

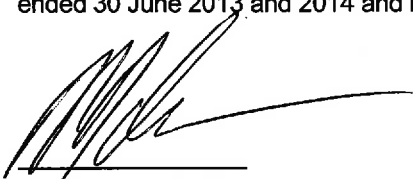
Town of Port Hedland
Airport
Special Purpose Financial Report
For the years ended 30 June 2013, 2014
and the Nine Months Ended 31 March 2015

C O N T E N T S

STATEMENT BY CHIEF EXECUTIVE OFFICER	1
INDEPENDENT AUDITOR'S REPORT	2
STATEMENT OF COMPREHENSIVE INCOME	4
STATEMENT OF FINANCIAL POSITION	5

**TOWN OF PORT HEDLAND AIRPORT
STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report, being a special purpose financial report, prepared specifically for the purposes of the Airport Information Memorandum, give a true and fair view of the financial position of the Town of Port Hedland Airport as at 30 June 2014 and 31 March 2015 and the results of its operations for the financial years ended 30 June 2013 and 2014 and nine months ended 31 March 2015.



Mal Osborne

CHIEF EXECUTIVE OFFICER

Dated this 19th day of MAY 2015

**INDEPENDENT AUDITOR'S REPORT
TO THE TOWN OF PORT HEDLAND**

We have audited the accompanying financial report, being a special purpose financial report, of the Town of Port Hedland Airport, which comprises the statement of financial position as at 30 June 2014 and 31 March 2015 and the statement of comprehensive income for the years 30 June 2013 and 30 June 2014 and the nine months ended 31 March 2015 and notes comprising a summary of significant accounting policies and other explanatory information.

Council's Responsibility for the Financial Report

Council is responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Airport Information Memorandum and is appropriate to meet the needs of Council. Council's responsibility also includes such internal control as Council determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Town of Port Hedland Airport, which comprises the statement of financial position as at 30 June 2014 and 31 March 2015 and the statement of comprehensive income for the years 30 June 2013 and 30 June 2014 and the nine months ended 31 March 2015 in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Town of Port Hedland to meet the requirements of the Airport Information Memorandum. As a result, the financial report may not be suitable for another purpose.

We also draw attention to Note 2 to the financial report, which describes how the Town of Port Hedland adopts Activity Based Costing (ABC) to allocate certain overhead costs to programs operated by the Town. These costs have been agreed to the Town's audited annual financial statements. We have not audited these allocations and make no comment as to the appropriateness of these allocations.

RSM Bird Cameron

RSM BIRD CAMERON

D J Wall

Perth, WA

Dated: 20 May 2015

D J WALL

Director

Town of Port Hedland Airport
STATEMENT OF COMPREHENSIVE INCOME
For the Years Ended 30 June 2013 and 2014 and Nine Months Ended 31 March 2015

	Note	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)	Year Ended 30 June 2013 (\$)
Operating Revenue				
Fees and Charges	2	13,396,322	16,289,263	15,779,000
Other Revenue	2	1,349,694	2,083,688	1,879,137
Gain on Sale of Assets	6	-	64,123	-
Total Operating Revenue		14,746,016	18,437,074	17,658,137
Operating Expenditure				
Employees Cost	3	1,822,744	2,597,677	2,184,547
Materials and Contracts		2,258,187	1,861,087	1,702,391
Insurance		311,170	306,250	398,594
Utilities		372,064	459,251	1,346,261
Other Expenditure	3	782,163	1,100,761	836,491
Total Operating Expenditure		5,546,328	6,325,026	6,468,284
EBITDA		9,199,688	12,112,048	11,189,853
Other Revenue				
Interest received		-	-	309,477
		-	-	309,477
Other Expenditure				
Depreciation		1,413,846	1,394,909	1,212,565
Interest Expense		36,104	74,587	76,657
Total Other Expenditure		1,449,950	1,469,496	1,289,222
Total Comprehensive Income		7,749,738	10,642,552	10,210,108

This statement should be read in conjunction with the accompanying notes

Town of Port Hedland Airport
STATEMENT OF FINANCIAL POSITION
As at 31 March 2015 and 30 June 2014

