



# Periodic Financial Statements 2015/16

## Quarter 1



Administration of Norfolk Island

**Consolidated Financial Statements**  
**Statement of Comprehensive Income**  
for the period ended 30 September 2015

	Notes	Consolidated		Administration	
		2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>EXPENSES</b>					
Employee benefits	1A	3,159,117	3,461,340	2,328,946	2,612,936
Supplier	1B	4,890,521	5,027,314	4,430,724	4,476,691
Grants and subsidies	1C	1,002,596	860,748	1,002,596	860,748
Depreciation and amortisation	1D	1,692,440	1,506,756	1,615,374	1,401,652
Loss on sale of assets	1E	158	125	-	-
Write-down and impairment of assets	1F	1,901	2,500	1,862	-
<b>Total expenses</b>		<b>10,746,733</b>	<b>10,858,783</b>	<b>9,379,502</b>	<b>9,352,027</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	2A	4,159,600	4,024,455	4,011,430	3,766,144
Taxation revenue	2B	2,606,878	2,351,877	2,606,878	2,351,877
Fees and fines	2C	1,509,270	1,122,185	1,110,364	703,535
Interest	2D	11,569	15,540	7,022	13,002
Rental income	2E	14,756	18,750	11,860	15,000
Royalties	2F	225	201	225	201
Other	2G	51,639	125	-	-
<b>Total own-source revenue</b>		<b>8,353,937</b>	<b>7,533,133</b>	<b>7,747,779</b>	<b>6,849,759</b>
<b>Other Revenue</b>					
Revenue from the Commonwealth of Australia	2H	5,584,282	2,239,500	4,678,869	1,443,500
Resources received Free of Charge	2I	8,684	7,500	-	-
<b>Total Other Revenue</b>		<b>5,592,966</b>	<b>2,247,000</b>	<b>4,678,869</b>	<b>1,443,500</b>
<b>Total income</b>		<b>13,946,903</b>	<b>9,780,133</b>	<b>12,426,648</b>	<b>8,293,259</b>
<b>Net cost of services</b>		<b>3,200,170</b>	<b>(1,078,650)</b>	<b>3,047,146</b>	<b>(1,058,768)</b>
<b>Surplus (Deficit) attributable to the Administration of Norfolk Island</b>		<b>3,200,170</b>	<b>(1,078,650)</b>	<b>3,047,146</b>	<b>(1,058,768)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves		-	-	-	-
<b>Total other comprehensive income (loss)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Administration of Norfolk Island</b>		<b>3,200,170</b>	<b>(1,078,650)</b>	<b>3,047,146</b>	<b>(1,058,768)</b>

The above statement should be read in conjunction with the accompanying notes.

**Consolidated Financial Statements**  
**Statement of Financial Position**  
*as at 30 September 2015*

	Notes	Consolidated		Administration	
		2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>ASSETS</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	3A	5,606,028	6,835,445	4,855,994	6,169,968
Trade and other receivables	3B	3,803,501	4,292,403	3,656,605	3,930,000
Other investments	3C	6,341,709	234,711	6,023,307	-
<b>Total financial assets</b>		<b>15,751,238</b>	<b>11,362,559</b>	<b>14,535,906</b>	<b>10,099,968</b>
<b>Non-Financial Assets</b>					
Land and buildings	4A	27,310,926	20,646,183	25,527,392	17,954,715
Property, plant and equipment	4B,C	37,708,991	41,122,959	37,107,760	40,397,359
Intangibles	4D,E	10,331	12,035	9,998	11,441
Inventories	4F	2,934,561	2,210,752	2,734,048	2,000,000
Other non-financial assets	4G	591,192	82,042	363,884	-
<b>Total non-financial assets</b>		<b>68,556,001</b>	<b>64,073,971</b>	<b>65,743,082</b>	<b>60,363,515</b>
<b>Total assets</b>		<b>84,307,239</b>	<b>75,436,530</b>	<b>80,278,988</b>	<b>70,463,483</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	5A	872,269	2,141,031	756,447	2,035,573
Other payables	5B	51,173	164,313	-	50,000
<b>Total payables</b>		<b>923,442</b>	<b>2,305,344</b>	<b>756,447</b>	<b>2,085,573</b>
<b>Interest Bearing Liabilities</b>					
Loans	6A	11,709,527	11,750,000	11,709,527	11,750,000
Deposits	6B	602,507	-	602,507	-
<b>Total interest bearing liabilities</b>		<b>12,312,034</b>	<b>11,750,000</b>	<b>12,312,034</b>	<b>11,750,000</b>
<b>Provisions</b>					
Employee provisions	7A	2,487,717	2,310,250	1,760,891	1,638,251
<b>Total provisions</b>		<b>2,487,717</b>	<b>2,310,250</b>	<b>1,760,891</b>	<b>1,638,251</b>
<b>Total liabilities</b>		<b>15,723,193</b>	<b>16,365,594</b>	<b>14,829,372</b>	<b>15,473,824</b>
<b>Net assets</b>		<b>68,584,046</b>	<b>59,070,936</b>	<b>65,449,616</b>	<b>54,989,659</b>
<b>EQUITY</b>					
Reserves		56,347,323	50,850,153	56,010,817	50,250,899
Retained surplus (accumulated deficit)		12,236,723	8,220,783	9,438,799	4,738,760
<b>Total equity</b>		<b>68,584,046</b>	<b>59,070,936</b>	<b>65,449,616</b>	<b>54,989,659</b>

The above statement should be read in conjunction with the accompanying notes.

