



Periodic Financial Statements 2015/16

Quarter 3



Administration of Norfolk Island

Consolidated Financial Statements
Statement of Comprehensive Income
for the period ended 31 March 2016

	Notes	Consolidated		Administration		Quarter 3
		2016 Actual	2016 Budget	2016 Actual	2016 Budget	
		\$	\$	\$	\$	\$
EXPENSES						
Employee benefits	1A	10,659,991	10,224,880	8,318,899	7,918,105	2,750,360
Supplier	1B	14,317,668	13,368,204	13,508,359	13,304,828	4,051,135
Grants and subsidies	1C	373,805	1,181,994	1,774,055	2,582,244	614,660
Depreciation and amortisation	1D	5,037,765	4,307,098	4,846,617	4,204,953	1,614,910
Loss on sale of assets	1E	6,863	-	-	-	-
Write-down and impairment of assets	1F	(2,530)	7,500	1,864	-	2
Total expenses		30,393,562	29,089,676	28,449,794	28,010,130	9,031,067
LESS:						
OWN-SOURCE INCOME						
Own-source revenue						
Sale of goods and rendering of services	2A	13,956,377	10,269,814	13,355,136	10,449,814	4,923,731
Taxation revenue	2B	7,517,267	7,895,628	7,517,266	7,895,628	2,602,205
Fees and fines	2C	4,540,261	3,425,625	3,503,222	2,189,250	1,128,502
Interest	2D	75,583	44,403	67,674	37,503	46,102
Rental income	2E	49,348	56,250	39,625	45,000	14,350
Royalties	2F	700	603	700	603	300
Other	2G	57,340	375	-	-	-
Total own-source revenue		26,196,877	21,692,698	24,483,623	20,617,798	8,715,190
Other Revenue						
Revenue from the Commonwealth of Australia	2H	6,314,869	4,330,500	6,314,869	4,330,500	1,636,000
Resources received Free of Charge	2I	26,051	22,500	-	-	-
Total Other Revenue		6,340,920	4,353,000	6,314,869	4,330,500	1,636,000
Total income		32,537,796	26,045,698	30,798,492	24,948,298	10,351,190
Net cost of services		2,144,234	(3,043,978)	2,348,698	(3,061,832)	1,320,122
Surplus (Deficit) attributable to the Administration of Norfolk Island		2,144,234	(3,043,978)	2,348,698	(3,061,832)	1,320,122
OTHER COMPREHENSIVE INCOME						
Changes in asset revaluation reserves		-	-	-	-	-
Total other comprehensive income (loss)		-	-	-	-	-
Total comprehensive income (loss) attributable to the Administration of Norfolk Island		2,144,234	(3,043,978)	2,348,698	(3,061,832)	1,320,122

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

Consolidated Financial Statements
Statement of Financial Position
as at 31 March 2016

	Notes	Consolidated		Administration	
		2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
ASSETS					
Financial Assets					
Cash and cash equivalents	3A	6,861,186	7,529,109	6,309,444	6,970,204
Trade and other receivables	3B	3,658,430	4,304,280	3,444,080	3,930,000
Other investments	3C	6,324,038	214,711	6,023,307	-
Total financial assets		16,843,654	12,048,100	15,776,831	10,900,204
Non-Financial Assets					
Land and buildings	4A	26,577,078	20,045,391	24,834,990	17,353,922
Property, plant and equipment	4B,C	35,869,146	38,895,710	35,330,421	38,196,684
Intangibles	4D,E	8,073	10,201	7,884	9,607
Inventories	4F	3,171,880	2,201,752	2,972,729	2,000,000
Other non-financial assets	4G	513,550	55,792	412,065	-
Total non-financial assets		66,139,727	61,208,846	63,558,089	57,560,213
Total assets		82,983,381	73,256,946	79,334,920	68,460,417
LIABILITIES					
Payables					
Suppliers	5A	1,121,840	2,141,411	965,094	2,035,573
Other payables	5B	142,249	164,313	11,865	50,000
Total payables		1,264,089	2,305,724	976,959	2,085,573
Interest Bearing Liabilities					
Loans	6A	11,686,091	11,750,000	11,686,091	11,750,000
Deposits	6B	639,940	-	639,940	-
Total interest bearing liabilities		12,326,031	11,750,000	12,326,031	11,750,000
Provisions					
Employee provisions	7A	2,434,538	2,280,490	1,701,600	1,638,251
Total provisions		2,434,538	2,280,490	1,701,600	1,638,251
Total liabilities		16,024,658	16,336,214	15,004,590	15,473,824
Net assets		66,958,723	56,920,732	64,330,330	52,986,593
EQUITY					
Reserves		56,347,323	50,832,733	56,030,937	50,250,899
Retained surplus (accumulated deficit)		10,611,400	6,087,999	8,299,393	2,735,694
Total equity		66,958,723	56,920,732	64,330,330	52,986,593

