

# **WAGAIT SHIRE COUNCIL**

**ABN: 65 843 778 569**

**Financial Report For The Year Ended  
30 June 2025**

# WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

## Financial Report For The Year Ended 30 June 2025

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**WAGAIT SHIRE COUNCIL**

**ABN: 65 843 778 569**

**Council Certificate**

**For The Year Ended 30 June 2025**

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

(a) the accompanying financial statements comply with the Local Government Act 2019 , Local Government General Regulations 2021 and Australian Accounting Standards.

(b) the financial statements present a true and fair view of the Council's financial position at 30 June 2025 and the results of its operations and cash flows for the financial year.

(c) internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the year.

(d) the financial statements accurately reflect the Council's accounting and other records



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Dated 10 November ~~October~~ 2025



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Dated 10 November ~~October~~ 2025

## AUDITOR'S INDEPENDENCE DECLARATION UNDER THE PROVISIONS OF NORTHERN TERRITORY LOCAL GOVERNMENT ACT 2019 AND NORTHERN TERRITORY LOCAL GOVERNMENT (GENERAL) REGULATIONS 2021

### TO THE COUNCILLORS OF WAGAIT SHIRE COUNCIL

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Northern Territory Local Government Act 2019 and Northern Territory (General) Regulations 2021*, in relation to the audit, and
- (ii) any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall NT  
Chartered Accountants



Noel Clifford  
Partner

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Darwin, Northern Territory  
Dated: 12 November 2025

### Advisory. Tax. Audit.

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**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 \$	2024 \$
<b>INCOME</b>			
Rates and annual charges	2A	419,712	393,831
User charges and fees	2B	168,236	160,199
Grants and contributions	2C	664,922	708,172
Interest	2D	104,369	85,121
Gain on sale of property, plant and equipment	2E	-	11,960
<b>TOTAL INCOME</b>		<b>1,357,239</b>	<b>1,359,283</b>
<b>EXPENSES</b>			
Employee Cost	3A	587,164	533,643
Materials and Contracts	3B	419,940	399,947
Depreciation	3C	274,693	225,585
Other operating expenses	3D	152,210	111,011
<b>TOTAL EXPENSES</b>		<b>1,434,007</b>	<b>1,270,186</b>
<b>NET SURPLUS (DEFICIT)</b>		<b>(76,768)</b>	<b>89,097</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation of buildings and other assets for the year	14	-	1,517,302
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>1,517,302</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>(76,768)</b>	<b>1,606,399</b>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 579**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

	Note	2025 \$	2024 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on Hand and at Bank	4	2,192,430	2,302,505
Trade and Other Receivables	5	67,544	34,360
Other Current Assets	6	9,279	-
<b>TOTAL CURRENT ASSETS</b>		<b>2,269,253</b>	<b>2,336,865</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	3,885,508	3,881,653
Right of Use Assets	8	43,427	59,814
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,928,935</b>	<b>3,941,467</b>
<b>TOTAL ASSETS</b>		<b>6,198,188</b>	<b>6,278,332</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	86,586	71,840
Other Contract liabilities	10	553,849	608,045
Lease Liabilities	11	12,373	15,742
Borrowings	12	11,337	-
Employee Leave Provisions	13	82,001	85,934
<b>TOTAL CURRENT LIABILITIES</b>		<b>746,146</b>	<b>781,561</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liabilities	11	32,910	45,283
Borrowings	12	44,412	-
Employee Leave Provisions	13	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>77,322</b>	<b>45,283</b>
<b>TOTAL LIABILITIES</b>		<b>823,468</b>	<b>826,844</b>
<b>NET ASSETS</b>		<b>5,374,720</b>	<b>5,451,488</b>
<b>EQUITY</b>			
Retained Earnings		2,145,951	2,222,719
Reserves	14	3,228,769	3,228,769
<b>TOTAL EQUITY</b>		<b>5,374,720</b>	<b>5,451,488</b>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 579**  
**STATEMENT OF WORKING CAPITAL**  
**AS AT 30 JUNE 2025**

	Note	2025	2024
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on Hand and at Bank	4	2,192,430	2,302,505
Trade and Other Receivables	5	67,544	34,360
<b>TOTAL CURRENT ASSETS</b>		<b><u>2,259,974</u></b>	<b><u>2,336,865</u></b>
<b>Less:</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	86,586	71,840
Contract liabilities	10	553,849	608,045
Lease Liabilities	11	12,373	15,742
Borrowings	12	11,337	-
Employee Provisions	13	82,001	85,934
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>746,146</u></b>	<b><u>781,561</u></b>
<b>NET CURRENT ASSETS</b>		<b><u>1,513,828</u></b>	<b><u>1,555,304</u></b>
<b>CURRENT RATIO</b>		<b><u>3.03</u></b>	<b><u>2.99</u></b>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Retained Earnings	Asset Revaluation Reserve	Asset Replacement and Maintenance Reserves	Total Equity
		\$		\$	\$
<b>Balance at 1 July 2023</b>		2,133,622	991,467	720,000	3,845,089
<b>Comprehensive income:</b>					
Surplus for the year		89,097	-	-	89,097
Other comprehensive income for the year		-	1,517,302	-	1,517,302
<b>Total comprehensive income attributable to Members of the entity for the year</b>		89,097	1,517,302	-	1,606,399
Transfers to and from Reserves	14	-		-	-
<b>Balance at 30 June 2024</b>		<b>2,222,719</b>	<b>2,508,769</b>	<b>720,000</b>	<b>5,451,488</b>
<b>Balance at 1 July 2024</b>		2,222,719	2,508,769	720,000	5,451,488
<b>Comprehensive income:</b>					
Deficit for the year		(76,768)	-	-	(76,768)
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income (loss) attributable to Members of the entity for the year</b>		(76,768)	-	-	(76,768)
Transfers to and from Reserves	14	-	-	-	-
<b>Balance at 30 June 2025</b>		<b>2,145,951</b>	<b>2,508,769</b>	<b>720,000</b>	<b>5,374,720</b>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED 30 JUNE 2025**