**Consolidated Financial Statements**  
**Statement of Changes in Equity - Consolidated**  
*for the period ended 30 September 2015*

	Retained earnings		Asset revaluation reserve		Total equity	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>Opening balance</b>						
Balance carried forward from previous period	9,036,553	9,338,406	56,347,323	50,850,153	65,383,876	60,188,559
<b>Adjusted opening balance</b>	<b>9,036,553</b>	<b>9,338,406</b>	<b>56,347,323</b>	<b>50,850,153</b>	<b>65,383,876</b>	<b>60,188,559</b>
<b>Comprehensive income</b>						
Surplus (Deficit) for the period	3,200,170	(1,117,623)			3,200,170	(1,117,623)
<b>Total comprehensive income</b>	<b>3,200,170</b>	<b>(1,117,623)</b>	<b>-</b>	<b>-</b>	<b>3,200,170</b>	<b>(1,117,623)</b>
<b>Closing balance as at 30 September</b>	<b>12,236,723</b>	<b>8,220,783</b>	<b>56,347,323</b>	<b>50,850,153</b>	<b>68,584,046</b>	<b>59,070,936</b>

The above statement should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity - Administration**  
*for the period ended 30 September 2015*

	Retained earnings		Asset revaluation reserve		Total equity	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>Opening balance</b>						0
Balance carried forward from previous period	6,391,653	5,797,528	56,010,817	50,250,899	62,402,470	56,048,427
<b>Adjusted opening balance</b>	<b>6,391,653</b>	<b>5,797,528</b>	<b>56,010,817</b>	<b>50,250,899</b>	<b>62,402,470</b>	<b>56,048,427</b>
<b>Comprehensive income</b>						
Surplus (Deficit) for the period	3,047,146	(1,058,768)			3,047,146	(1,058,768)
<b>Total comprehensive income</b>	<b>3,047,146</b>	<b>(1,058,768)</b>	<b>-</b>	<b>-</b>	<b>3,047,146</b>	<b>(1,058,768)</b>
<b>Closing balance as at 30 September</b>	<b>9,438,799</b>	<b>4,738,760</b>	<b>56,010,817</b>	<b>50,250,899</b>	<b>65,449,616</b>	<b>54,989,659</b>

The above statement should be read in conjunction with the accompanying notes.

**Consolidated Financial Statements**  
**Cash Flow Statement**  
for the period ended 30 September 2015

Notes	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Sales of goods and rendering of services	5,980,479	4,940,425	5,052,686	4,167,550
Receipts from the Commonwealth of Australia	5,585,748	2,349,250	4,678,869	1,443,500
Interest	11,569	14,813	7,022	12,500
Taxation revenue, fees and fines	3,768,881	2,587,700	3,717,242	2,587,575
Rental income	11,860	-	11,860	-
Royalties	225	-	225	-
<b>Total cash received</b>	<b>15,358,762</b>	<b>9,892,188</b>	<b>13,467,904</b>	<b>8,211,125</b>
<b>Cash used</b>				
Employees and suppliers	9,915,631	8,341,876	8,258,997	6,816,934
Grants and subsidies paid	1,093,973	996,788	1,002,596	889,000
Other	-	-	-	-
<b>Total cash used</b>	<b>11,009,604</b>	<b>9,338,664</b>	<b>9,261,593</b>	<b>7,705,934</b>
<b>Net cash from (used by) operating activities</b>	<b>4,349,158</b>	<b>553,524</b>	<b>4,206,311</b>	<b>505,191</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of land, property, plant and equipment	95,219	424,083	95,219	375,750
Purchase of financial instruments	4,560,685	-	4,482,486	-
<b>Total cash used</b>	<b>4,655,904</b>	<b>424,083</b>	<b>4,577,705</b>	<b>375,750</b>
<b>Net cash from (used by) investing activities</b>	<b>(4,655,904)</b>	<b>(424,083)</b>	<b>(4,577,705)</b>	<b>(375,750)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash used</b>				
Repayment of borrowings	-	11,421	-	11,421
<b>Total cash used</b>	<b>-</b>	<b>11,421</b>	<b>-</b>	<b>11,421</b>
<b>Net cash from (used by) financing activities</b>	<b>-</b>	<b>(11,421)</b>	<b>-</b>	<b>(11,421)</b>
<b>Net increase (decrease) in cash held</b>	<b>(306,745)</b>	<b>118,020</b>	<b>(371,394)</b>	<b>118,020</b>
Cash and cash equivalents at the beginning of the reporting period	5,912,773	6,717,425	5,227,388	6,051,948
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,606,028</b>	<b>6,835,445</b>	<b>4,855,994</b>	<b>6,169,968</b>

The above statement should be read in conjunction with the accompanying notes.

