INFORMATION

Funding Surplus or Deficit Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.41 M	\$3.41 M	\$3.19 M	(\$0.22 M)
Closing	\$0.18 M	\$5.57 M	\$2.25 M	(\$3.32 M)

Refer to Statement of Financial Activity

Cash and cash equivalents			Payables			Receivables		
	\$3.63 M	% of total		\$0.90 M	% Outstanding		\$1.20 M	% Collected
Unrestricted Cash	\$1.92 M	53.0%	Trade Payables	\$0.01 M		Rates Receivable	\$1.22 M	78.2%
Restricted Cash	\$1.70 M	47.0%	0 to 30 Days		100.6%	Trade Receivable	\$1.20 M	% Outstanding
			Over 30 Days		(0.6%)	Over 30 Days		61.8%
			Over 90 Days		(0.6%)	Over 90 Days		56.9%

Refer to 3 - Cash and Financial Assets Refer to 9 - Payables Refer to 7 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.40 M)	\$3.26 M	\$0.06 M	(\$3.19 M)

Refer to Statement of Financial Activity

Rates Revenue			Grants and Contributions			Fees and Charges		
YTD Actual	\$5.39 M	% Variance	YTD Actual	\$2.98 M	% Variance	YTD Actual	\$1.12 M	% Variance
YTD Budget	\$5.38 M	0.3%	YTD Budget	\$3.94 M	(24.4%)	YTD Budget	\$1.09 M	2.8%

Refer to 10 - Rate Revenue Refer to 13 - Grants and Contributions Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$2.24 M)	(\$1.05 M)	(\$0.94 M)	\$0.11 M

Refer to Statement of Financial Activity

Proceeds on sale			Asset Acquisition			Capital Grants		
YTD Actual	\$0.00 M	%	YTD Actual	\$0.53 M	% Spent	YTD Actual	\$0.19 M	% Received
Adopted Budget	\$0.12 M	(100.0%)	Adopted Budget	\$5.76 M	(90.8%)	Adopted Budget	\$5.12 M	(96.4%)

Refer to 6 - Disposal of Assets Refer to 5 - Capital Acquisitions Refer to 5 - Capital Acquisitions

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$0.41 M	(\$0.05 M)	(\$0.06 M)	(\$0.02 M)

Refer to Statement of Financial Activity

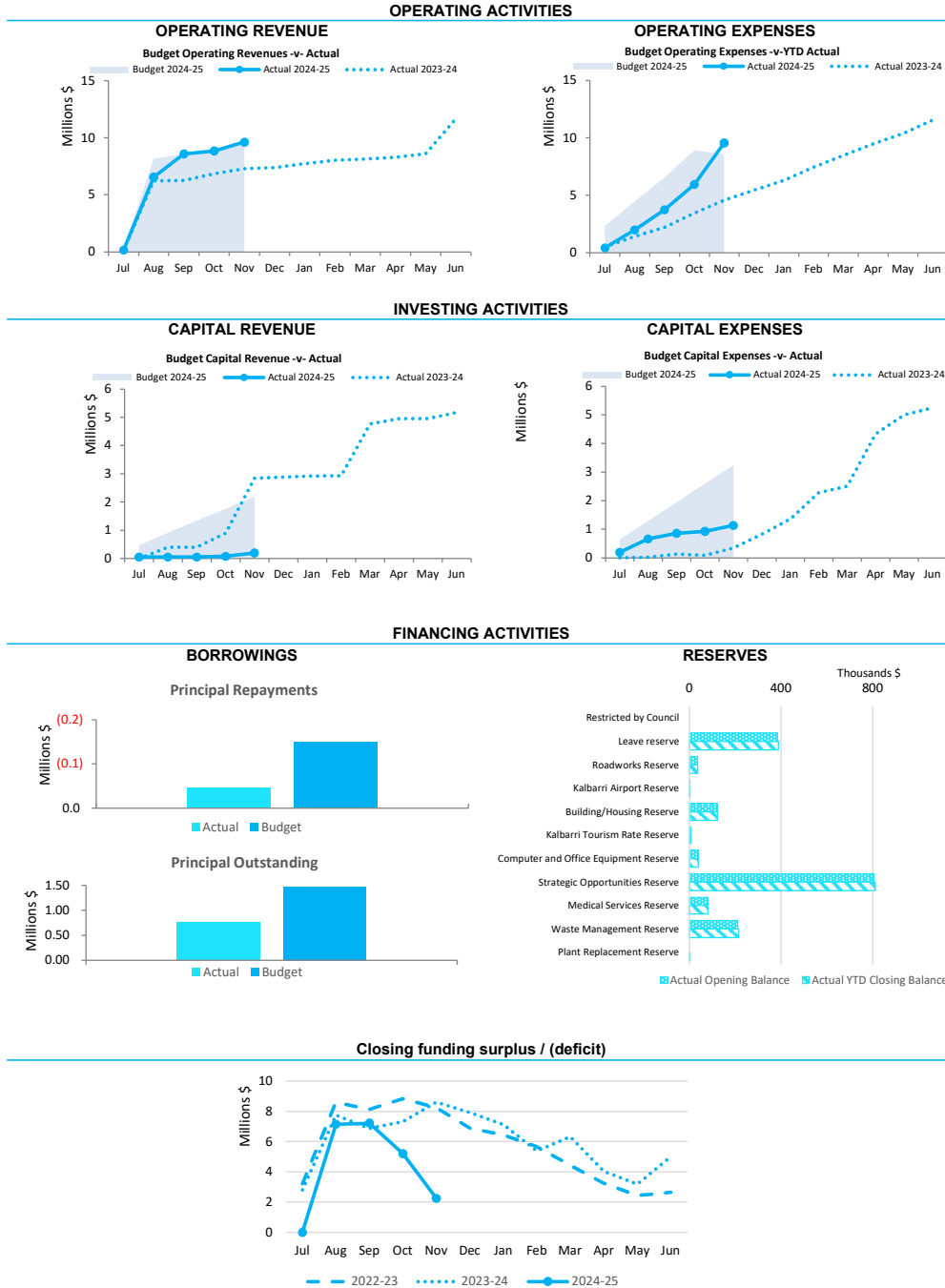
Borrowings		Reserves	
Principal repayments	(\$0.05 M)	Reserves balance	\$1.70 M
Interest expense	(\$0.00 M)	Interest earned	\$0.02 M
Principal due	\$0.76 M		

Refer to 11 - Borrowings Refer to 4 - Cash Reserves

This information is to be read in conjunction with the accompanying Financial Statements and notes.