	<u>Note</u>	<u>31 March 2015</u> <u>(\$)</u>	<u>30 June 2014</u> <u>(\$)</u>
Assets			
Current Assets			
Cash and Cash Equivalent	4	19,736,262	16,463,060
Trade and Other Receivables	5	5,626,403	3,552,756
Total Current Assets		25,362,665	20,015,816
Non Current Assets			
Property, Plant and Equipment	6	56,560,177	55,767,034
Infrastructure	7	23,890,202	22,194,141
Total Non Current Assets		80,450,379	77,961,175
TOTAL ASSETS		105,813,044	97,976,991
Liabilities			
Current Liabilities			
Trade and Other Payables	8	181,092	74,259
Borrowings	9	41,655	41,655
Provisions	10	300,053	300,053
Total Current Liabilities		522,800	415,967
Non Current Liabilities			
Borrowings	9	1,126,754	1,147,272
Provisions	10	35,996	35,996
Total Non Current liabilities		1,162,750	1,183,268
TOTAL LIABILITIES		1,685,550	1,599,235
NET ASSETS		104,127,494	96,377,756
EQUITY			
Retained Surplus		39,124,826	31,375,088
Reserves - Cash/Investment backed		16,463,060	16,463,060
Reserves - Asset Revaluation	11	48,539,608	48,539,608
TOTAL EQUITY		104,127,494	96,377,756

This statement should be read in conjunction with the accompanying notes

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial report is a special purpose financial statement that have been prepared in accordance with the significant accounting policies disclosed below, which Council has determined are appropriate to meet the needs of the Airport Information Memorandum.

The report has been prepared on an accrual basis under the convention of historical cost accounting modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

(b) Critical Accounting Estimates

The preparation of a financial report requires the use of certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(c) The Airport Reporting Entity

These financial statements have been extracted from the financial records maintained for the Council as a whole. All Funds through which the Council controls resources to carry on its airport functions have been included in the financial statements forming part of this financial report.

The Kingsford Smith Business Park and proposed solar farm are located on the same land as the airport. Due to the manner in which costs are accounted for by the Town, a portion of some expenditure may relate to land not directly utilised in airport operations (for instance insurance). This has not been quantified within this financial report.

(d) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity 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 included as short term borrowings in current liabilities on the Statement of Financial Position.

(f) Trade and Other Receivables

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(g) Inventories

Inventories have not been recorded for the Airport in the Town of Port Hedland's accounting records.

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

(h) Fixed Assets

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

(i) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Expenditure on items of equipment under \$2,000 are not capitalised but are placed on an "Attractive Items" list for reference and maintenance. Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years

The assets residual value and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

(j) Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are tested annually for impairment. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 Impairment of Assets and appropriate adjustments made. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the Statement of Comprehensive Income.

For non-cash generating assets of the Council such as roads, drains, public buildings and the like, value in use is represented by the asset's written down replacement cost.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid of the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(n) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employee's services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on costs.

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(o) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of their employees. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(p) 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. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operating cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

(q) Rounding Off Figures

All figures shown in this annual financial report are rounded to the nearest dollar.

Note 2. Operating Revenue

	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)	Year Ended 30 June 2013 (\$)
Fees and Charges			
Passenger Service Fees	9,430,987	10,710,456	10,283,986
Landing Fees	3,446,516	4,929,380	4,828,170
Paid Parking Fees	457,104	594,907	595,384
Check in Fees	61,715	54,520	71,460
Total Fees and Charges	13,396,322	16,289,263	15,779,000
Other Revenue			
Concessions	658,378	1,016,676	947,410
Lease Income	586,578	707,457	656,097
Hire Car License Fees	-	185,405	207,728
Reimbursements	66,310	137,650	43,401
Advertising	31,379	36,500	24,501
Sundry Income	7,049	-	-
Total Other Revenue	1,349,694	2,083,688	1,879,137

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

Note 3. Cost Allocations

The Town of Port Hedland adopts Activity Based Costing (ABC) to allocate certain overhead costs to programs operated by the Town.

The following costs have been allocated to the Airport:

Allocation	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)	Year Ended 30 June 2013 (\$)
Other Expenditure – ABC Costing	769,432	1,058,133	801,300
Employee Costs – Support Costing	185,734	215,619	222,017

Note 4. Cash and Cash Equivalents

Current	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Cash and Cash Equivalent	19,736,262	16,463,060
Total Cash and Cash Equivalent	19,736,262	16,463,060

Note 5. Trade and Other Receivables

Current	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Trade receivables	5,626,403	3,552,756
Total Current Trade and Other Receivables	5,626,403	3,552,756