	<b>Note</b>	<b>2025</b>	<b>2024</b>
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		566,260	554,778
Grants and contributions receipts		610,726	859,876
Interest received		82,646	83,212
Payments to suppliers and employees		(1,140,872)	(1,057,932)
Net cash provided by operating activities	<b>17</b>	<b>118,760</b>	<b>439,934</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposals of property, plant and equipment		-	11,960
Payment for property, plant and equipment		(262,161)	(375,354)
Net cash (used in) investing activities		<b>(262,161)</b>	<b>(363,394)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan advances		55,749	
Payments for lease liabilities		(22,423)	(22,554)
Net cash provided by (used in) financing activities		<b>33,326</b>	<b>(22,554)</b>
Net increase (decrease) in cash held		(110,075)	53,986
Cash and cash equivalents at beginning of the financial year		2,302,505	2,248,519
Cash and cash equivalents at end of the financial year	<b>4,17</b>	<b>2,192,430</b>	<b>2,302,505</b>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

The financial statements cover Wagait Shire Council as an individual entity, incorporated and domiciled in Australia. Wagait Shire Council is operating pursuant to the *NT Local Government Act 2019* and *NT Local Government (General) Regulations 2021*.

The financial statements were authorised for issue on 10 November 2025 by the Councillors of the Council.

**Note 1 Material Accounting Policy Information**

The accounting policies that are material to the Council are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

**New Or Amended Accounting Standards and Interpretations Adopted**

The Council has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), the requirements of the *Local Government Act 2019*, *Local Government (General) Regulations 2021* and other authoritative pronouncements of the Australian Accounting Standard Board.

**Historical Cost Convention**

The financial statements have been prepared under the historical cost convention. Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non current assets and financial assets.

**Critical Accounting Estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (q) Critical Accounting Judgements, Estimates and Assumptions.

**Current and Non Current Classification**

Assets and liabilities are presented in the statement of financial position based on current and non current classifications.

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in the Council's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period and or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non current.

**Material Accounting Policy Information**

**(a) Revenue and Other Income Recognition**

The Council recognises revenue as follows :

**Revenue from Contracts With Customers**

Revenue is recognised at an amount that reflects the consideration to which the Council is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Council identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**Note 1 Material Accounting Policy Information (Cont.)**

**(a) Revenue and Other Income Recognition (Cont.)**

**Capital Grant**

When the Council receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Council recognises income in profit or loss when or as the Council satisfies its obligations under the terms of the grant.

**Rates**

Rates are recognised as revenue when the Council obtains control over the asset comprising the receipt.

Rates are an enforceable debt linked to rateable property that will be recovered when the property is sold, and therefore control normally passes at the time of levying, or where earlier upon receipt of rates paid in advance. The rating period and reporting period for the Council coincide and accordingly, all rates levied for the year are recognised as revenue.

Uncollected rates are recognised as receivables.

**Interest Income**

Interest income is recognised using the effective interest method.

**Donation Income**

Donations and bequests are recognised as revenue when received.

**Income from Sale of Goods**

Revenue from the sales of goods and the rendering of a service is recognised upon the delivery of the goods and services to the customers.

A receivable will be recognised when the goods are delivered. The Council's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales are made within a credit term of 30 to 45 days.

The Council's historical experience with sales returns show that they are negligible and considered to be highly improbable. As such no provision for sale refunds is recognised by the Council at the time of sale of goods.

All revenue is stated net of the amount of goods and services tax.

**(b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

**Freehold Property**

Freehold land and Buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the Freehold Land and Buildings are not subject to an independent valuation, the Councillors conduct Councillors' valuations to ensure the carrying amount for the Land and Buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of Land and Buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**Note 1 Material Accounting Policy Information (Cont.)**

**(b) Property, Plant and Equipment**

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

Freehold Land and Buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

**Plant and Equipment**

Plant and equipment are measured on the cost or fair value basis as indicated, less, where applicable, accumulated depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate Life (years)</b>
Buildings and improvements	20-40
Infrastructure roads and path assets	10
Plant and equipment	3-10
Office equipment and furniture	3
Motor vehicles	5
Right of Use Assets - Leased motor vehicles	4

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(c) Right of Use Assets**

A Right of Use Asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of Use Assets are depreciated on a straight line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Council expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of Use Assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

**Note 1 Material Accounting Policy Information (Cont.)**

**(d) Leases**

At inception of a contract, the Council assess if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Council where the Council is a lessee. However all contracts that are classified as short term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating lease on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Council uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows :

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Council anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**Concessionary Leases**

For leases that have significantly below market terms and conditions principally to enable the Council to further its objectives (commonly known as peppercorn / concessionary leases), the Council has adopted the temporary relief under AASB 2019-8 and measures the right of use assets at cost on initial recognition.

**(e) Impairment of Financial Assets**

The Council recognises a loss allowance for expected credit losses on :

- financial assets that are measured at amortised cost or fair value through other comprehensive income; and
- contract assets (eg amount due from customers under contracts).

The Council uses the following approach to impairment, as applicable under AASB 9 : Financial Instruments:

- the simplified approach.