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 31 March 2016

	Retained earnings		Asset revaluation reserve		Total equity	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
Opening balance						
Balance carried forward from previous period	8,467,165	9,131,977	56,347,323	50,832,733	64,814,488	59,964,710
Adjusted opening balance	8,467,165	9,131,977	56,347,323	50,832,733	64,814,488	59,964,710
Comprehensive income						
Surplus (Deficit) for the period	2,144,234	(3,043,978)			2,144,234	(3,043,978)
Total comprehensive income	2,144,234	(3,043,978)	-	-	2,144,234	(3,043,978)
Closing balance as at 31 March 2016	10,611,400	6,087,999	56,347,323	50,832,733	66,958,723	56,920,732

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

Statement of Changes in Equity - Administration
for the period ended 31 March 2016

	Retained earnings		Asset revaluation reserve		Total equity	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
Opening balance						0
Balance carried forward from previous period	5,950,695	5,797,526	56,030,937	50,250,899	61,981,632	56,048,425
Adjusted opening balance	5,950,695	5,797,526	56,030,937	50,250,899	61,981,632	56,048,425
Comprehensive income						
Surplus (Deficit) for the period	2,348,698	(3,061,832)			2,348,698	(3,061,832)
Total comprehensive income	2,348,698	(3,061,832)	-	-	2,348,698	(3,061,832)
Closing balance as at 31 March 2016	8,299,393	2,735,694	56,030,937	50,250,899	64,330,330	52,986,593

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

Consolidated Financial Statements
Cash Flow Statement
for the period ended 31 March 2016

Notes	Consolidated		Administration		Quarter 3
	2016 Actual	2016 Budget	2016 Actual	2016 Budget	
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	16,310,736	14,737,424	14,183,867	12,502,649	4,889,688
Receipts from the Commonwealth of Australia	7,715,120	5,730,750	6,314,869	4,330,500	1,636,000
Interest	75,583	43,500	67,674	37,500	46,102
Taxation revenue, fees and fines	11,077,828	7,763,100	11,020,488	7,762,725	3,730,706
Rental income	39,626	-	39,625	-	14,350
Royalties	701	-	700	-	300
Total cash received	35,219,594	28,274,774	31,627,222	24,633,374	10,317,147
Cash used					
Employees and suppliers	26,895,384	23,408,006	23,471,859	19,886,605	8,697,030
Grants and subsidies paid	1,774,055	2,667,000	1,774,055	2,667,000	614,660
Other	-	-	-	-	-
Total cash used	28,669,439	26,075,006	25,245,914	22,553,605	9,311,691
Net cash from (used by) operating activities	6,550,155	2,199,768	6,381,308	2,079,769	1,005,456
INVESTING ACTIVITIES					
Cash used					
Purchase of land, property, plant and equipment	886,807	1,247,250	830,763	1,127,250	353,395
Purchase of financial instruments	4,526,242	-	4,445,054	-	3,298
Total cash used	5,413,049	1,247,250	5,275,816	1,127,250	356,693
Net cash from (used by) investing activities	(5,413,049)	(1,247,250)	(5,275,816)	(1,127,250)	(356,693)
FINANCING ACTIVITIES					
Cash used					
Repayment of borrowings	23,436	34,262	23,436	34,262	23,436
Total cash used	23,436	34,262	23,436	34,262	23,436
Net cash from (used by) financing activities	(23,436)	(34,262)	(23,436)	(34,262)	(23,436)
Net increase (decrease) in cash held					
Cash and cash equivalents at the beginning of the reporting period	5,747,516	6,610,853	5,227,388	6,051,947	5,684,117
Cash and cash equivalents at the end of the reporting period	6,861,186	7,529,109	6,309,444	6,970,204	6,309,444