## Note 1: Expenses

	Consolidated		Administration	
	2016 Actual	2016 Budget	2016 Actual	2016 Budget
	\$	\$	\$	\$
<b>Note 1A: Employee Benefits</b>				
Wages and salaries	3,159,117	3,461,340	2,328,946	2,612,936
<b>Total employee benefits</b>	<b>3,159,117</b>	<b>3,461,340</b>	<b>2,328,946</b>	<b>2,612,936</b>
<b>Note 1B: Supplier</b>				
<b>Goods and services</b>				
Goods	2,340,882	1,966,574	2,120,890	1,800,932
Services	1,885,663	2,356,162	1,548,900	1,977,269
<b>Total goods and services</b>	<b>4,226,545</b>	<b>4,322,736</b>	<b>3,669,790</b>	<b>3,778,201</b>
<b>Goods and services are made up of:</b>				
Provision of goods – related entities	-	-	-	-
Provision of goods – external entities	2,340,882	1,966,574	2,120,890	1,800,932
Rendering of services – related entities	-	-	-	-
Rendering of services – external entities	1,885,663	2,356,162	1,548,900	1,977,269
<b>Total goods and services</b>	<b>4,226,545</b>	<b>4,322,736</b>	<b>3,669,790</b>	<b>3,778,201</b>
<b>Other supplier expenses</b>				
Welfare expenses	636,108	661,254	636,108	661,254
Healthcare costs	20,902	37,236	124,826	37,236
Workers compensation expenses	6,966	6,088	-	-
<b>Total other supplier expenses</b>	<b>663,976</b>	<b>704,578</b>	<b>760,934</b>	<b>698,490</b>
<b>Total supplier expenses</b>	<b>4,890,521</b>	<b>5,027,314</b>	<b>4,430,724</b>	<b>4,476,691</b>
<b>Note 1C: Grants and Subsidies</b>				
Grants and subsidies	1,002,596	860,748	1,002,596	860,748
<b>Total grants and subsidies</b>	<b>1,002,596</b>	<b>860,748</b>	<b>1,002,596</b>	<b>860,748</b>
<b>Note 1D: Depreciation and Amortisation</b>				
<b>Depreciation:</b>				
Property, plant and equipment	1,306,332	1,126,971	1,268,116	1,100,338
Buildings	384,979	378,848	346,201	300,397
<b>Total depreciation</b>	<b>1,691,311</b>	<b>1,505,819</b>	<b>1,614,317</b>	<b>1,400,735</b>
<b>Amortisation:</b>				
Intangibles - computer software	1,129	937	1,057	917
<b>Total amortisation</b>	<b>1,129</b>	<b>937</b>	<b>1,057</b>	<b>917</b>
<b>Total depreciation and amortisation</b>	<b>1,692,440</b>	<b>1,506,756</b>	<b>1,615,374</b>	<b>1,401,652</b>
<b>Note 1E: Loss on Sale of Assets</b>				
<b>Property, plant and equipment:</b>				
Carrying value of assets sold	158	125	-	-
<b>Total losses from asset sales</b>	<b>158</b>	<b>125</b>	<b>-</b>	<b>-</b>
<b>Note 1F: Write-Down and Impairment of Assets</b>				
Bad debts	1,901	2,500	1,862	-
<b>Total write-down and impairment of assets</b>	<b>1,901</b>	<b>2,500</b>	<b>1,862</b>	<b>-</b>

## Note 2: Income

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>OWN-SOURCE INCOME</b>				
<b><u>Note 2A: Sale of Goods and Rendering of Services</u></b>				
Provision of goods - related entities	-	-	-	-
Provision of goods - external entities	2,442,315	2,327,328	2,242,540	2,154,378
<b>Total sale of goods</b>	<b>2,442,315</b>	<b>2,327,328</b>	<b>2,242,540</b>	<b>2,154,378</b>
Rendering of services - related entities	-	-	-	-
Rendering of services - external entities	1,717,285	1,697,127	1,768,890	1,611,766
<b>Total rendering of services</b>	<b>1,717,285</b>	<b>1,697,127</b>	<b>1,768,890</b>	<b>1,611,766</b>
<b>Total sale of goods and rendering of services</b>	<b>4,159,600</b>	<b>4,024,455</b>	<b>4,011,430</b>	<b>3,766,144</b>
<b><u>Note 2B: Taxation Revenue</u></b>				
Goods and services tax	1,465,929	1,449,999	1,465,929	1,449,999
Customs duty	209,098	292,377	209,098	292,377
Other taxation revenue	931,851	609,501	931,851	609,501
<b>Total taxation revenue</b>	<b>2,606,878</b>	<b>2,351,877</b>	<b>2,606,878</b>	<b>2,351,877</b>
<b><u>Note 2C: Fees and Fines</u></b>				
Fees	1,503,338	1,118,435	1,104,432	699,785
Fines and penalties	5,932	3,750	5,932	3,750
<b>Total fees and fines</b>	<b>1,509,270</b>	<b>1,122,185</b>	<b>1,110,364</b>	<b>703,535</b>
<b><u>Note 2D: Interest</u></b>				
Bank and term deposits	11,569	15,540	7,022	13,002
<b>Total interest</b>	<b>11,569</b>	<b>15,540</b>	<b>7,022</b>	<b>13,002</b>
<b><u>Note 2E: Rental Income</u></b>				
Housing properties	14,756	18,750	11,860	15,000
<b>Total rental income</b>	<b>14,756</b>	<b>18,750</b>	<b>11,860</b>	<b>15,000</b>
<b><u>Note 2F: Royalties</u></b>				
Other	225	201	225	201
<b>Total royalties</b>	<b>225</b>	<b>201</b>	<b>225</b>	<b>201</b>
<b><u>Note 2G: Other</u></b>				
Donations	51,639	125	-	-
<b>Total revenue</b>	<b>51,639</b>	<b>125</b>	<b>-</b>	<b>-</b>
<b><u>Other Revenue</u></b>				
<b><u>Note 2H: Revenue from Government</u></b>				
Revenue received from the Commonwealth of Australia	5,584,282	2,239,500	4,678,869	1,443,500
<b>Total revenue from Government</b>	<b>5,584,282</b>	<b>2,239,500</b>	<b>4,678,869</b>	<b>1,443,500</b>
<b><u>Note 2I: Resources Received Free of Charge</u></b>				
Audit Fees	7,500	7,500	-	-
Insurance and asset revaluation fees	1,184	-	-	-
<b>Total Resources Received free of Charge</b>	<b>8,684</b>	<b>7,500</b>	<b>-</b>	<b>-</b>