**Simplified Approach**

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

The approach is applicable to:

- trade receivable; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivable is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

**Note 1 Material Accounting Policy Information (Cont.)**

**(e) Impairment of Financial Assets (Cont.)**

**Recognition of Expected Credit Losses in Financial Statements**

At each reporting date, the Council recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

**(f) Impairment of Non Financial Assets**

Non-financial assets 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. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**(g) Employee Benefits**

**Short-term employee benefits**

Provision is made for the Council's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave and superannuation. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and superannuation are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

The Council classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Council's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least twelve months after the reporting date, in which case the obligations are presented as current liabilities. The Council based on past experience records employee's long service leave entitlements on commencement of their employment within the Council.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**(g) Employee Benefits (Cont.)**

**Retirement benefit obligations**

*Superannuation benefits*

All employees of the Council receive accumulated contribution superannuation entitlements, for which the Council pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. For the period 1 July 2024 to 30 June 2025 this was 11.5% of the employee's ordinary average salary. From 1 July 2025 this rate has increased to 12%. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Council's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Council's statement of financial position.

**(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**(i) Trade and Other receivables**

Trade and other receivables include amounts due from clients for fees and goods and services provided, from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for measurement. Refer to Note 1(e) for further discussions on the determination of impairment losses.

**(j) Contract Assets**

Contract assets are recognised when the Council has transferred goods or services to the customer and or completed required performance obligations, but has yet to establish unconditional rights to consideration. Contract assets are treated as financial assets for impairment purposes.

**(k) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(l) Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

**(m) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Council during the reporting period that remain unpaid at the end of the reporting period. Trade payables are recognised at their transaction price. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(n) Contract Liabilities**

Contract liabilities represent the Council's obligation to transfer goods or services to a customer or complete required performance obligations and are recognised when a customer pays consideration, or when the Council recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the Council has transferred the goods or services to the customer and or completed required performance obligations.

**WAGAIT SHIRE COUNCIL**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**(o) Provisions**

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

**(p) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**(q) Critical Accounting Estimates, Judgements and Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

**(i) Valuation of property, plant and equipment**

The Council at 30 June 2024 undertook a valuation of its land, buildings and structures, sports ground and infrastructure, motor vehicles, plant and equipment, office equipment and its road infrastructure. Acentis and Valuations NT were engaged jointly to undertake this valuation of the Council's assets and infrastructure. The valuation was completed on 7 October 2024 with the valuation date being 30 June 2024. The valuation was performed by Mr Nick Funnell AAPI (CPV), National Director Asset Advisory and Ms Emma Jackson AAPI (CPV), Director Valuation NT. The valuation was prepared in accordance with the Australian Accounting Standards with the basis of value used being fair value of the assets. In determining fair value the valuation approach was based on the highest and best use of the assets in accordance with Australian Accounting Standards. An entity's current use of non financial assets is presumed to be its highest and best use, unless market or other factors suggest that a different use by market participants would maximise the value of the asset. The valuation of these assets at 30 June 2024 resulted in an increase in their value of \$1,517,302 and an increase of the same amount to the Asset Revaluation Reserve.

**(ii) Useful lives of property, plant and equipment**

As described in Note 1(b), the Council reviews the estimated useful lives of property, plant and equipment at the end of each reporting period, based on the expected utility of the assets.

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**(iii) Impairment- General**

The Council assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Council that may be indicative of impairment triggers.

***Impairment of accounts receivable***

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position. Provision for impairment of receivables at 30 June 2025 amounted to \$Nil (2024 : \$3,270).

**(iv) Performance Obligations Under AASB 15**

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature / type, cost /value, quantity and the period of transfer related to the goods or services promised.

**Note 1 Material Accounting Policy Information (Cont.)**

**(q) Critical Accounting Estimates, Judgements and Assumptions (Cont.)**

**(v) Lease Term and Options Under AASB 16**

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Council's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Council reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Council estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

**(vi) Employee Benefits Provision**

As discussed in Note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**(r) Fair Value of Assets and Liabilities**

The Council measures some of its assets at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Council would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

"Fair value" is the price the Council would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transactions between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Council's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**Note 1 Material Accounting Policy Information (Cont.)**

**(s) Economic Dependence and Going Concern**

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Council is dependent upon the ongoing receipt of grants from the Northern Territory Government to ensure the continuance of its activities. At this date of this report management has no reason to believe that Council will not continue to receive funding support from the Government.

**(t) New and Amended Accounting Standards and Policies Adopted By The Council**

AASB 2022-5: Amendments to Australian Accounting Standards- Lease Liability in a Sale and Leaseback.

AASB 2022-5 amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15: Revenue from Contracts with Customers to be accounted for as a sale.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-6: Amendments to Australian Accounting Standards - Non-current liabilities with covenants.

The Council adopted AASB 2022-6 Amendments to Australian Accounting Standards - Non-current liabilities with covenants which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities from loan arrangements for which the entity's right to defer settlement of those liabilities for 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2023-3: Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants - Tier 2.

AASB 2023-3 amends AASB 1060 to align the disclosure requirements of Tier 2 entities with the Tier 1 equivalents in AASB 2020-1 and AASB 2022-6. AASB 2023-3 amends AASB 1060 to:

(a) Clarify that a liability is classified as non-current if an entity has the right at the reporting date to defer settlement of the liability for at least 12 months after the reporting date;

(b) Clarify the reference to settlement of a liability by the issue of equity instruments in classifying liabilities; and

(c) Require the disclosure of information that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of the amendment did not have a material impact on the financial statements.