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

Note 1: Expenses

	Consolidated		Administration		Quarter 3
	2016 Actual	2016 Budget	2016 Actual	2016 Budget	
	\$	\$	\$	\$	\$
Note 1A: Employee Benefits					
Wages and salaries	10,659,991	10,224,880	8,318,899	7,918,105	2,750,360
Total employee benefits	10,659,991	10,224,880	8,318,899	7,918,105	2,750,360
Note 1B: Supplier					
Goods and services					
Goods	6,227,727	6,053,044	5,652,981	5,513,906	1,536,022
Services	5,236,153	5,123,727	4,911,706	5,615,989	1,491,568
Total goods and services	11,463,880	11,176,771	10,564,688	11,129,895	3,027,590
Goods and services are made up of:					
Provision of goods – related entities	-	-	-	-	-
Provision of goods – external entities	6,227,727	6,053,044	5,652,981	5,513,906	1,536,022
Rendering of services – related entities	-	-	-	544,125	-
Rendering of services – external entities	5,236,153	5,123,727	4,911,706	5,071,864	1,491,568
Total goods and services	11,463,880	11,176,771	10,564,688	11,129,895	3,027,590
Other supplier expenses					
Welfare expenses	2,376,577	1,983,762	2,376,577	1,983,762	829,227
Healthcare costs	460,811	111,708	567,094	111,708	194,318
Workers compensation expenses	16,399	95,963	-	79,463	-
Total other supplier expenses	2,853,787	2,191,433	2,943,671	2,174,933	1,023,544
Total supplier expenses	14,317,668	13,368,204	13,508,359	13,304,828	4,051,135
Note 1C: Grants and Subsidies					
Grants and subsidies	373,805	1,181,994	1,774,055	2,582,244	614,660
Total grants and subsidies	373,805	1,181,994	1,774,055	2,582,244	614,660
Note 1D: Depreciation and Amortisation					
Depreciation:					
Property, plant and equipment	3,915,068	3,324,687	3,804,842	3,301,013	1,267,651
Buildings	1,119,311	979,640	1,038,605	901,190	346,203
Total depreciation	5,034,379	4,304,327	4,843,447	4,202,202	1,613,853
Amortisation:					
Assets held under finance leases					
Intangibles - computer software	3,386	2,771	3,170	2,751	1,057
Total amortisation	3,386	2,771	3,170	2,751	1,057
Total depreciation and amortisation	5,037,765	4,307,098	4,846,617	4,204,953	1,614,910
Note 1E: Loss on Sale of Assets					
Property, plant and equipment:					
Carrying value of assets sold	6,863	-	-	-	-
Total losses from asset sales	6,863	-	-	-	-
Note 1F: Write-Down and Impairment of Assets					
Bad debts	(2,530)	7,500	1,864	-	2
Total write-down and impairment of assets	(2,530)	7,500	1,864	-	2