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

Note 6. Property Plant and Equipment

	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Land – Fair Value	43,056,735	43,056,735
Less Accumulated Depreciation	-	-
	<u>43,056,735</u>	<u>43,056,735</u>
Buildings – Fair Value	10,406,900	10,406,900
Buildings - Cost	1,392,955	
Less Accumulated Depreciation	(445,582)	-
	<u>11,354,273</u>	<u>10,406,900</u>
Furniture and Equipment – Cost	1,151,777	1,095,579
Less Accumulated Depreciation	(594,499)	(525,361)
	<u>557,278</u>	<u>570,218</u>
Plant and Equipment – Fair Value	1,982,698	1,982,698
Plant and equipment - Cost	279,011	215,563
Less Accumulated Depreciation	(669,818)	(465,080)
	<u>1,591,891</u>	<u>1,733,181</u>
Total Property Plant and Equipment	<u>56,560,177</u>	<u>55,767,034</u>

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

This amendment allowed for a phasing in of fair value in relation to fixed assets over three years as follows:

- a) for the financial year ending 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - i) that are plant and equipment; and
 - ii) that are
 - * land and buildings; or
 - * infrastructure and
- c) for a financial year ending on and after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class will be revalued at least every three (3) years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory framework detailed above. The assets are to be assigned to a level in the fair value hierarchy as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3 - Unobservable inputs for the asset.

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

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 no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as this is deemed by management to approximate Fair Value. These newly built or acquired assets will be categorised as a Level 2 input as depreciation would not be a significant unobservable input. Assets will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory framework detailed above.

Valuation Process - Plant and Equipment

The Town's Plant & Equipment was revalued at 30 June 2013 by independent valuers. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy). Any Plant and Equipment assets acquired after the date of revaluation are recognised at cost less accumulated depreciation and are considered Level 2 as detailed above.

Valuation Process - Land

An independent valuer was appointed to carry out a valuation of all Land and Buildings as at 30 June 2014. Land Fair Values have been measured by the Market Approach by Direct Comparison, an accepted valuation methodology under AASB13. Level 2 valuation inputs were utilised, being sales transactions of other properties within the region, and adjusted for differences between key attributes of the properties. The main input is the price per square metre or price per hectare of land area. The Market Approach is deemed a Level 2 input.

Valuation Process - Buildings

Where there is an active and liquid market as evidenced by sales transactions of similar property types, the Market Approach by Direct Comparison, Income or Summation methods can be utilised, and is an accepted valuation methodology under AASB13. If a Market Approach is adopted, the building valuation is deemed to be a Level 2 input. Direct Comparison and Summation methods involve the analysis of sales evidence and comparisons with the subject taking into account matters such as method of construction, size, condition, age, land area and location. The land value is subtracted from the Market Value of the property to measure the asset Fair Value. The Market Approach was adopted on twenty six (26) assets. The Income approach is applied to income producing properties and includes the capitalisation of net income method and discounted cash flow approach. The capitalisation method involves capitalising the estimated net income of the property at an appropriate capitalisation rate (net yield) that has been determined through the analysis of sales evidence. The discounted cash approach involves forecasting the expected net cash flow over a defined period (usually ten years) and discounting the income stream and terminal value at a suitable discount rate to arrive at a present value. This methodology was not applicable to any Land or Building assets.

Due to the predominantly specialised nature of Local Government Assets, most of the buildings valuations have been undertaken on a Cost Approach (Depreciated Replacement Cost) to valuation, an accepted valuation methodology under AASB13. The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:

Where there is no depth of market as determined for the Council assets, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees. This is considered a Level 2 input.

A condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of residual value, useful life, and asset condition) were also required (level 3).

The Condition rating inputs can be defined in the following table:

Description

Description	Percentage of life remaining
0 Brand new or rehabilitated to new	100%
1 Near new with no visible deterioration	90%
2 Excellent overall condition early stages of deterioration	80%
3 Very good overall condition with obvious deterioration evident	70%
4 Good overall condition, obvious deterioration, serviceability impaired very slightly	60%
5 Fair overall condition, obvious deterioration, some serviceability loss	50%
6 Fair to poor overall condition, obvious deterioration, some serviceability loss	40%
7 Poor overall condition, obvious deterioration, some serviceability loss, high maintenance costs	30%
8 Very poor overall condition, severe deterioration, very high maintenance costs. Consider renewal	20%
9 Extremely poor condition, severe serviceability problems, renewal required immediately	10%
10 Failed asset, no longer serviceable. Should not remain in service	0%

The valuation techniques used in the determination of fair values maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in determination of fair values. All buildings have been inspected as part of the valuation process. All land assets were inspected as part of the valuation process. Additional information is also sought from publicly accessible aerial photography, and maps and photography provided through council's available data.