WAGAIT SHIRE COUNCIL  
 ABN: 65 843 778 569  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

Note 2	Revenue and Other Income	Note	2025	2024
			\$	\$
<b>2A</b>	<b>Rates and annual charges</b>			
	<i>Ordinary rates</i>			
	Residential, business and rural flat rate		278,844	266,508
	Waste management levy		140,868	127,323
	<b>Total rates and annual charges</b>		<u>419,712</u>	<u>393,831</u>
<b>2B</b>	<b>User charges and fees</b>		2025	2024
			\$	\$
	Jetty and boat ramp maintenance		104,208	91,003
	Power and water contract income		45,836	39,586
	Other fees and charges		9,756	17,775
	Rent income		6,346	8,618
	Other income		2,090	3,217
	<b>Total User charges and fees</b>		<u>168,236</u>	<u>160,199</u>
<b>2C</b>	<b>Grants and Contributions</b>		2025	2024
			\$	\$
	<i>General purpose grants</i>			
	FAA - General purpose component		12,631	16,866
	FAA - Roads to recovery component		71,190	70,620
	<i>Northern Territory Government operating grants</i>			
	General purpose component		313,000	213,000
	Remote Sport Program		19,224	20,097
	<i>Federal and Northern Territory Government non-recurring grants</i>			
	<i>Specific grants</i>		132,409	162,160
	<i>Capital purpose grants</i>			
	LRCI 4		-	23,761
	WRM #2 21-22		-	49,118
	WRM #3 22-23		-	75,000
	WRM #4 23-24		69,168	75,000
	WRM #5 24-26		22,950	-
	<i>Non Government grants and contributions</i>			
	Australia Day Council		2,350	2,250
	Carers NT		-	300
	SMC Marine- Council Community Sign		22,000	-
	<b>Total grants and contributions</b>		<u>664,922</u>	<u>708,172</u>
<b>2D</b>	<b>Interest</b>		2025	2024
			\$	\$
	Financial Institutions		104,369	85,121
	<b>Total Interest</b>		<u>104,369</u>	<u>85,121</u>
<b>2E</b>	<b>Gains/ (loss) on disposal property, plant and equipment</b>		2025	2024
			\$	\$
	Gains and Losses		-	11,960
	<b>Total Gains/ (loss) on disposal property, plant and equipment</b>		<u>-</u>	<u>11,960</u>

**WAGAIT SHIRE COUNCIL**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

<b>Note 3</b>	<b>Expenses</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
			<b>\$</b>	<b>\$</b>
<b>3A</b>	<b>Employee Cost</b>			
	Salaries and Wages		526,341	495,740
	Superannuation		53,858	49,519
	Leave Expense		(3,933)	(21,207)
	Recruitment		-	1,319
	Training and development		5,202	6,280
	Other Employee Benefits		5,696	1,992
	<b>Total employee cost</b>		<u>587,164</u>	<u>533,643</u>
<b>3B</b>	<b>Materials and contracts</b>		<b>2025</b>	<b>2024</b>
			<b>\$</b>	<b>\$</b>
	Regular Bin and Waste Collection		91,722	99,502
	Insurance		100,365	68,665
	Repairs & Maintenance		44,718	111,985
	Motor Vehicle Expenses		22,102	14,561
	Other Grant Expenses		96,073	59,221
	Consultant fees		30,532	33,200
	Travel & Accommodation		2,400	2,471
	Community Activities and Functions		6,270	8,887
	Safety Supplies & Equipment		3,070	1,455
	Valuation Costs		18,827	-
	Minor Capital Expenditure		3,861	-
	<b>Total materials and contracts</b>		<u>419,940</u>	<u>399,947</u>
<b>3C</b>	<b>Depreciation</b>		<b>2025</b>	<b>2024</b>
			<b>\$</b>	<b>\$</b>
	Buildings		83,842	49,461
	Sports Ground		32,302	39,137
	Plant and equipment		52,996	50,732
	Office equipment		9,863	3,296
	Infrastructure		44,000	45,300
	Motor vehicles		35,303	18,366
	Right of Use Assets -Motor Vehicles		16,387	19,293
	<b>Total Depreciation</b>		<u>274,693</u>	<u>225,585</u>
<b>3D</b>	<b>Other operating expenses</b>		<b>2025</b>	<b>2024</b>
			<b>\$</b>	<b>\$</b>
	Audit services		10,340	7,640
	Administration expenses		21,041	19,156
	Bad and doubtful debt expenses		(1,169)	(2,240)
	Councillor expenses - allowances	13	32,145	17,623
	Councillor expenses - professional development		3,025	7,753
	Interest expense on lease liabilities		6,681	3,203
	Other expenses		68,390	47,538
	Power, water & gas		11,757	10,338
	<b>Total Other operating expenses</b>		<u>152,210</u>	<u>111,011</u>

**WAGAIT SHIRE COUNCIL**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**Note 4 Cash on Hand and at Bank**

<b>CURRENT</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>\$</b>	<b>\$</b>
Cash at Bank		2,192,430	2,302,505
<b>Total Cash on Hand and at Bank</b>		<u>2,192,430</u>	<u>2,302,505</u>
Restricted cash and cash equivalents summary			
<i>Purpose</i>			
<b>External restrictions</b>			
Included in liabilities			
Contract liability	<b>10</b>	553,849	306,152
Included in revenue			
<b>Total external restrictions</b>		<u>553,849</u>	<u>306,152</u>
<b>Internal restrictions</b>			
Included in liabilities			
Borrowings	<b>12</b>	55,749	-
Employee leave entitlements	<b>13</b>	82,001	99,391
<b>Total external restrictions</b>		<u>137,750</u>	<u>99,391</u>
<b>Total unrestricted</b>		1,500,831	1,896,962
<b>Total Cash on hand and at bank</b>	<b>17(a), 21</b>	<u>2,192,430</u>	<u>2,302,505</u>