### Note 3: Financial Assets

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>Note 3A: Cash and Cash Equivalents</b>				
Cash on hand or on deposit	5,606,028	6,835,445	4,855,994	6,169,968
<b>Total cash and cash equivalents</b>	<b>5,606,028</b>	<b>6,835,445</b>	<b>4,855,994</b>	<b>6,169,968</b>
<b>Note 3B: Trade and Other Receivables</b>				
<b>Goods and Services:</b>				
Goods and services - related entities	-	-	-	-
Goods and services - external entities	4,019,710	4,452,403	3,712,814	3,930,000
<b>Total receivables for goods and services</b>	<b>4,019,710</b>	<b>4,452,403</b>	<b>3,712,814</b>	<b>3,930,000</b>
<b>Other receivables:</b>				
Interest	-	-	-	-
<b>Total other receivables (gross)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total trade and other receivables (gross)</b>	<b>4,019,710</b>	<b>4,452,403</b>	<b>3,712,814</b>	<b>3,930,000</b>
<b>Less impairment allowance account:</b>				
Goods and services	(216,209)	(160,000)	(56,209)	-
<b>Total impairment allowance account</b>	<b>(216,209)</b>	<b>(160,000)</b>	<b>(56,209)</b>	<b>-</b>
<b>Total trade and other receivables (net)</b>	<b>3,803,501</b>	<b>4,292,403</b>	<b>3,656,605</b>	<b>3,930,000</b>
<b>Receivables are expected to be recovered in:</b>				
No more than 12 months	3,803,501	4,292,403	3,656,605	3,930,000
More than 12 months	-	-	-	-
<b>Total trade and other receivables (net)</b>	<b>3,803,501</b>	<b>4,292,403</b>	<b>3,656,605</b>	<b>3,930,000</b>
<b>Receivables are aged as follows:</b>				
Not overdue	2,964,417	3,199,970	2,881,498	3,050,056
Overdue by:				
0 to 30 days	494,334	559,815	433,855	459,234
31 to 60 days	113,820	129,538	98,834	104,615
More than 61 days	447,139	563,081	298,627	316,095
<b>Total receivables (gross)</b>	<b>4,019,710</b>	<b>4,452,404</b>	<b>3,712,814</b>	<b>3,930,000</b>
<b>The impairment allowance account is aged as follows:</b>				
Not overdue	-	-	-	-
Overdue by:				
0 to 30 days	3,498	3,498	-	-
31 to 60 days	(14,986)	(14,986)	-	-
More than 61 days	(204,721)	(148,512)	(56,209)	-
<b>Total impairment allowance account</b>	<b>(216,209)</b>	<b>(160,000)</b>	<b>(56,209)</b>	<b>-</b>

The Administration does not have a system to record receivables which are past due greater than 91 days.



### Note 3: Financial Assets

#### Reconciliation of the Impairment Allowance Account:

##### Movements in relation to 2016 Actual

	Consolidated Goods and services \$	Administration Goods and services \$
<b>Opening balance</b>	(216,209)	(56,209)
Amounts written off	-	-
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	-	-
<b>Closing balance</b>	(216,209)	(56,209)

##### Movements in relation to 2016 Budget

	Consolidated Goods and services \$	Administration Goods and services \$
Opening balance	(160,000)	-
Amounts written off	-	-
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	-	-
Closing balance	(160,000)	-

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>Note 3C: Other Investments</b>				
Term deposits	6,341,709	234,711	6,023,307	-
<b>Total other investments</b>	6,341,709	234,711	6,023,307	-
<b>Total other investments are expected to be recovered in:</b>				
No more than 12 months	6,341,709	234,711	6,023,307	-
More than 12 months	-	-	-	-
<b>Total other investments</b>	6,341,709	234,711	6,023,307	-

## Note 4: Non-Financial Assets

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>Note 4A: Land and Buildings</b>				
<b>Land:</b>				
Fair Value	6,798,702	7,058,703	6,423,702	6,683,703
<b>Total land</b>	<b>6,798,702</b>	<b>7,058,703</b>	<b>6,423,702</b>	<b>6,683,703</b>
<b>Buildings on freehold land:</b>				
Fair value	20,897,203	13,966,328	19,449,891	11,571,408
Accumulated depreciation	(384,979)	(378,848)	(346,201)	(300,397)
<b>Total buildings on freehold land</b>	<b>20,512,224</b>	<b>13,587,480</b>	<b>19,103,690</b>	<b>11,271,012</b>
<b>Total land and buildings</b>	<b>27,310,926</b>	<b>20,646,183</b>	<b>25,527,392</b>	<b>17,954,715</b>

No indicators of impairment were found for land and buildings.

No land or buildings were expected to be sold or disposed of within the next 12 months.

### Revaluation of land and buildings

Property, plant and equipment was revalued as at 30 June 2015 by an independent valuer. The valuer was Preston, Rowe, Paterson NSW Pty Ltd. The next revaluation

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>Note 4B: Property, Plant and Equipment</b>				
<b>Property, plant and equipment:</b>				
Work in Progress	95,219	-	95,219	-
Fair value	38,920,104	42,246,970	38,280,657	41,497,696
Accumulated depreciation	(1,306,332)	(1,124,011)	(1,268,116)	(1,100,338)
<b>Total property, plant and equipment</b>	<b>37,708,991</b>	<b>41,122,959</b>	<b>37,107,760</b>	<b>40,397,359</b>

No indicators of impairment were found for property, plant and equipment.

### Revaluation of property, plant and equipment

Property, plant and equipment was revalued as at 30 June 2015 by an independent valuer. The valuer was Preston, Rowe, Paterson NSW Pty Ltd. The next revaluation will be completed for the year ending 30 June 2018.

