

4.1 PROPERTY, PLANT AND EQUIPMENT

4.1.4 Disclosure Requirements

4.1.4.1 Where authorities conclude that following the requirements of this section of the Code result in accounting entries that are immaterial, authorities need not follow this section of the Code and include the de minimis level within the disclosure of accounting policies (see section 3.4 of the Code).

4.1.4.2 Disclosure of accounting policies in relation to property, plant and equipment is required (see section 3.4 of the Code).

4.1.4.3 Having regard to paragraph 3.4.2.25 of the Presentation of Financial Statements section of the Code, authorities shall disclose the following notes in relation to property, plant and equipment:

- 1) The financial statements shall disclose, for each class of property, plant and equipment:
 - a) the measurement bases used for determining the gross carrying amount
 - b) the depreciation methods used
 - c) the useful lives or the depreciation rates used
 - d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period, and
 - e) a reconciliation of the carrying amount at the beginning and end of the period showing:
 - i) additions
 - ii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with section 4.9 of the Code and other disposals
 - iii) increases or decreases resulting from revaluations under chapter four, section 1 and from impairment losses recognised or reversed in Other Comprehensive Income and Expenditure and taken to the Revaluation Reserve in accordance with section 4.7 of the Code
 - iv) impairment losses recognised in Surplus or Deficit on the Provision of Services in accordance with section 4.7 of the Code
 - v) impairment losses reversed in Surplus or Deficit on the Provision of Services in accordance with section 4.7 of the Code
 - vi) depreciation, and
 - vii) other changes

f) an authority may (but is not required to) produce a separate disclosure of the reconciliation required by note (e) for its transport infrastructure assets as defined in the scope of the Code of Practice on Transport Infrastructure Assets

on a basis of depreciated replacement cost in accordance with the measurement requirements of that Code.

- 2) The financial statements shall also disclose:
 - a) the amount of contractual commitments for the acquisition of property, plant and equipment, and
- 3) In accordance with section 3.3 of the Code, an authority discloses the nature and effect of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in subsequent periods. For property, plant and equipment, such disclosure may arise from changes in estimates with respect to:
 - a) residual values
 - b) the estimated costs of dismantling, removing or restoring items of property, plant and equipment
 - c) useful lives, and
 - d) depreciation methods.
- 4) If items of property, plant and equipment are stated at revalued amounts, the following shall be disclosed:
 - a) the effective date of the revaluation
 - b) whether an in-house or external valuer was involved, and
 - c) the methods and significant assumptions applied in estimating the items' fair values.
- 5) Summary of capital expenditure during the reporting period, including assets acquired under finance leases, analysed for each category of fixed assets, together with the sources of finance and capital financing requirement.

4.1.4.4 Paragraph 4.1.2.2 of the Code sets out the classes of property, plant and equipment used in the Code, ie council dwellings, other land and buildings, vehicles, plant, furniture and equipment, infrastructure assets, community assets, assets under construction and surplus assets (those assets that are surplus to service needs but that do not meet the criteria to be classified as either investment property or assets held for sale). Authorities shall disclose the information set out in paragraph 4.1.4.3 on this basis.

4.1.4.5 An authority may elect (but is not required) to make disclosures in respect of community assets in accordance with section 4.10 of the Code (heritage assets) rather than in accordance with this section of the Code. An authority may elect (but is not required) to separately disclose those community assets reported in the Balance Sheet that it holds on trust.

4.1.6 Changes since the ~~2010~~2011/11-€2 Code

4.1.6.1 ~~Additional guidance on the classes of property, plant and equipment to be disclosed has been included~~The 2012/13 Code has introduced an additional voluntary disclosure for local authorities wishing to present their transport infrastructure assets (as defined

in the scope of the Code of Practice on Transport Infrastructure Assets) in a separate disclosure note at depreciated replacement cost in accordance with the measurement requirements of the Code of Practice on Transport Infrastructure Assets.

~~4.1.6.2 The Code now permits (but does not require) authorities to measure community assets at valuation and to make disclosures as if community assets were heritage assets. Authorities may therefore choose to use the same accounting base for community assets and heritage assets.~~

~~4.1.6.3 The statutory accounting requirements in respect of the HRA and Major Repairs Reserve have been clarified.~~