**Note 5 Trade and Other Receivables**

<b>CURRENT</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>\$</b>	<b>\$</b>
<b>Receivables :</b>			
Rates and annual charges		41,706	25,742
Less :Provision for impairment of receivables		-	(3,270)
<b>Total Unrestricted accounts receivable and other debtors</b>		<u>41,706</u>	<u>22,472</u>
<b>Other Receivables :</b>			
ATO receivable (net)		-	7,773
Accrued interest		25,838	4,115
<b>Total Other receivables</b>		<u>25,838</u>	<u>11,888</u>
<b>Total current trade and other receivables</b>	<b>21,22</b>	<u>67,544</u>	<u>34,360</u>

The Council normal credit term is 30 days. No interest is charged for the first 30 days from the date of invoice. Thereafter, interest is charged at 17% per annum, which is calculated on a daily basis, on the outstanding balance.

<b>Movement (recoveries) in allowance for impairment of receivables</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	3,270	5,510
Increment/ (Reduction) in allowance	(3,270)	(2,240)
<b>Balance at the end of the year</b>	<u>-</u>	<u>3,270</u>

**Note 6 Other Current Assets**

<b>CURRENT</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Prepayments - insurance</b>	<u>9,279</u>	<u>-</u>

**WAGAIT SHIRE COUNCIL**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**Note 7 Property, Plant and Equipment**

	Note	2025 \$	2024 \$
<b>NON-CURRENT</b>			
<b>Property</b>			
<b>Land :</b>			
At independent valuation 2024		745,000	745,000
<b>Total Land</b>		<u>745,000</u>	<u>745,000</u>
<b>Buildings :</b>			
At independent valuation 2024		1,735,951	1,735,951
Less Accumulated depreciation		(83,842)	-
		<u>1,652,109</u>	<u>1,735,951</u>
<b>Sports Ground :</b>			
At independent valuation 2024		339,599	339,599
At cost		25,033	-
Less Accumulated depreciation		(32,302)	-
		<u>332,330</u>	<u>339,599</u>
<b>Total Buildings</b>		<u>1,984,439</u>	<u>2,075,550</u>
<b>Total Land and Buildings</b>	<b>22</b>	<u>2,729,439</u>	<u>2,820,550</u>
<b>Plant and Equipment :</b>			
<b>Infrastructure roads and path assets</b>			
At cost		1,065,123	921,675
Less Accumulated depreciation		(625,721)	(581,721)
		<u>439,402</u>	<u>339,954</u>
<b>Plant and equipment:</b>			
Plant and equipment:			
At independent valuation 2024		262,547	262,547
At cost		19,530	-
Less Accumulated depreciation		(52,996)	-
		<u>229,081</u>	<u>262,547</u>
<b>Office equipment:</b>			
At independent valuation 2024		27,870	27,870
Less Accumulated depreciation		(9,863)	-
		<u>18,007</u>	<u>27,870</u>
<b>Motor vehicles:</b>			
At independent valuation 2024		269,537	269,537
At Cost		54,619	-
Less Accumulated depreciation		(35,303)	-
		<u>288,853</u>	<u>269,537</u>
<b>Total Plant and Equipment</b>		<u>975,343</u>	<u>899,908</u>
<b>Work in Progress :</b>		<u>180,726</u>	<u>161,195</u>
<b>Total Property, Plant and Equipment</b>		<u><u>3,885,508</u></u>	<u><u>3,881,653</u></u>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Sports Ground \$	Infrastructure \$	Plant and Equipment \$	Office Equipment \$	Motor Vehicles \$	WIP \$	Total \$
<b>Carrying amount at 1 July 2024</b>	745,000	1,735,951	339,599	339,954	262,547	27,870	269,537	161,195	3,881,653
Increment/ (Decrement)	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Additions at cost	-	-	25,033	143,448	19,530	-	54,619	19,531	262,161
Disposals	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(83,842)	(32,302)	(44,000)	(52,996)	(9,863)	(35,303)	-	(258,306)
<b>Carrying amount at 30 June 2025</b>	<u>745,000</u>	<u>1,652,109</u>	<u>332,330</u>	<u>439,402</u>	<u>229,081</u>	<u>18,007</u>	<u>288,853</u>	<u>180,726</u>	<u>3,885,508</u>

**Valuation of Building and Improvements**

The Council at 30 June 2024 undertook a valuation of its land, buildings and structures, sports ground and infrastructure, motor vehicles, plant and equipment, office equipment and its road infrastructure. Acumentis and Valuations NT were engaged jointly to undertake this valuation of the Council's assets and infrastructure.

The valuation was completed on 7 October 2024 with the valuation date being 30 June 2024.

The valuation was performed by Mr Nick Funnell AAPI (CPV), National Director Asset Advisory and Ms Emma Jackson AAPI (CPV), Director Valuation NT.

The valuation was prepared in accordance with the Australian Accounting Standards with the basis of value used being fair value of the assets. In determining fair value the valuation approach was based on the highest and best use of the assets in accordance with Australian Accounting Standards. An entity's current use of non financial assets is presumed to be its highest and best use, unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

The valuation of these assets at 30 June 2024 resulted in an increase in their value of \$1,517,302 and an increase of the same amount to the Asset Revaluation Reserve.