### Note 4C: Reconciliation of the Opening and Closing Balances of Land and Buildings, Plant and Equipment 2016 Actual - Consolidated

	Land \$	Buildings \$	Total land & buildings \$	Property, plant & equipment \$	Total \$
<b>As at 1 July 2015</b>					
Gross book value	6,798,702	21,000,364	27,799,066	38,920,104	66,719,170
Accumulated depreciation and impairment	-	-	-	-	-
<b>Net book value 1 July 2015</b>	<b>6,798,702</b>	<b>21,000,364</b>	<b>27,799,066</b>	<b>38,920,104</b>	<b>66,719,170</b>
Additions:					
By purchase or donation	-	-	-	-	-
Work in progress	-	-	-	95,219	95,219
Depreciation expense	-	(384,979)	(384,979)	(1,306,332)	(1,691,311)
Disposals	-	(103,161)	(103,161)	-	(103,161)
Revaluation adjustment recognised in Reserve	-	-	-	-	-
<b>Net book value as at 30 September 2015</b>	<b>6,798,702</b>	<b>20,512,224</b>	<b>27,310,926</b>	<b>37,708,991</b>	<b>65,019,917</b>
<b>Net book value as at 30 September 2015 represented by:</b>					
Gross book value	6,798,702	20,897,203	27,695,905	39,015,323	66,711,228
Accumulated depreciation and impairment	-	(384,979)	(384,979)	(1,306,332)	(1,691,311)
<b>Net book value as at 30 September 2015</b>	<b>6,798,702</b>	<b>20,512,224</b>	<b>27,310,926</b>	<b>37,708,991</b>	<b>65,019,917</b>

#### Note 4: Non-Financial Assets

##### Note 4C (Cont'd): Reconciliation of the Opening and Closing Balances of Land and Buildings, Plant and Equipment 2016 Budget - Consolidated

	Land \$	Buildings \$	Total land & buildings \$	Property, plant & equipment \$	Total \$
As at 1 July 2015					
Gross book value	7,058,703	13,966,328	21,025,031	42,246,970	63,272,001
Accumulated depreciation and impairment	-	-	-	-	-
Net book value as at 1 July 2015	7,058,703	13,966,328	21,025,031	42,246,970	63,272,001
Additions:					
By purchase or donation	-	-	-	-	-
Work in progress	-	-	-	-	-
Depreciation expense	-	(378,848)	(378,848)	(1,124,011)	(1,502,859)
Disposals	-	-	-	-	-
Net book value as at 30 September 2015	7,058,703	13,587,480	20,646,183	41,122,958	61,769,142
Net book value as at 30 September 2015 represented by:					
Gross book value	7,058,703	13,966,328	21,025,031	42,246,970	63,272,001
Accumulated depreciation and impairment	-	(378,848)	(378,848)	(1,124,011)	(1,502,859)
Net book value as at 30 September 2015 represented by:	7,058,703	13,587,480	20,646,183	41,122,958	61,769,142

##### Note 4C: Reconciliation of the Opening and Closing Balances of Land and Buildings, Plant and Equipment 2016 Actual - Administration

	Land \$	Buildings \$	Total land & buildings \$	Property, plant & equipment \$	Total \$
As at 1 July 2015					
Gross book value	6,423,702	19,553,052	25,976,754	38,280,657	64,257,411
Accumulated depreciation and impairment	-	-	-	-	-
Net book value 1 July 2015	6,423,702	19,553,052	25,976,754	38,280,657	64,257,411
Additions:					
By purchase or donation	-	-	-	-	-
Work in progress	-	-	-	95,219	95,219
Depreciation expense	-	(346,201)	(346,201)	(1,268,116)	(1,614,317)
Disposals	-	(103,161)	(103,161)	-	(103,161)
Revaluation adjustment recognised in Reserve	-	-	-	-	-
Net book value as at 30 September 2015	6,423,702	19,103,690	25,527,392	37,107,760	62,635,152
Net book value as at 30 September 2015 represented by:					
Gross book value	6,423,702	19,449,891	25,527,392	38,375,876	62,635,152
Accumulated depreciation and impairment	-	(346,201)	-	(1,268,116)	-
Net book value as at 30 September 2015	6,423,702	19,103,690	25,527,392	37,107,760	62,635,152

##### Note 4C (Cont'd): Reconciliation of the Opening and Closing Balances of Land and Buildings, Plant and Equipment 2016 Budget - Administration

	Land \$	Buildings \$	Total land & buildings \$	Property, plant & equipment \$	Total \$
As at 1 July 2015					
Gross book value	6,683,703	11,571,408	18,255,111	41,497,696	59,752,807
Accumulated depreciation and impairment	-	-	-	-	-
Net book value as at 1 July 2015	6,683,703	11,571,408	18,255,111	41,497,696	59,752,807
Additions:					
By purchase or donation	-	-	-	-	-
Work in progress	-	-	-	-	-
Depreciation expense	-	(300,397)	(300,397)	(1,100,338)	(1,400,734)
Disposals	-	-	-	-	-
Net book value as at 30 September 2015	6,683,703	11,271,012	17,954,715	40,397,359	58,352,073
Net book value as at 30 September 2015 represented by:					
Gross book value	6,683,703	11,571,408	18,255,111	41,497,696	59,752,807
Accumulated depreciation and impairment	-	(300,397)	(300,397)	(1,100,338)	(1,400,734)
Net book value as at 30 September 2015 represented by:	6,683,703	11,271,012	17,954,715	40,397,359	58,352,073

## Note 4: Non-Financial Assets

Note 4D: Intangibles	Consolidated		Administration	
	2016 Actual	2016 Budget	2016 Actual	2016 Budget
<b>Computer software:</b>	\$	\$	\$	\$
Purchased	11,460	12,972	11,055	12,358
Accumulated amortisation	(1,129)	(937)	(1,057)	(917)
<b>Total computer software</b>	<b>10,331</b>	<b>12,035</b>	<b>9,998</b>	<b>11,441</b>
<b>Total intangibles</b>	<b>10,331</b>	<b>12,035</b>	<b>9,998</b>	<b>11,441</b>