Note 2: Income

	Consolidated		Administration		Quarter 3
	2016 Actual	2016 Budget	2016 Actual	2016 Budget	
	\$	\$	\$	\$	\$
OWN-SOURCE INCOME					
Note 2A: Sale of Goods and Rendering of Services					
Provision of goods - related entities	-	-	-	-	-
Provision of goods - external entities	8,274,416	5,599,887	7,734,437	5,113,887	2,607,968
Total sale of goods	8,274,416	5,599,887	7,734,437	5,113,887	2,607,968
Rendering of services - related entities	-	-	-	544,125	-
Rendering of services - external entities	5,681,961	4,669,927	5,620,700	4,791,802	2,315,763
Total rendering of services	5,681,961	4,669,927	5,620,700	5,335,927	2,315,763
Total sale of goods and rendering of services	13,956,377	10,269,814	13,355,136	10,449,814	4,923,731
Note 2B: Taxation Revenue					
Goods and services tax	4,786,294	5,249,997	4,786,293	5,249,997	1,791,361
Customs duty	737,891	1,177,128	737,891	1,177,128	276,709
Other taxation revenue	1,993,082	1,468,503	1,993,082	1,468,503	534,134
Total taxation revenue	7,517,267	7,895,628	7,517,266	7,895,628	2,602,205
Note 2C: Fees and Fines					
Fees	4,522,796	3,414,375	3,485,757	2,178,000	1,125,500
Fines and penalties	17,465	11,250	17,465	11,250	3,002
Total fees and fines	4,540,261	3,425,625	3,503,222	2,189,250	1,128,502
Note 2D: Interest					
Bank and term deposits	75,583	44,403	67,674	37,503	46,102
Total interest	75,583	44,403	67,674	37,503	46,102
Note 2E: Rental Income					
Housing properties	49,348	56,250	39,625	45,000	14,350
Total rental income	49,348	56,250	39,625	45,000	14,350
Note 2F: Royalties					
Other	700	603	700	603	300
Total royalties	700	603	700	603	300
Note 2G: Other					
Donations	57,340	375	-	-	-
Total other	57,340	375	-	-	-
Other Revenue					
Note 2H: Revenue from Government					
Revenue received from the Commonwealth of Australia	6,314,869	4,330,500	6,314,869	4,330,500	1,636,000
Total revenue from Government	6,314,869	4,330,500	6,314,869	4,330,500	1,636,000
Note 2I: Resources Received Free of Charge					
Audit Fees	22,500	22,500	-	-	-
Insurance and asset revaluation fees	3,551	-	-	-	-
Total Resources Received free of Charge	26,051	22,500	-	-	-

Note 3: Financial Assets

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
Note 3A: Cash and Cash Equivalents				
Cash on hand or on deposit	6,861,186	7,529,109	6,309,444	6,970,204
Total cash and cash equivalents	6,861,186	7,529,109	6,309,444	6,970,204
Note 3B: Trade and Other Receivables				
Goods and Services:				
Goods and services - related entities	110,942	158,339	-	-
Goods and services - external entities	3,763,697	4,305,941	3,500,289	3,930,000
Total receivables for goods and services	3,874,639	4,464,280	3,500,289	3,930,000
Other receivables:				
Interest	-	-	-	-
Total other receivables (gross)	-	-	-	-
Total trade and other receivables (gross)	3,874,639	4,464,280	3,500,289	3,930,000
Less impairment allowance account:				
Goods and services	(216,209)	(160,000)	(56,209)	-
Total impairment allowance account	(216,209)	(160,000)	(56,209)	-
Total trade and other receivables (net)	3,658,430	4,304,280	3,444,080	3,930,000
Receivables are expected to be recovered in:				
No more than 12 months	3,658,430	4,304,280	3,444,080	3,930,000
More than 12 months	-	-	-	-
Total trade and other receivables (net)	3,658,430	4,304,280	3,444,080	3,930,000
Receivables are aged as follows:				
Not overdue	2,895,122	3,304,905	2,716,558	3,050,056
Overdue by:				
0 to 30 days	450,347	518,215	409,021	459,234
31 to 60 days	104,361	120,578	93,177	104,615
More than 61 days	424,809	520,582	281,533	316,095
Total receivables (gross)	3,874,639	4,464,280	3,500,289	3,930,000
The impairment allowance account is aged as follows:				
Not overdue	-	-	-	-
Overdue by:				
0 to 30 days	(5,540)	(5,540)	-	-
31 to 60 days	(11,184)	(11,184)	-	-
More than 61 days	(199,485)	(143,276)	(56,209)	-
Total impairment allowance account	(216,209)	(160,000)	(56,209)	-