In addition to the above assets, the independent valuers also valued at 30 June 2024 the Infrastructure Roads and Path assets that exist within the Council's jurisdiction. These were valued at a fair value of \$2,369,204. The Council elected not to recognise the valuation of the Infrastructure Roads and Path assets within its financial statements. Rather it was determined to maintain these assets at their cost less accumulated depreciation. Their written down value at 30 June 2024 being \$339,954.

**WAGAIT SHIRE COUNCIL**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**Note 7 Property, Plant and Equipment (Cont.)**

**Grant Funded Asset Additions:**

Project Name	Capital Grants Description	Grant Income Received \$	Council Contribution \$	Asset Addition Cost \$	Asset Class
WRM #4 23-24	Specific capital grant for renovation to Caretaker Shed/ Rediscovery hub at Sports Ground	69,167	-	55,658	Infrastructure

**Note 8 Right of Use Assets**

**(a) AASB 16 Related Amounts Recognised in the Balance Sheet**

**Right of Use Assets**

**Note**                      **2025**                      **2024**  
**\$**                                      **\$**

**NON-CURRENT**

Leased Motor Vehicles	115,303	115,303
Less Accumulated depreciation	(71,876)	(55,489)
<b>Total right of use assets</b>	<u>43,427</u>	<u>59,814</u>

The Council's lease portfolio includes motor vehicles. These leases have an average of 4 year as their lease term.

**Movements in Carrying Amounts**

**Carrying amount at 1 July 2024**

	<b>Motor Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Carrying amount at 1 July 2024</b>	59,814	59,814

Additions at cost

Depreciation expense

**Carrying amount at 30 June 2025**

Additions at cost	-	-
Depreciation expense	(16,387)	(16,387)
<b>Carrying amount at 30 June 2025</b>	<u>43,427</u>	<u>43,427</u>

**(b) AASB 16 Related Amounts Recognised in the Statement of Profit and Loss**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Depreciation charge related to right of use assets	16,387	19,293
Interest expense on lease liabilities	6,681	3,203
Short Term leases expense	-	-
	<u>23,068</u>	<u>22,496</u>

**Note 9 Trade and Other Payables**

**CURRENT**

Trade creditors	31,359	30,786
Sundry creditors and accrued expenses	9,795	24,050
ATO Liabilities payable (net)	10,816	-
Payroll and Super liabilities	28,553	4,268
Credit card liabilities	3,037	3,986
Rates in advance	3,026	8,750
<b>Total Trade and Other Payables</b>	<u>86,586</u>	<u>71,840</u>

(a) Financial liabilities at amortised cost are classified as trade and other payables.

**Trade and other payables:**

—	Total Current	86,586	32,041
—	Total Non Current	-	-

**Total trade and other payables**

86,586                      32,041

**Financial liabilities as trade and other payables**

**21,22**                      86,586                      32,041

**Note 10 Other Contract Liabilities**

**CURRENT**

Contract Liabilities - grant in advance	459,854	415,000
Contract Liabilities - grant funded programmes	93,995	193,045
<b>Total Other Contract Liabilities</b>	<u>553,849</u>	<u>608,045</u>

**Total Contract and Unspent liabilities comprising the following grant funding amounts:**

LRCI	6,067	6,067
Financial Assistance Road- Early Release	37,388	-
Financial Assistance General purpose- Early Release	7,466	-
DCMC - CPP Community Place for People 2023	-	15,942
DCMC IPG-Sportsground	-	2,263
NT Men's Places Grant	5,310	7,494
DCMC - CPP Community Place for People 2024	415,000	415,000
IPG - Driveway_Road Drainage	-	84,000
WRM #4 23-24	5,833	75,000
Suicide Prevention Program 2023-24	-	2,279
Youth Vibe School Holidays 2024-25	942	-
Sports and Rec 2024-25	23,793	-
WRM #5 24-25	52,050	-
<b>Total Other Contract Liabilities</b>	<u>553,849</u>	<u>608,045</u>

**WAGAIT SHIRE COUNCIL**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**Note 10 Other Contract Liabilities (Cont.)**

	2025	2024
	\$	\$
(b) Contract liabilities - movement in amounts :		
Balance at the beginning of the year	608,045	456,341
Additions: Grants for which performance obligations will only be satisfied in subsequent years	553,849	608,045
Expended : Grants acquitted or utilised during the year	(608,045)	(456,341)
Closing balance	553,849	608,045

**Note 11 Lease Liabilities**

	2025	2024
	\$	\$
<b>CURRENT</b>		
Leases - Motor Vehicles	12,373	15,742
	12,373	15,742
<b>NON-CURRENT</b>		
Leases - Motor Vehicles	32,910	45,283
	32,910	45,283
<b>Total Lease Liabilities</b>	<b>21,22</b> 45,283	61,025

The lease liabilities are secured by the underlying assets and are subject to the terms of their individual lease agreements.

**Note 12 Borrowings**

	2025	2024
	\$	\$
<b>CURRENT</b>		
Bank loan - secured and interest payable	11,337	-
<b>NON-CURRENT</b>		
Bank loan - secured and interest payable	44,412	-
<b>Total Borrowings</b>	<b>21,22</b> 55,749	-

Borrowings are secured over the underlying assets.