Additions

The following property, plant and equipment additions were made in the nine months ended 31 March 2015 and financial year ended 30 June 2014:

Project	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Buildings		
Terminal Precinct	1,347,641	-
-Staff Housing Refurbishment	11,664	-
Building Upgrades	33,650	50,318
	1,392,955	50,318
Furniture		
CCTV Network	56,198	223,756
Plant and Equipment		
Plant Purchases	63,446	114,551
Total	1,512,599	388,625

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

Disposal of Assets

The following property, plant and equipment disposals were made in the nine months ended 31 March 2015 and financial year ended 30 June 2014:

Nine Months Ended 31 March 2015	Net Book Value	Sale Price	Profit (Loss)
No disposals			
Year Ended 30 June 2014	Net Book Value	Sale Price	Profit (Loss)
Lots 2443-2444 Great Northern Highway Airport	109,523	175,000	65,477
Toyota Hilux 4x4	17,478	16,124	(1,354)
			<u>64,123</u>

Note 7. Infrastructure

	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Infrastructure – Cost	37,334,045	35,224,910
Less Accumulated Depreciation	(14,082,751)	(13,388,364)
	<u>23,251,294</u>	<u>21,836,546</u>
Work in Progress – Cost	638,908	357,595
Less Accumulated Depreciation	-	-
	<u>638,908</u>	<u>357,595</u>
Total Infrastructure	<u>23,890,202</u>	<u>22,194,141</u>

Fair Value of Airport Infrastructure

A valuation of Airport infrastructure has been undertaken by independent valuers. This valuation has not been brought to account by the Town as at 31 March 2015.

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

Additions

The following infrastructure additions were made in the nine months ended 31 March 2015 and financial year ended 30 June 2014:

Project	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Infrastructure		
Taxiway Overlay	-	4,716,450
Car park : Lighting	-	193,766
Car park : Ground Transport Reconfiguration	127,362	39,771
Hire car development	-	77,430
Bus Parking	250,540	-
Main Apron Extension	31,208	-
Main Apron Strengthening	154,309	-
Perimeter Fence Upgrade	2,917	-
Runway Re-sheet : Northern Apron Extension	52,854	236,099
Electrical Infrastructure	1,482,596	1,839,181
Apron Lighting Upgrades	2,917	-
Storm Water Drainage	4,434	193,296
	2,109,137	7,295,993
Work In Progress		
Car park : Ground Transport Reconfiguration	-	20,500
Terminal Precinct	-	271,890
Bus Parking	-	40,205
Virgin Australia International Terminal Works Expansion	20,819	-
Water & Sewer Services	44,379	25,000
Freight & Logistics Zone	37,005	-
Security Screening Equipment	176,193	-
Security Upgrades CTO	2,917	-
	281,313	357,595

Disposal of Assets

There were no disposals made in the nine months ended 31 March 2015 and financial year ended 30 June 2014:

Note 8. Trade and Other Payables

Current	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Accrued Expenses	181,092	74,259
Total Current Trade and Other Payables	181,092	74,259

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

Note 9. Borrowings

	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Current		
Secured by Floating Charge		
- Debentures	41,655	41,655
Total Current Borrowings	41,655	41,655
Non Current		
Secured by Floating Charge		
- Debentures	1,126,754	1,147,272
Total Non Current Borrowings	1,126,754	1,147,272

Note 10. Provisions

	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Current		
Annual Leave	227,006	227,006
Long Service Leave	65,376	65,376
Sick Leave	7,671	7,671
Total Current Provisions	300,053	300,053
Non Current		
Long Service Leave	35,996	35,996
Total Non Current Provisions	35,996	35,996

No movements in the provision have been brought to account by the in the nine months ended 31 March 2015. The Town does not believe there has been a material movement in these provisions.

Town of Port Hedland Airport
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2014 and Nine Months Ended 31 March 2015

Note 11. Reserves

	Nine Months Ended 31 March 2015 (\$)	Year Ended 30 June 2014 (\$)
Revaluation Reserve		
Land		
Opening Balance	43,056,735	-
Revaluation Increment	-	43,056,735
	<u>43,056,735</u>	<u>43,056,735</u>
Buildings		
Opening Balance	5,373,353	-
Revaluation Increment	-	5,373,353
	<u>5,373,353</u>	<u>5,373,353</u>
Total Asset Revaluation Reserve	<u>48,539,608</u>	<u>48,539,608</u>

Note 12. Events Occurring After the Reporting Period

Events that occur between the end of the reporting period (ending 31 March 2015) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these Special Purpose Financial Statements.

Events that occur after the Reporting Period represent one of two types:

(i) Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 31 March 2015.

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 31 March 2015 and which are only indicative of conditions that arose after 31 March 2015.

Council is unaware of any material or significant "non-adjusting events" that should be disclosed.