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 \$
Opening balance	(216,209)	(56,209)
Amounts written off	-	-
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	-	-
Closing balance	(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 \$
Note 3C: Other Investments				
Term deposits	6,324,038	214,711	6,023,307	-
Total other investments	6,324,038	214,711	6,023,307	-
Total other investments are expected to be recovered in:				
No more than 12 months	6,324,038	214,711	6,023,307	-
More than 12 months	-	-	-	-
Total other investments	6,324,038	214,711	6,023,307	-

Note 4: Non-Financial Assets

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
Note 4A: Land and Buildings				
Land:				
Fair Value	6,798,702	7,058,703	6,423,702	6,683,703
Total land	6,798,702	7,058,703	6,423,702	6,683,703
Buildings on freehold land:				
Fair value	20,897,203	13,966,328	19,449,891	11,571,408
Accumulated depreciation	(1,118,827)	(979,640)	(1,038,604)	(901,190)
Total buildings on freehold land	19,778,376	12,986,688	18,411,288	10,670,219
Total land and buildings	26,577,078	20,045,391	24,834,990	17,353,922

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

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
Note 4B: Property, Plant and Equipment				
Property, plant and equipment:				
Work in Progress	831,287	-	830,763	-
Fair value	38,953,412	42,220,397	38,304,502	41,497,696
Accumulated depreciation	(3,915,552)	(3,324,687)	(3,804,842)	(3,301,013)
Total property, plant and equipment	35,869,146	38,895,710	35,330,421	38,196,684

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 \$
As at 1 July 2015					
Gross book value	6,798,702	21,000,364	27,799,066	38,953,411	66,752,477
Accumulated depreciation and impairment	-	-	-	-	-
Net book value 1 July 2015	6,798,702	21,000,364	27,799,066	38,953,411	66,752,477
Additions:					
By purchase or donation	-	-	-	-	-
Work in progress	-	-	-	831,287	831,287
Depreciation expense	-	(1,118,827)	(1,118,827)	(3,915,552)	(5,034,379)
Disposals	-	(103,162)	(103,162)	-	(103,162)
Revaluation adjustment recognised in Reserve	-	-	-	-	-
Net book value as at 31 March 2016	6,798,702	19,778,374	26,577,077	35,869,146	62,446,223
Net book value as at 31 March 2016 represented by:					
Gross book value	6,798,702	20,897,203	27,695,905	39,784,698	67,480,602
Accumulated depreciation and impairment	-	(1,118,827)	(1,118,827)	(3,915,552)	(5,034,379)
Net book value as at 31 March 2016	6,798,702	19,778,376	26,577,078	35,869,146	62,446,224

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	42,220,397	63,245,428
Accumulated depreciation and impairment	-	-	-	-	-
Net book value as at 1 July 2015	7,058,703	13,966,328	21,025,031	42,220,397	63,245,428
Additions:					
By purchase or donation	-	-	-	-	-
Work in progress	-	-	-	-	-
Depreciation expense	-	(979,640)	(979,640)	(3,324,687)	(4,304,327)
Disposals	-	-	-	-	-
Net book value as at 31 March 2016	7,058,703	12,986,689	20,045,392	38,895,710	58,941,102
Net book value as at 31 March 2016 represented by:					
Gross book value	7,058,703	13,966,328	21,025,031	42,220,397	63,245,428
Accumulated depreciation and impairment	-	(979,640)	(979,640)	(3,324,687)	(4,304,327)
Net book value as at 31 March 2016 represented by:	7,058,703	12,986,689	20,045,391	38,895,710	58,941,102