**Note 13 Employee Leave Provisions**

	2025	2024
	\$	\$
<b>CURRENT</b>		
Provision for employee benefits: annual leave	56,360	55,804
Provision for employee benefits: long service leave	25,641	30,130
	82,001	85,934
<b>NON-CURRENT</b>		
Provision for employee benefits: long service leave	-	-
	-	-
<b>Total provisions for employee benefits</b>	82,001	85,934
<b>Analysis of total provisions:</b>	<b>Total</b>	
	\$	
<b>Opening balance at 1 July 2024</b>	85,934	
Net change in the provision during the year	(3,933)	
<b>Balance at 30 June 2025</b>	82,001	

**Provision For Employee Benefits**

Employee provisions represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Council does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Council does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

**Note 14 Reserves**

	2025	2024
	\$	\$
<b>Asset Revaluation Reserve</b>		
Balance at beginning of reporting year	2,508,769	991,467
Revaluation/ Increment (decrement)	-	1,517,302
Balance at end of the reporting year	2,508,769	2,508,769
<b>Asset Replacement and Maintenance Reserves</b>		
Balance at beginning of reporting year	720,000	720,000
Transfers to and from reserves	-	-
Balance at end of the reporting year	720,000	720,000
<b>Total reserves</b>	3,228,769	3,228,769

The asset replacement and maintenance reserve is maintained to replace roads and motor vehicles as the need arises.

**WAGAIT SHIRE COUNCIL**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**Note 15 Key Management Remuneration**

	2025	2024
	\$	\$
Short- term employment benefits	121,885	158,074
Long - term employment benefits	13,986	1,927
Councillor Allowances	32,145	17,623
<b>Total Key Management Remuneration</b>	<b>168,016</b>	<b>177,624</b>
<b>CEO Remuneration</b>	<b>2025</b>	<b>2024</b>
<b>2025 : CEO : Virginia Boon 01/07/2024 - 30/06/2025</b>	<b>\$</b>	<b>\$</b>
<b>2024 : CEO : Renita Glencross 01/07/2023 - 20/10/2023 &amp; Virginia Boon 17/10/2023 - 30/06/2024</b>		
Short-term benefits	135,871	158,074
Non-cash benefits	-	-
Other long-term benefits	4,926	1,927
<b>Total remuneration</b>	<b>140,797</b>	<b>160,001</b>

**Note 16 Other Related Party Disclosure**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel or individual or collectively with their close family members.

Transactions between related parties are on commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no other related party transactions in 2025 (2024 :\$Nil).

**Note 17 Cash Flow Information**

	2025	2024
	\$	\$
<b>(a) Reconciliation of cash and cash equivalents to Statement of Cash Flows :</b>		
Cash on hand and at bank	4 2,192,430	2,302,505
<b>Total cash as stated in the Statement of cash flows</b>	<b>2,192,430</b>	<b>2,302,505</b>
<b>(b) Reconciliation of Cash Flow from Operating Activities with Current Year Profit (Loss)</b>		
Profit (Loss) for the current year	(76,768)	89,097
<b>Non-cash flows:</b>		
Depreciation and amortisation expense	274,693	225,585
Gain/ (losses) on disposal of property, plant and equipment	-	(11,960)
Interest expense on lease liabilities	6,681	3,203
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in Trade and Other Receivables	(33,184)	(15,491)
(Increase)/decrease in Other Current Assets	(9,279)	
Increase/(decrease) in Trade and Other payables	14,746	19,002
Increase/(decrease) in Other Contract liabilities	(54,196)	151,704
Increase/(decrease) in Employee Provisions	(3,933)	(21,206)
<b>Net cash provided by operating activities</b>	<b>118,760</b>	<b>439,934</b>

**Note 18 Lease and Capital Expenditure Commitments Outstanding:**

	2025	2024
	\$	\$
<b>(a) Lease Liability Commitments</b>		
<i>Motor Vehicles</i>		
Within one year	15,054	19,346
One to five years	36,381	51,435
More than 5 years	-	-
<b>Total Future Lease Payments at the End of the Reporting Period:</b>	<b>51,435</b>	<b>70,781</b>

	2025	2024
	\$	\$
<b>(a) Operating Lease Commitments</b>		
<i>Leasehold rental commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	-
One to five years	-	-
More than 5 years	-	-
	-	-

The Council has no operating lease commitments.

The Northern Territory Government allows the Council to use their Sports Ground Land for free. As a result the Council has a Crown lease and expiring date in Perpetuity with the NT Government for its Sports Ground Property Section 110 (50) plans S98/294 Wagait Tower Road. As previously noted the Council has adopted the temporary relief under AASB 2018-8 in relation to Peppercorn Lease.

**(b) Capital Expenditure Commitments**

The Council has no capital expenditure commitments as at 30 June 2025 (2024:\$Nil).

**Note 19 Contingent Liabilities and Contingent Assets**

The Council has no Contingent Liabilities and Contingent Assets as at 30 June 2025 (2024:\$Nil).

**Note 20 Events After the Reporting Period**

The Councillors are not aware of any significant events since the end of the reporting period that have significantly affected, or may significantly affect the Corporation's operations, the results of those operations, or the Corporation's state of affairs in future financial years (2024 : Nil).

**Note 21 Financial Risk Management**

The Council's financial instruments consist mainly of deposits with banks accounts, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2025 \$	2024 \$
<b>Financial assets</b>			
Cash on hand	4	2,192,430	1,768,806
Trade and other receivables	5	67,544	7,815
<b>Total financial assets</b>		2,259,974	1,776,621
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables	9	86,586	32,041
Lease liabilities	11	45,283	45,984
Borrowings	12	55,749	-
<b>Total financial liabilities</b>		187,618	78,025

**Financial Risk Management Policies**

Management is responsible for mentoring and managing the Council's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the Council in meeting its financial targets whilst minimising potential adverse effects on financial performance. These include credit risk policies and future cash flow requirements.

**Specific Financial Risk Exposures and Management**

The main risks the Council is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. There has been no substantive change in the types of risk the Council is exposed to, how these risks arise, management's objectives, policies and procedures for managing or measuring risks from the previous period.