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

### Note 4E: Reconciliation of the Opening and Closing Balances of Intangibles 2016 Actual - Consolidated

	Computer software purchased
	\$
<b>As at 1 July 2015</b>	
Gross book value	11,460
Accumulated amortisation and impairment	-
<b>Net book value as at 1 July 2015</b>	<b>11,460</b>
Additions by purchase or internally developed	-
Amortisation	(1,129)
Revaluation adjustment to Reserve	-
<b>Net book value as at 30 September 2015</b>	<b>10,331</b>
<b>Net book value as at 30 September 2015 represented by:</b>	
Gross book value	11,460
Accumulated amortisation and impairment	(1,129)
<b>Net book value as at 30 September 2015</b>	<b>10,331</b>

### Note 4E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles 2016 Budgeted - Consolidated

	Computer software purchased
	\$
<b>As at 1 July 2015</b>	
Gross book value	12,972
Accumulated amortisation and impairment	-
<b>Net book value 1 July 2015</b>	<b>12,972</b>
Additions by purchase or internally developed	-
Amortisation	(937)
<b>Net book value as at 30 September 2015</b>	<b>12,035</b>
<b>Net book value as at 30 September represented by:</b>	
Gross book value	12,972
Accumulated amortisation and impairment	(937)
<b>Net book value as at 30 September 2015</b>	<b>12,035</b>

### Note 4E: Reconciliation of the Opening and Closing Balances of Intangibles 2016 Actual - Administration

	Computer software purchased
	\$
<b>As at 1 July 2015</b>	
Gross book value	11,055
Accumulated amortisation and impairment	-
<b>Net book value as at 1 July 2015</b>	<b>11,055</b>
Additions by purchase or internally developed	-
Amortisation	(1,057)
Revaluation adjustment to Reserve	-
<b>Net book value as at 30 September 2015</b>	<b>9,998</b>
<b>Net book value as at 30 September 2015 represented by:</b>	
Gross book value	9,998
Accumulated amortisation and impairment	-
<b>Net book value as at 30 September 2015</b>	<b>9,998</b>

## Note 4: Non-Financial Assets

### Note 4E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles 2016 Budget - Administration

	Computer software purchased
	\$
As at 1 July 2015	
Gross book value	12,358
Accumulated amortisation and impairment	-
Net book value 1 July 2015	12,358
Additions by purchase or internally developed	-
Amortisation	(917)
Net book value as at 30 September 2015	11,441
Net book value as at 30 September 2015 represented by:	
Gross book value	12,358
Accumulated amortisation and impairment	(917)
Net book value as at 30 September 2015	11,441

	Consolidated		Administration	
	2016 Actual	2016 Budget	2016 Actual	2016 Budget
	\$	\$	\$	\$
<b>Note 4E: Inventories</b>				
<b>Inventories held for sale:</b>				
Finished goods	557,601	641,820	425,131	500,000
Provision for Obsolescence	(18,000)	-	(18,000)	-
<b>Total inventories held for sale</b>	<b>539,601</b>	<b>641,820</b>	<b>407,131</b>	<b>500,000</b>
Inventories held for distribution	2,569,710	1,568,932	2,501,667	1,500,000
Provision for Obsolescence	(174,751)	-	(174,751)	-
<b>Total inventories held for distribution</b>	<b>2,394,960</b>	<b>1,568,932</b>	<b>2,326,917</b>	<b>1,500,000</b>
<b>Total inventories</b>	<b>2,934,561</b>	<b>2,210,752</b>	<b>2,734,048</b>	<b>2,000,000</b>
<b>Represented by:</b>				
Cost of inventories sold recognised as an expense during the reporting period	443,158	288,805	336,925	194,499
Inventories internally consumed recognised as an expense during the reporting period	1,646,456	1,547,326	1,607,375	1,512,632
Inventories written off during the period	-	-	-	-
	<b>2,089,615</b>	<b>1,836,131</b>	<b>1,944,301</b>	<b>1,707,131</b>

No items of inventory were recognised at fair value less cost to sell.

All inventories are expected to be sold or distributed in the next 12 months.

### Note 4G: Other Non-Financial Assets

Prepayments	335,498	82,042	108,190	-
Royalties receivable	255,694	-	255,694	-
<b>Total other non-financial assets</b>	<b>591,192</b>	<b>82,042</b>	<b>363,884</b>	<b>-</b>
<b>Total other non-financial assets - are expected to be recovered in:</b>				
No more than 12 months	591,192	82,042	363,884	-
More than 12 months	-	-	-	-
<b>Total other non-financial assets</b>	<b>591,192</b>	<b>82,042</b>	<b>363,884</b>	<b>-</b>

No indicators of impairment were found for other non-financial assets.

### Note 4H: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

## Note 4: Non-Financial Assets

### Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2016 Actual - Consolidated

	Fair value measurements at the end of the reporting period using			
	Fair Value \$'000	Level 1 inputs \$'000	Level 2 inputs \$'000	Level 3 inputs \$'000
<b>Non-financial assets</b>				
Land	6,798,702	-	6,798,702	-
Buildings	20,897,203	-	-	20,897,203
Property, plant and equipment	38,920,104	-	-	38,920,104
Total non-financial assets	<u>66,616,009</u>	<u>-</u>	<u>6,798,702</u>	<u>59,817,307</u>
Total fair value measurements of assets in the statement of financial po	<u>66,616,009</u>	<u>-</u>	<u>6,798,702</u>	<u>59,817,307</u>

The highest and best use of all non-financial assets are the same as their current use.

There are no assets not measured at fair value in the statement of financial position

### Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2016 Budget - Consolidated

	Fair value measurements at the end of the reporting period using			
	Fair Value \$'000	Level 1 inputs \$'000	Level 2 inputs \$'000	Level 3 inputs \$'000
<b>Non-financial assets</b>				
Land	7,058,703	-	7,058,703	-
Buildings	13,966,328	-	-	13,966,328
Property, plant and equipment	42,246,970	-	-	42,246,970
Total non-financial assets	<u>63,272,001</u>	<u>-</u>	<u>7,058,703</u>	<u>56,213,298</u>
Total fair value measurements of assets in the statement of financial po	<u>63,272,001</u>	<u>-</u>	<u>7,058,703</u>	<u>56,213,298</u>

The highest and best use of all non-financial assets are the same as their current use.