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	19,553,053	25,976,755	38,304,502	64,281,257
Accumulated depreciation and impairment	-	-	-	-	-
Net book value 1 July 2015	6,423,702	19,553,053	25,976,755	38,304,502	64,281,257
Additions:					
By purchase or donation	-	-	-	-	-
Work in progress	-	-	-	830,763	830,763
Depreciation expense	-	(1,038,605)	(1,038,605)	(3,804,842)	(4,843,447)
Disposals	-	(103,162)	(103,161)	-	(103,161)
Revaluation adjustment recognised in Reserve	-	-	-	-	-
Net book value as at 31 March 2016	6,423,702	18,411,287	24,834,990	35,330,421	60,165,411
Net book value as at 31 March 2016 represented by:					
Gross book value	6,423,702	19,449,891	25,873,593	39,135,265	65,008,856
Accumulated depreciation and impairment	-	(1,038,604)	(1,038,604)	(3,804,842)	(4,843,446)
Net book value as at 31 March 2016	6,423,702	18,411,288	24,834,990	35,330,421	60,165,411

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	-	(901,190)	(901,190)	(3,301,013)	(4,202,202)
Disposals	-	-	-	-	-
Net book value as at 31 March 2016	6,683,703	10,670,219	17,353,922	38,196,684	55,550,605
Net book value as at 31 March 2016 represented by:					
Gross book value	6,683,703	11,571,408	18,255,111	41,497,696	59,752,807
Accumulated depreciation and impairment	-	(901,190)	(901,190)	(3,301,013)	(4,202,202)
Net book value as at 31 March 2016 represented by:	6,683,703	10,670,219	17,353,922	38,196,684	55,550,605

Note 4: Non-Financial Assets

Note 4D: Intangibles	Consolidated		Administration	
	2016 Actual	2016 Budget	2016 Actual	2016 Budget
Computer software:	\$	\$	\$	\$
Purchased	11,460	12,972	11,055	12,358
Accumulated amortisation	(3,386)	(2,771)	(3,170)	(2,751)
Total computer software	8,073	10,201	7,884	9,607
Total intangibles	8,073	10,201	7,884	9,607

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
	\$
As at 1 July 2015	
Gross book value	11,459
Accumulated amortisation and impairment	-
Net book value as at 1 July 2015	11,459
Additions by purchase or internally developed	-
Amortisation	(3,386)
Revaluation adjustment to Reserve	-
Net book value as at 31 March 2016	8,073
Net book value as at 31 March 2016 represented by:	
Gross book value	11,459
Accumulated amortisation and impairment	(3,386)
Net book value as at 31 March 2016	8,073

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

	Computer software purchased
	\$
As at 1 July 2015	
Gross book value	12,972
Accumulated amortisation and impairment	-
Net book value 1 July 2015	12,972
Additions by purchase or internally developed	-
Amortisation	(2,771)
Net book value as at 31 March 2016	10,201
Net book value as at 31 March 2016 represented by:	
Gross book value	12,972
Accumulated amortisation and impairment	(2,771)
Net book value as at 31 March 2016	10,201

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

	Computer software purchased
	\$
As at 1 July 2015	
Gross book value	11,054
Accumulated amortisation and impairment	-
Net book value as at 1 July 2015	11,054
Additions by purchase or internally developed	-
Amortisation	(3,170)
Revaluation adjustment to Reserve	-
Net book value as at 31 March 2016	7,884
Net book value as at 31 March 2016 represented by:	
Gross book value	7,884
Accumulated amortisation and impairment	-
Net book value as at 31 March 2016	7,884

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	(2,751)
Net book value as at 31 March 2016	9,607
Net book value as at 31 March 2016 represented by:	
Gross book value	12,358
Accumulated amortisation and impairment	(2,751)
Net book value as at 31 March 2016	9,607