**a. Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Council.

**Credit risk exposures**

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Legislative restrictions on Council's investment powers effectively limit investments to financial instruments issued or guaranteed by Australian Governments, banks and authorised deposit taking institutions. Rates and other receivables are monitored on an ongoing basis with the result that the Council's exposure to bad debts is not significant.

The Council has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 6.

**b. Liquidity risk**

Liquidity risk arises from the possibility that the Council might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Council manages this risk through the following mechanisms:

- > preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities.
- > maintaining short term investments to cater for unexpected volatility in cash flows.
- > monitoring the ageing of receivables and payables.
- > maintaining a reputable credit profile.
- > managing credit risk related to financial assets.
- > only investing surplus cash with major financial institutions.

**WAGAIT SHIRE COUNCIL**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

**Note 21 Financial Risk Management (Cont.)**

**c. Market risk**

**Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Council is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Council to interest rate risk are limited to cash and cash equivalents.

The Council also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

**(ii) Sensitivity analysis**

The following table illustrates sensitivities to the Council's exposures to changes in interest. The table indicates the impact on how profit reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2025	2024
	\$	\$
<b>Surplus \$</b>		
<b>(+/- 1% in interest rates)</b>	22,475	22,755

No sensitivity analysis has been performed on foreign exchange risk as the entity has no material exposures.

Refer to Note 22 for detailed disclosures regarding the fair value measurements of the Council financial assets.

**Note 22 Fair Values Measurements**

**Fair value estimation**

The Council measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- freehold land and buildings.

The Council does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities on a non-recurring basis.

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position.

	Note	2025		2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash on hand and at bank	4,21	2,192,430	2,192,430	1,768,806	1,768,806
Trade and other receivables	5,21	67,544	67,544	7,815	7,815
Total financial assets		2,259,974	2,259,974	1,776,621	1,776,621
<b>Financial liabilities</b>					
Trade and other payables	9,21	86,586	86,586	32,041	32,041
Lease Liabilities	11,21	45,283	45,283	61,025	61,025
Borrowings	12,21	55,749	55,749	-	-
Total financial liabilities		187,618	187,618	93,066	93,066

(i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

(ii) Lease liabilities fair values are assessed on an annual basis by Management and the Directors. Current available data is used in assessing their carrying and fair values.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- (a) in the principal market for the asset or liability; or
- (b) in the absence of a principal market, in the most advantageous market for the asset or liability."

	Note	2025		2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
<b>Non-Financial assets</b>					
Land and Buildings	7	2,729,439	2,729,439	2,820,550	2,820,550
Total non-financial assets		2,729,439	2,729,439	2,820,550	2,820,550

(i) The Council at 30 June 2024 undertook a valuation of its land, buildings and structures, sports ground and infrastructure, motor vehicles, plant and equipment, office equipment and its road infrastructure. Acumentis and Valuations NT were engaged jointly to undertake this valuation of the Council's assets and infrastructure. The valuation was completed on 7 October 2024 with the valuation date being 30 June 2024. The valuation was performed by Mr Nick Funnell AAPI (CPV), National Director Asset Advisory and Ms Emma Jackson AAPI (CPV), Director Valuation NT. The valuation was prepared in accordance with the Australian Accounting Standards with the basis of value used being fair value of the assets. In determining fair value the valuation approach was based on the highest and best use of the assets in accordance with Australian Accounting Standards. An entity's current use of non financial assets is presumed to be its highest and best use, unless market or other factors suggest that a different use by market participants would maximise the value of the asset. The valuation of these assets at 30 June 2024 resulted in an increase in their value of \$1,517,302 and an increase of the same amount to the Asset Revaluation Reserve.

In the Council's annual assessment of impairment of assets, the above valuation base is considered to be the appropriate base still, given the assets' locations, use and the cost of replacement.

**Note 23 Council Details**

Wagait Shire Council is a local government body formerly called Cox Peninsular Government Council.

**The Principal place of business is:**

142 Wagait Tower Road  
Wagait Beach NT 0822

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAGAIT SHIRE COUNCIL

### Opinion

We have audited the financial report of Wagait Shire Council (the "Council"), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the Chief Executive Officer's Certificate.

In our opinion, the accompanying financial report of Wagait Shire Council, is in accordance with the *Northern Territory Local Government Act 2019* including:

- (i) giving a true and fair view of the Council's financial position as at 30 June 2025 and of its financial performance and its cashflows for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Northern Territory Local Government (General) Regulations 2021*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Other information

The Councillors and Chief Executive Officer are responsible for the other information. The other information comprises the information in Wagait Shire Council's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

### Advisory. Tax. Audit.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAGAIT SHIRE COUNCIL (CONT.)

### Responsibilities of the Councillors and Chief Executive Officer for the Financial Report

The Councillors and Chief Executive Officer of Wagait Shire Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Northern Territory Local Government Act 2019* and for such internal control as the Councillors and Chief Executive Officer determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors and Chief Executive Officer are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Councillors and Chief Executive Officer either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

The Councillors and Chief Executive Officer are responsible for overseeing the entity's financial reporting process.

### Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken based on this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.

### Advisory. Tax. Audit.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAGAIT SHIRE COUNCIL (CONT.)

### Auditor's responsibility for the audit of the financial report (Cont.)

- Conclude on the appropriateness of the Councillors and Chief Executive Officer use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Councillors and Chief Executive Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Nexia Edwards Marshall NT  
Chartered Accountants



Noel Clifford  
Partner

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Darwin, Northern Territory

Dated: 12 November 2025

### Advisory. Tax. Audit.

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