

8. CHANGES TO NZ IFRS (International Financial Reporting Standards)

It was **resolved** that the following changes be made to the Council's Profit and Loss Account and Balance Sheet to comply with the accounting standard NZ IAS 39.

- (a) The Investment note (i) be changed as follows:
Delete:
“(i) Council investment in subsidiaries”
Add:
(i) “Investment in subsidiaries and associates
For the purposes of the parent company financial statements, the Council's equity investments in its subsidiary companies are designated as available-for-sale financial assets. They are measured at fair value, with valuations performed by an independent, external valuer with sufficient regularity to ensure no investments are included at a valuation that is materially different from fair value. The valuation changes are held in a revaluation reserve until the subsidiary is sold.”
- (b) The Investment note “(ii) Investments in debt and equity securities” be changed by deleting the sentence:
“Other financial instruments held by the Council are classified as being fair value through profit or loss and are stated at fair value, with any resultant gain or loss flowing through the income statement”, and replacing with:
“Other financial instruments held by the Council are classified as being available for sale and are stated at fair value. The valuation changes are held in a revaluation reserve until the instrument is sold.
- (c) The note on “Property, plant and equipment” be amended as follows:
Delete “Restricted assets are not depreciated except for historic buildings, artworks and heritage assets that are depreciated on a straight line basis at 1%, 0.1% and 0.1% respectively.” Add:
“Restricted Assets
Planted areas 5 to 110 yrs
Reserves – sealed areas 10 to 40 yrs
Reserves – structures 25 to 150 yrs
Historic buildings 100 yrs
Art Works 1000 yrs
Heritage assets 1000 yrs”
- (d) Note 22 “Revenue Recognition” be amended by adding :
“(vii) Development contributions are recognised in the income statement in the year in which they are received.”