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
Note 4E: Inventories				
Inventories held for sale:				
Finished goods	630,670	632,820	499,561	500,000
Provision for Obsolescence	(18,000)	-	(18,000)	-
Total inventories held for sale	612,670	632,820	481,561	500,000
Inventories held for distribution	2,776,018	1,568,932	2,707,975	1,500,000
Provision for Obsolescence	(216,808)	-	(216,808)	-
Total inventories held for distribution	2,559,210	1,568,932	2,491,168	1,500,000
Total inventories	3,171,880	2,201,752	2,972,729	2,000,000
Represented by:				
Cost of inventories sold recognised as an expense during the reporting period	970,219	1,577,803	669,600	1,483,497
Inventories internally consumed recognised as an expense during the reporting period	4,713,336	2,062,450	4,613,628	2,027,756
Inventories written off during the period	-	-	-	-
	5,683,555	3,640,253	5,283,228	3,511,253

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	257,856	55,792	156,371	-
Royalties receivable	255,694	-	255,694	-
Total other non-financial assets	513,550	55,792	412,065	-
Total other non-financial assets - are expected to be recovered in:				
No more than 12 months	513,550	55,792	412,065	-
More than 12 months	-	-	-	-
Total other non-financial assets	513,550	55,792	412,065	-

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
Non-financial assets				
Land	6,798,702	-	6,798,702	-
Buildings	20,897,203	-	-	20,897,203
Property, plant and equipment	38,953,412	-	-	38,953,412
Total non-financial assets	<u>66,649,317</u>	<u>-</u>	<u>6,798,702</u>	<u>59,850,615</u>
Total fair value measurements of assets in the statement of financial position	<u>66,649,317</u>	<u>-</u>	<u>6,798,702</u>	<u>59,850,615</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
Non-financial assets				
Land	7,058,703	-	7,058,703	-
Buildings	13,966,328	-	-	13,966,328
Property, plant and equipment	42,220,397	-	-	42,220,397
Total non-financial assets	<u>63,245,428</u>	<u>-</u>	<u>7,058,703</u>	<u>56,186,725</u>
Total fair value measurements of assets in the statement of financial position	<u>63,245,428</u>	<u>-</u>	<u>7,058,703</u>	<u>56,186,725</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
Non-financial assets					
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	38,953,412	Cost approach	Replacement cost new/consumed economic benefits/obsolescence	4% - 100%

Note 5: Payables

	Consolidated		Administration	
	2016 Actual	2016 Budget	2016 Actual	2016 Budget
	\$	\$	\$	\$
Note 5A: Suppliers				
Trade creditors and accruals	1,121,840	2,141,411	965,094	2,035,573
Total suppliers payables	1,121,840	2,141,411	965,094	2,035,573
Suppliers payables expected to be settled within 12 months:				
Related entities	40,718	27,494	-	-
External entities	1,081,122	2,113,917	965,094	2,035,573
Total	1,121,840	2,141,411	965,094	2,035,573

Settlement is usually made within 30 days.

Note 5B: Other Payables

Accrued salaries and wages	110,569	164,313	11,865	50,000
Revenue received in advance	31,680	-	-	-
Total other payables	142,249	164,313	11,865	50,000

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 \$
Note 6A: Loans				
Loan from the Commonwealth of Australia	11,686,091	11,750,000	11,686,091	11,750,000
Total loans	11,686,091	11,750,000	11,686,091	11,750,000
Payable:				
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	5,686,091	5,750,000	5,686,091	5,750,000
Total loans	11,686,091	11,750,000	11,686,091	11,750,000

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 \$286,091 (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 \$
Note 6B: Deposits				
Trust accounts	639,940	-	639,940	-
Total deposits	639,940	-	639,940	-
Deposits relating to:				
Customer bonds - Norfolk Telecom	19,860	-	19,860	-
Other	620,080	-	620,080	-
Total deposits	639,940	-	639,940	-
Deposits are expected to be settled in:				
No more than 12 months	639,940	-	639,940	-
More than 12 months	-	-	-	-
Total deposits	639,940	-	639,940	-