There are no assets not measured at fair value in the statement of financial position

### Note 4I: Valuation Technique and Inputs for Level 2 and Level 3 Fair Value Measurements

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets in 2016 Actual

	Category (Level 2 or 3)	Fair value \$'000	Valuation technique(s)1	Inputs used 2	Range 3
<b>Non-financial assets</b>					
Land	Level 2	6,798,702	Market approach	Market evidence and analysis	N/A
Buildings	Level 3	20,897,203	Cost approach	Replacement cost new/consumed economic benefits/obsolescence	5% - 10%
Property, plant and equipment	Level 3	38,920,104	Cost approach	Replacement cost new/consumed economic benefits/obsolescence	4% - 100%

**Note 5: Payables**

	Consolidated		Administration	
	2016 Actual	2016 Budget	2016 Actual	2016 Budget
	\$	\$	\$	\$
<b>Note 5A: Suppliers</b>				
Trade creditors and accruals	872,269	2,141,031	756,447	2,035,573
<b>Total suppliers payables</b>	<b>872,269</b>	<b>2,141,031</b>	<b>756,447</b>	<b>2,035,573</b>
<b>Suppliers payables expected to be settled within 12 months:</b>				
Related entities	-	-	-	-
External entities	872,269	2,141,031	756,447	2,035,573
<b>Total</b>	<b>872,269</b>	<b>2,141,031</b>	<b>756,447</b>	<b>2,035,573</b>

Settlement is usually made within 30 days.

**Note 5B: Other Payables**

Accrued salaries and wages	51,173	164,313	-	50,000
<b>Total other payables</b>	<b>51,173</b>	<b>164,313</b>	<b>-</b>	<b>50,000</b>

All other payables are expected to be settled within 12 months.

## Note 6: Interest Bearing Liabilities

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>Note 6A: Loans</b>				
Loan from the Commonwealth of Australia	11,709,527	11,750,000	11,709,527	11,750,000
<b>Total loans</b>	<b>11,709,527</b>	<b>11,750,000</b>	<b>11,709,527</b>	<b>11,750,000</b>
<b>Payable:</b>				
Within one year	1,200,000	1,200,000	1,200,000	1,200,000
In one to five years	4,800,000	4,800,000	4,800,000	4,800,000
In more than five years	5,709,527	5,750,000	5,709,527	5,750,000
<b>Total loans</b>	<b>11,709,527</b>	<b>11,750,000</b>	<b>11,709,527</b>	<b>11,750,000</b>

The loan from the Commonwealth of Australia includes the Airport Runway Loan of \$11,400,000 (2016 Budget: \$11,400,000) and Cascade Cliff Loan of \$309,527 (2016 Budget: \$350,000).

The *Airport Runways Loan Act 2003* was assented to on 25 November 2003. This Act binds the Commonwealth of Australia and the Administration of Norfolk Island. The purpose of the Airport Runways loan is to provide funding for the resurfacing of the Norfolk Island runways. The Act authorises that the Administration of Norfolk Island may borrow from the Commonwealth of Australia a total sum not exceeding \$12,000,000. By formal agreement, bi-annual loan repayment instalments of \$600,000 to the Commonwealth of Australia commenced on 1 June 2009. The loan is interest free. The loan agreement was varied by deferring the loan repayments due in the six financial years up to and including the 2014/15 financial year and removes the obligation for the Administration of Norfolk Island to make payments into the Runways Trust Fund.

The *Cascade Loan Act 1998* was assented to on 16 June 1998. This Act binds the Commonwealth of Australia and the Administration of Norfolk Island. The purpose of the Cascade Cliff loan is to provide funding of the stabilisation of the land described as lot 28 section 10, Sheet 33 Norfolk Island to ensure public safety. The Act authorises that the Administration of Norfolk Island may borrow from the Commonwealth of Australia a total sum not exceeding \$3,250,000. By formal agreement, bi-annual loan repayment instalments to the Commonwealth of Australia will be sourced from the receipt of rock royalties.

Due to there being no market interest rate for large borrowings on Norfolk Island, the carrying amounts of loans approximate their fair value.

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>Note 6B: Deposits</b>				
Trust accounts	602,507	-	602,507	-
<b>Total deposits</b>	<b>602,507</b>	<b>-</b>	<b>602,507</b>	<b>-</b>
<b>Deposits relating to:</b>				
Customer bonds - Norfolk Telecom	16,170	-	16,170	-
Other	586,337	-	586,337	-
<b>Total deposits</b>	<b>602,507</b>	<b>-</b>	<b>602,507</b>	<b>-</b>
<b>Deposits are expected to be settled in:</b>				
No more than 12 months	602,507	-	602,507	-
More than 12 months	-	-	-	-
<b>Total deposits</b>	<b>602,507</b>	<b>-</b>	<b>602,507</b>	<b>-</b>



**Note 7: Provisions**

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
<b>Note 7A: Employee Provisions</b>				
Annual leave	885,826	824,276	652,114	606,696
Long service leave	1,435,743	1,330,548	1,015,747	945,004
Other	166,148	155,426	93,030	86,551
<b>Total employee provisions</b>	<b>2,487,717</b>	<b>2,310,250</b>	<b>1,760,891</b>	<b>1,638,251</b>
<b>Employee provisions are expected to be settled in:</b>				
No more than 12 months	1,504,564	1,403,856	1,065,227	991,038
More than 12 months	983,153	906,394	695,664	647,213
<b>Total employee provisions</b>	<b>2,487,717</b>	<b>2,310,250</b>	<b>1,760,891</b>	<b>1,638,251</b>