SHIRE OF NORTHAMPTON
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 NOVEMBER 2024

2 KEY INFORMATION - GRAPHICAL



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

**SHIRE OF NORTHAMPTON
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 NOVEMBER 2024**

3 CASH AND FINANCIAL ASSETS

Description	Classification	Unrestricted \$	Restricted \$	Total Cash \$	Trust \$	Institution	Interest Rate	Maturity Date
Cash Deposits	Municipal	1,922,490	0.00	1,922,490	0	NAB		At call
Petty Cash	Cash on Hand	1,050	0.00	1,050	0			
Investment	Reserves	0	1,704,957	1,704,957	0	NAB	4.87%	28/03/2025
Total		1,923,540	1,704,957	3,628,497	0			
Comprising								
Cash and cash equivalents		1,923,540	1,704,957	3,628,497	0			
		1,923,540	1,704,957	3,628,497	0			

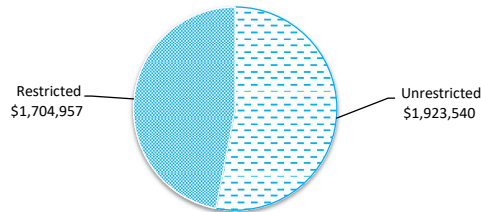
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



SHIRE OF NORTHAMPTON
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 NOVEMBER 2024

4 RESERVE ACCOUNTS

Reserve name	Budget	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual
	Opening	Interest	Transfer	Transfer	Closing	Opening	Interest	Transfers In	Transfers	YTD
	Balance	Earned	s In (+)	Out (-)	Balance	Balance	Earned	(+)	Out (-)	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Council										
Leave reserve	385,199	5,700	0	0	390,899	385,199	3,463	0	(0)	388,662
Roadworks Reserve	35,809	530	0	0	36,339	35,809	322	0	(0)	36,131
Kalbarri Airport Reserve	2,282	200	10,000	0	12,482	2,282	122	0	(0)	2,403
Building/Housing Reserve	121,455	1,000	20,000	(77,000)	65,455	121,455	608	0	(0)	122,063
Kalbarri Tourism Rate Reserve	6,975	0	0	0	6,975	6,975	0	0	0	6,975
Computer and Office Equipment	37,772	560	0	0	38,332	37,772	340	0	(0)	38,113
Strategic Opportunities Reserve	805,957	9,000	0	(120,000)	694,957	805,957	5,468	0	(0)	811,425
Medical Services Reserve	80,017	2,000	104,996	(25,000)	162,013	80,017	1,215	0	(0)	81,232
Waste Management Reserve	211,088	6,300	0	0	217,388	211,088	3,828	0	(0)	214,916
Plant Replacement Reserve	0	320,000	0	0	320,000	0	3,038	0	(0)	3,038
	1,686,553	345,290	134,996	(222,000)	1,944,839	1,686,553	18,404	0	(0)	1,704,957

SHIRE OF NORTHAMPTON
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 NOVEMBER 2024

INVESTING ACTIVITIES

5 CAPITAL ACQUISITIONS

	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Capital acquisitions				
Buildings	1,103,600	463,995	567,839	103,844
Furniture and Equipment	72,000	30,000	0	(30,000)
Plant and equipment	557,500	338,535	38,175	(300,360)
Acquisition of property, plant and equipment	1,733,100	832,530	606,014	(226,516)
Infrastructure - Roads	5,225,989	2,177,465	482,656	(1,694,809)
Infrastructure - Footpaths & Carparks	247,949	103,295	47,781	(55,514)
Infrastructure - Parks & Ovals	220,445	106,425	0	(106,425)
Infrastructure - Airport	9,000	3,750	0	(3,750)
Infrastructure - Water & Sewer Reticulation	60,000	25,000	0	(25,000)
Acquisition of infrastructure	5,763,383	2,415,935	530,436	(1,885,499)
Total capital acquisitions	7,496,483	3,248,465	1,136,451	(2,112,014)
Capital Acquisitions Funded By:				
Capital grants and contributions	5,124,803	2,135,325	186,276	(1,949,049)
Borrowings	817,987	0	0	0
Other (disposals & C/Fwd)	115,500	50,000	0	(50,000)
Reserve accounts				
Leave reserve	0		0	0
Roadworks Reserve	0		0	0
Kalbarri Airport Reserve	0		0	0
Building/Housing Reserve	77,000		0	0
Computer and Office Equipment Reserve	0		0	0
Strategic Opportunities Reserve	120,000		0	0
Medical Services Reserve	25,000		0	0
Reserve account - by council - [describe]	0		0	0
Reserve account - by council - [describe]	0		0	0
Contribution - operations	1,216,193	1,063,140	950,175	(112,965)
Capital funding total	7,496,483	3,248,465	1,136,451	(2,112,014)

SIGNIFICANT ACCOUNTING POLICIES

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognise at fair value. Assets held at cost are depreciated and assessed for impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Payments for Capital Acquisitions