Note 7: Provisions

	Consolidated		Administration	
	2016 Actual \$	2016 Budget \$	2016 Actual \$	2016 Budget \$
Note 7A: Employee Provisions				
Annual leave	877,127	823,105	630,156	606,696
Long service leave	1,386,111	1,299,505	981,546	945,004
Other	171,300	157,880	89,898	86,551
Total employee provisions	2,434,538	2,280,490	1,701,600	1,638,251
Employee provisions are expected to be settled in:				
No more than 12 months	1,458,093	1,370,003	1,005,938	968,488
More than 12 months	976,445	910,487	695,662	669,763
Total employee provisions	2,434,538	2,280,490	1,701,600	1,638,251

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

for the period ended 31 March 2016

	Revenue Account 1	KAVHA 2	Workers Compensation Fund 3	Loan Fund 4	Healthcare Fund 5	Total
Own-source revenue						
Sale of goods and rendering of services	15,479,987	245,706	-	-	-	15,725,693
Taxation revenue	8,488,887	-	-	-	-	8,488,887
Fees and fines	2,093,048	-	316,119	-	1,153,118	3,562,285
Interest	67,055	434	75	20	90	67,674
Other	40,325	-	-	-	-	40,325
Total own-source revenue	26,169,302	246,140	316,194	20	1,153,208	27,884,864
Other Revenue						
Revenue from the Commonwealth of Australia	6,084,369	230,500	-	-	-	6,314,869
Resources received Free of Charge	-	-	-	-	-	-
Total other revenue	6,084,369	230,500	-	-	-	6,314,869
EXPENSES						
Employee benefits	7,875,115	406,728	18,587	-	18,469	8,318,899
Supplier	15,585,496	156,099	320,499	-	473,640	16,535,734
Grants	2,147,922	-	-	-	-	2,147,922
Depreciation and amortisation	4,818,454	28,162	-	-	-	4,846,616
Other	1,864	-	-	-	-	1,864
Total expenses	30,428,851	590,989	339,086	-	492,109	31,851,035
Surplus (Deficit)	1,824,820	(114,349)	(22,892)	20	965,749	2,348,698
Financial Assets						
Cash and cash equivalents	5,265,347	291,591	159,465	30,535	562,506	6,309,444
Trade and other receivables	3,169,184	(20,280)	-	-	295,176	3,444,080
Other investments	6,023,307	-	-	-	-	6,023,307
Total financial assets	14,457,838	271,311	159,465	30,535	857,682	15,776,831
Non-Financial Assets						
Land and buildings	24,834,990	-	-	-	-	24,834,990
Property, plant and equipment	35,330,421	-	-	-	-	35,330,421
Intangibles	7,884	-	-	-	-	7,884
Inventories	2,913,109	59,620	-	-	-	2,972,729
Other non-financial assets	156,372	-	-	255,693	-	412,065
Total non-financial assets	63,242,776	59,620	-	255,693	-	63,558,089
Total assets	77,700,614	330,931	159,465	286,228	857,682	79,334,920
LIABILITIES						
Payables						
Suppliers	1,014,598	(23,016)	(4,356)	-	(22,132)	965,094
Other payables	11,865	-	-	-	-	11,865
Total payables	1,026,463	(23,016)	(4,356)	-	(22,132)	976,959
Interest Bearing Liabilities						
Loans	11,400,000	-	-	286,091	-	11,686,091
Deposits	159,332	-	-	-	480,608	639,940
Total interest bearing liabilities	11,559,332	-	-	286,091	480,608	12,326,031
Provisions						
Employee provisions	1,569,854	115,521	13,934	-	2,291	1,701,600
Total provisions	1,569,854	115,521	13,934	-	2,291	1,701,600
Total liabilities	14,155,649	92,505	9,578	286,091	460,767	15,004,590
Net assets	63,544,965	238,426	149,887	137	396,915	64,330,330
EQUITY						
Reserves	56,030,937	-	-	-	-	56,030,937
Retained surplus (accumulated deficit)	7,514,028	238,426	149,887	137	396,915	8,299,393
Total Equity	63,544,965	238,426	149,887	137	396,915	64,330,330

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.