**Note 8: Major Classes of Income, Expenses Assets and Liabilities**

	Revenue Account 1	KAVHA 2	Workers Compensation Fund 3	Loan Fund 4	Healthcare Fund 5	Total
<b>Own-source revenue</b>						
Sale of goods and rendering of services	4,636,493	80,576	-	-	-	4,717,069
Taxation revenue	2,893,431	-	-	-	-	2,893,431
Fees and fines	651,156	-	98,414	378,691	-	1,128,261
Interest	6,726	236	32	9	19	7,022
Other	12,085	-	-	-	-	12,085
<b>Total own-source revenue</b>	<b>8,199,891</b>	<b>80,812</b>	<b>98,446</b>	<b>378,700</b>	<b>19</b>	<b>8,757,868</b>
<b>Other Revenue</b>						
Revenue from the Commonwealth of Australia	4,509,369	169,500	-	-	-	4,678,869
Resources received Free of Charge	-	-	-	-	-	-
<b>Total other revenue</b>	<b>4,509,369</b>	<b>169,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,678,869</b>
<b>EXPENSES</b>						
Employee benefits	2,150,047	164,821	7,069	-	7,007	2,328,946
Supplier	5,158,546	28,068	204,942	-	49,257	5,440,813
Grants	1,002,596	-	-	1	-	1,002,597
Depreciation and amortisation	1,605,986	9,387	-	-	-	1,615,373
Other	1,862	-	-	-	-	1,862
<b>Total expenses</b>	<b>9,919,037</b>	<b>202,276</b>	<b>212,011</b>	<b>1</b>	<b>56,264</b>	<b>10,389,591</b>
<b>Surplus (Deficit)</b>	<b>2,790,223</b>	<b>48,036</b>	<b>( 113,565)</b>	<b>378,699</b>	<b>105522</b>	<b>3,047,146</b>
<b>Financial Assets</b>						
Cash and cash equivalents	4,015,802	463,388	79,302	53,960	243,542	4,855,994
Trade and other receivables	3,359,015	( 1,397)	419	-	298,567	3,656,605
Other investments	6,023,307	-	-	-	-	6,023,307
<b>Total financial assets</b>	<b>13,398,124</b>	<b>461,991</b>	<b>79,721</b>	<b>53,960</b>	<b>542,109</b>	<b>14,535,906</b>
<b>Non-Financial Assets</b>						
Land and buildings	25,527,392	-	-	-	-	25,527,392
Property, plant and equipment	37,107,760	-	-	-	-	37,107,760
Intangibles	9,998	-	-	-	-	9,998
Inventories	2,676,563	57,485	-	-	-	2,734,048
Other non-financial assets	108,190	-	-	255,694	-	363,884
<b>Total non-financial assets</b>	<b>65,429,903</b>	<b>57,485</b>	<b>-</b>	<b>255,694</b>	<b>-</b>	<b>65,743,082</b>
<b>Total assets</b>	<b>78,828,027</b>	<b>519,476</b>	<b>79,721</b>	<b>309,654</b>	<b>542,109</b>	<b>80,278,988</b>
<b>LIABILITIES</b>						
<b>Payables</b>						
Suppliers	745,926	3,149	6,425	-	947	756,447
Other payables	-	-	-	-	-	-
<b>Total payables</b>	<b>745,926</b>	<b>3,149</b>	<b>6,425</b>	<b>-</b>	<b>947</b>	<b>756,447</b>
<b>Interest Bearing Liabilities</b>						
Loans	11,400,000	-	-	309,526	-	11,709,526
Deposits	121,900	-	-	-	480,608	602,508
<b>Total interest bearing liabilities</b>	<b>11,521,900</b>	<b>-</b>	<b>-</b>	<b>309,526</b>	<b>480,608</b>	<b>12,312,034</b>
<b>Provisions</b>						
Employee provisions	1,629,145	115,521	13,934	-	2,291	1,760,891
<b>Total provisions</b>	<b>1,629,145</b>	<b>115,521</b>	<b>13,934</b>	<b>-</b>	<b>2,291</b>	<b>1,760,891</b>
<b>Total liabilities</b>	<b>13,896,971</b>	<b>118,670</b>	<b>20,359</b>	<b>309,526</b>	<b>483,846</b>	<b>14,829,372</b>
<b>Net assets</b>	<b>64,931,056</b>	<b>400,805</b>	<b>59,362</b>	<b>127</b>	<b>58,263</b>	<b>65,449,616</b>
<b>EQUITY</b>						
Reserves	56,010,817	-	-	-	-	56,010,817
Retained surplus (accumulated deficit)	8,920,243	400,806	59,362	125	58263	9,438,799
<b>Total Equity</b>	<b>64,931,060</b>	<b>400,806</b>	<b>59,362</b>	<b>125</b>	<b>58,263</b>	<b>65,449,616</b>

**1. Revenue Account**

The Revenue Account is the main reporting entity for the Administration of Norfolk Island other than the Funds listed below. The other two legal entities of the Norfolk Island Hospital Enterprise and the Norfolk Island Government Tourist Bureau are not included in the Revenue Account but are included in the Consolidated accounts.

**2. KAVHA**

The Kingston and Arthurs Vale Historic Area (KAVHA) is a world heritage listed precinct and is jointly administered and funded by the Administration of Norfolk Island and the Australian Government. Currently this account maintains the financial records of the joint activity relating to this historical precinct.

**3. Workers Compensation**

The provision of workers compensation services to employees and the related workers compensation levy on employers and the associated financial records are held in this account.

**4. Loan Fund**

This account records and reports loan activities between the Administration of Norfolk Island and the Australian Government.

**5. Healthcare Fund**

The provision of Healthcare services to island residents and the related healthcare levy on eligible residents are recorded in the Healthcare Fund.