

## CENTRAL LAND COUNCIL – Native Title Representative Body NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### *Revaluations*

#### *Basis*

Plant and equipment are carried at valuation, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, as at reporting date, from its fair value. Valuations undertaken in any year are as at 30 June.

Fair values for each class of asset are determined as shown below.

Asset Class	Fair Value Measured at:
Plant & Equipment	Market selling price

Assets that are surplus to requirement are measured at their net realisable value. At 30 June 2006 NTRB held no surplus assets (30 June 2005: \$0).

Depreciable plant and equipment are subject to formal valuations every three years. Formal valuations are carried out by an independent qualified valuer.

#### *Depreciation*

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the NTRB using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2006	2005
Motor vehicles and IT equipment	3 to 4 years	3 to 4 years
Office equipment and furniture	7 to 10 years	7 to 10 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4(c).

### **1.8 Impairment of Financial Assets**

Financial assets carried at up-to-date fair value at the reporting date are not subject to impairment testing.

Financial assets carried at cost, which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the carrying amount of the asset is compared to its net selling price and depreciated replacement cost and is written down to its higher of the two amounts, if necessary.

### **1.9 Taxation**

The NTRB is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST: