This accounting policy paper is based on IPSAS 17 Property, Plant and Equipment, IPSAS 16 Investment Property and IPSAS 5 Borrowing Costs as adopted by the Treasury of the Republic of Cyprus.

Property Plant and Equipment

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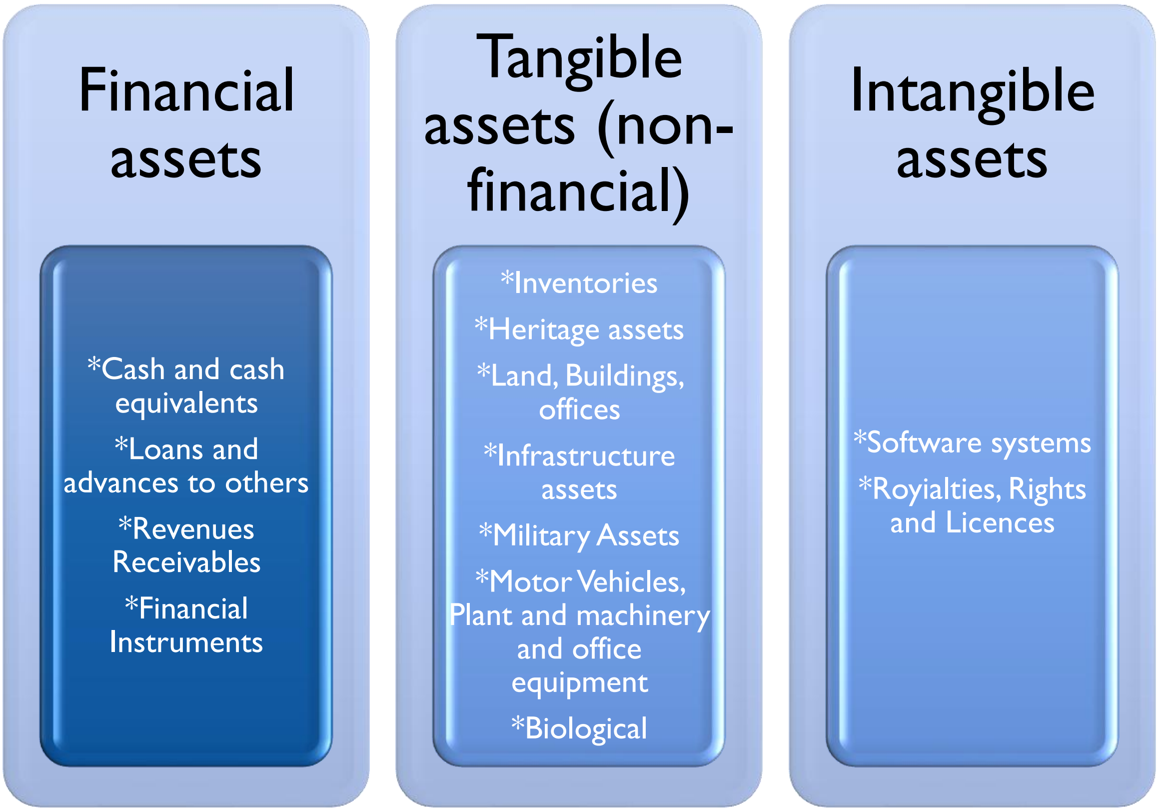
1. INTRODUCTION

1.1 Assets held by Government



1.2 Objectives

The objective of this accounting policy is to prescribe the accounting treatment for Property, Plant and Equipment so that the users of the financial statements of the Republic of Cyprus can discern information about the State's investments in property, plant and equipment, including any capitalised expenditure that follows the acquisition. The aim of this policy is to provide technical accounting guide for the preparation of financial statements, so as to enable the financial statements to give a true and fair view. The aforementioned policy is prepared following guidance from all relevant International Public Sector Accounting Standards (IPSAS).

1.3 Scope

This accounting policy applies to accounting for all Property, Plant and Equipment in the financial statements of the Republic of Cyprus and its consolidated entities, as these are defined in the relevant accounting policy.

1.4 Definition and Recognition criteria

For the purpose of this accounting policy assets are defined as[1]:

> *"Assets are resources presently controlled by an entity as a result of past events"*

According to the above definition a "resource" is an item with service potential or the ability to generate economic benefits.

An item should be recognised as an asset if the following recoginition criteria are met:

> *a) It is probable that future economic benefits or service potential are expected to flow to the entity, and*
>
> *b) The cost or fair value of the asset can be measured reliably*

Even if an item of Property, Plant and Equipment meets the definition and recognition criteria of an asset (as defined above), it may not be capitalised and reported in the financial statements, if its value does not exceed the threshold limits. Proposed capitalization thresholds for all categories of Property, Plant and Equipment are outlined in Appendix 1.

For pragmatic reasons, items of Property, Plant and Equipment below the threshold limit (low value assets) shall be expensed off in the period in which they are incurred.

[1] The definition given by the Conceptual Framework for general purpose financial reporting by Public Sector Entities was utilized.

1.5 Assets classification

The Republic of Cyprus classifies its capitalised Property, Plant and Equipment into the following categories, for reporting purposes. Examples for each category are indicated in Appendix 2.

1. Land
2. Buildings
3. Heritage Assets
4. Infrastructure Assets
5. Motor Vehicles and other
6. Plant and machinery
7. Military equipment and police equipment
8. Other Equipment
9. Assets Under Construction

Classifications :

In order to classify an asset as a Property, Plant and Equipment item:

- It should meet the definition of an asset and the recognition criteria mentioned in paragraph 1.4 above and
- It should be a non-monetary asset and
- It must have a physical substance and
- It is expected to be used by an entity for more than one financial year and
- Meets the minimum establishment cost threshold and
- It must be:
    - used either for administrative purposes, or it is used for the production or supplly of goods and services OR
    - of cultural, environmental, historical, natural, scientific, technological or artistic significance and it is held for the benefit of future and present generations.

1.6 Other Definitions Used

Borrowing costs: are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Carrying Value: is the net amount of an asset recognised in the financial statements, after a deduction of any accumulated depreciation and accumulated impairment losses.

Cash generating assets: are assets held to generate a commercial return.

Control: Control of the asset entails the ability of the entity to use the asset (or direct other parties on its use) so as to derive the benefit of the service potential or economic benefits embodied in the asset in the achievement of its service delivery or other objectives. In assessing whether it presently controls an asset, an entity assesses whether the following indicators of control exist:

- Legal ownership;
- Access to the asset, or the ability to restrict or deny the access to the asset;
- The means to ensure that the asset is used to achieve the entity's objectives; and
- The existence of enforceable rights to service potential or the ability to generate economic benefits arising from the asset.

Cost: is the amount of cash or cash equivalent and the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

Deemed cost: is an amount used as a surrogate for acquisition cost or depreciated cost at a given date.

Depreciable amount: is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation: is the systematic allocation of a depreciable amount of an asset over its useful life.

Fair Value: is the amount an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction.

Impairment loss: is the amount by which the carrying amount of an asset exceeds its recoverable amount (for cash generating assets) or its recoverable service amount (for non-cash generating assets).

Non-cash generating asset: are assets other than cash generating assets.

Non-exchange transaction: in a non-exchange transaction an entity either receives/gives value by/to another entity without directly receiving/giving approximately equal value in exchange.

Property, Plant and Equipment: are tangible assets, **controlled** by an entity, that are held for use in the production of goods or services, or for rental to others, or for administrative purposes. Moreover those assets are expected to be used and controlled by the entity for more than one reporting period.

Residual Value: the residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Recoverable amount: is the higher amount of its value in use and its cash-generating asset's fair value less any costs to sell the asset.

Recoverable service amount: is the higher amount of its value in use and its non-cash-generating asset's fair value less any costs to sell the asset.

Surplus or Deficit: for the purpose of this accounting policy surplus or deficit has the same meaning as expenses in Income Statement.

Useful life is:

a) The period over which an asset is expected to be available for use by an entity; or
b) The number of production or similar units expected to be obtained from the asset by an entity.

2. MEASUREMENT

2.1 Initial and subsequent cost

1. Componentisation of assets.

Componentisation is the separation of an asset into its significant component. Each part of an asset with cost that is significant in relation to the total cost of the item and has a different useful life, will need to be componentised separately, i.e. the building and the air condition system or elevators may need to be treated as separate depreciable assets (e.g. from the invoice or any other supporting documentation).Land and building should also be treated as separate assets since land has an unlimited useful life and therefore is not depreciated.

2. Subsequent cost

Once an item has been capitalised as an asset, there may be further costs on that asset at a later date (during its useful life). Subsequent cost should be capitalised only when the recognition criteria in paragraph 1.4 above are met. For instance, where the subsequent costs result in either an increase in productive capacity or to an additional ability of the asset to generate future economic benefits/services, or potential or subsequent costs result to an extension in the useful economic life of the asset.

All other subsequent costs, that do not meet the recognition criteria of an asset, should be recognised as an expense in the period that they are incurred.

3. Spare parts and servicing equipment

Spare parts and other servicing equipment are usually carried as inventory and recognized in surplus or deficit as consumed. However, major spare parts and stand-by equipment qualify as Property, Plant and Equipment when an entity expects to use them for more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of Property, Plant and Equipment and meet the definition of an asset, they are accounted for as Property, Plant and Equipment. The carrying amount of those parts of the item that are replaced are derecognised according to the provisions illustrated in section 6 “Derecognition”, below.

2.2 Measurement at recognition

An item that qualifies for recognition, as described in paragraph 1.4 above, shall be recognised at its cost of acquisition (purchase price); section 2.3 below illustrates all possible elements of initial costs.

In case where it is acquired through a non-exchange transaction it shall be recognised at its fair value as at the date of acquisition (accounting policy on revenue from non-exchange transaction is applicable regarding revenue recognition).

If an item of Property, Plant and Equipment is acquired on credit, then any difference between the cost of the asset (i.e. “cash price equivalent”) and the total payment is recognised on surplus or deficit as an interest, unless is otherwise stated by another accounting policy.

An entity evaluates under this recognition principle all its Property, Plant and Equipment costs at the time they are incurred, including all costs elements illustrated in section 2.3 below.

2.3 Elements of costs

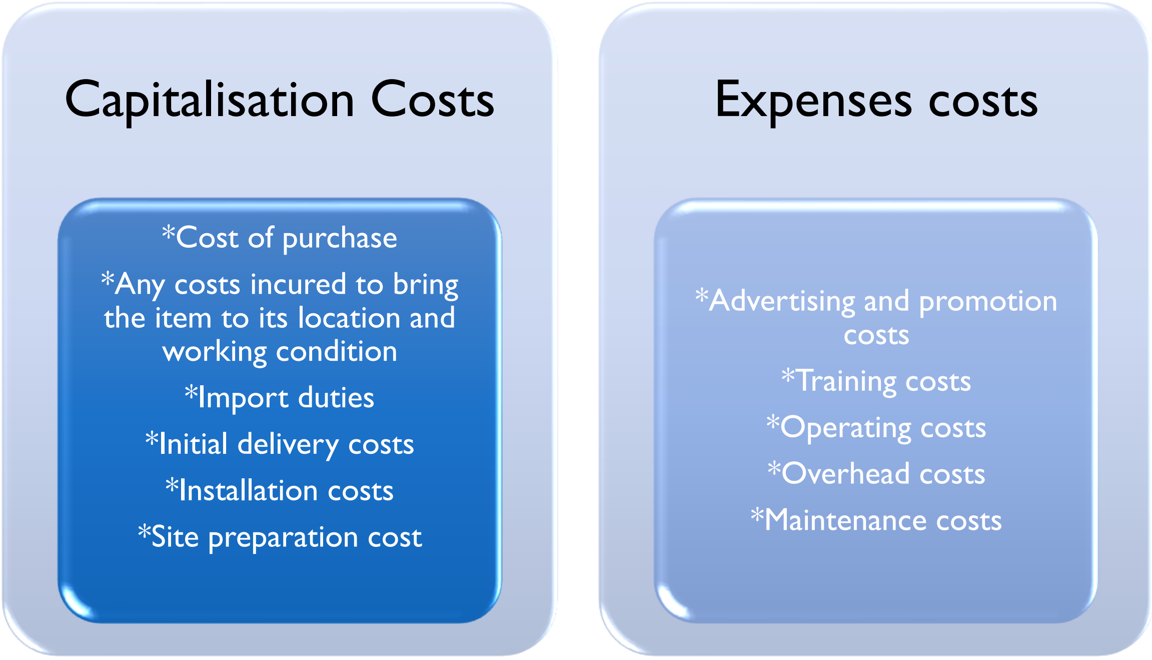
Costs associated with the initial acquisition, preparation, and placement of the asset for use should be capitalized. Costs of Property, Plant and Equipment comprise the following costs:

1. ***Costs Included:***

- **Purchase price**; including import duties and non-refundable purchase taxes, excluding trade discounts and rebates.
- Any **costs directly attributable** to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
    - Cost of employee benefits that arise directly from the construction or acquisition of the item (site labour and supervision and other benefits) (for infrastructure assets, self-created assets etc.);
    - Raw materials used for the construction of the item;
    - Depreciation of plant and equipment used for the construction of the item or any cost of hiring a plant and equipment (during period of construction);
    - Site preparation costs;
    - Initial delivery and handling costs;
    - Installation and assembly costs;
    - Professional fees and charges;
- The initial estimate of the **costs of dismantling and removing** the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

2. ***Costs Excluded:***

- Borrowing costs are expensed off when they are incurred.
- Cost of introducing the assets' product/service, i.e. promotion and advertising expenses.
- Training costs (i.e. regarding the use of the asset).
- Operating and overhead costs.
- Maintenance cost (unless it meets the recognition criteria).



Concluding, any costs incurred to bring the asset to its physical (or initial) condition **maintaining** its initial useful life and/or productive capacity and/or its ability to generate future economic benefits/services shall be treated as an expense cost.

2.4 Specific Assets

2.4.1 Assets Under Construction

An asset under construction or assemble is an asset an entity is currently constructing/assembling, which is not yet being used for its final intended purpose. During construction/assembling period it is classified under the Asset Under Construction category.

The cost of that item is determined using the same cost measurement principles, as indicated in section 2 "Measurement" above. Any internal surpluses of raw materials and other resources, or any costs of wasted materials acquired for the construction/assemble of the assets are not included in the cost of the asset (transfer to inventories or expensed off).

During the construction/assembling period no depreciation will be charged for those items.

When an item is constructed/assembled and ready for use then it will need to be reclassified and transferred to its appropriate category of Property, Plant and Equipment (as indicated in Section 1.5, above) and commence depreciation (following the rules in Section 3 below). For the purpose of this accounting policy any asset which is significantly completed and/or is ready for use, shall be reclassified and transferred from Asset Under Construction category to Property Plant and Equipment category.

- ***Build on a government land and transfer (control) to third party***

There might be cases where a Public Sector entity carries out development projects on a government land, with the intention to transfer the ownership and the control of the assets developed to a third party. During the construction period, the amount spent for those assets under construction shall be capitalised, as per the provisions of paragraph 2.4.1 above. When such assets are completed and transferred to third party, their total amount shall be expensed off to current year surplus or deficit.

In situations where there is a third party contribution regarding the construction of the asset then the contribution is treated as a liability. When such assets are completed and transferred to third party, their total amount (as recorded in the Asset Under Construction category) shall be expensed off to current year surplus or deficit after deducting the liability.

- ***Build for the benefit of others on third party land***

Development projects that are carried out by an entity of the Republic of Cyprus, for the benefit of others (i.e. the Ministry of Interior, the District Authorities etc), the amount spent for those assets shall be expensed to current year surplus or deficit and be treated as a grant.

- ***Build and transfer to another ministry/department***

Development assets that are carried out by an entity of the Republic of Cyprus, who legally owns the assets, but the assets are transferred and / or controlled by another entity within the government, an appropriate adjusting entry for the transfer is necessary at the cost of acquisition/construction or at the carrying amount, if control is acquired at a later stage of the asset's life.

- ***Build on a Turkish-Cypriot land***

Development projects that are carried out by an entity of the Republic of Cyprus on land legally owned by citizens belonging to the Turkish Cypriot community the amount spent for those assets under construction shall be capitalised, only if the criteria of

Section 2.4.7 are met. In any other case, the total amount spent shall be expensed to current year surplus or deficit.

2.4.2 Service Concession arrangements: Grantor

A service concession arrangement is a binding arrangement between a grantor (the public sector) and an operator (private sector) in which:

> *a) The operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and*
> *b) The operator is compensated for its services over the period of the service concession arrangement.*

The grantor (Public Sector Entity) shall recognise an asset provided by the operator and an upgrade to an existing asset of the grantor as a service concession asset if:

a) The grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price
b) The grantor controls – through ownership, beneficial entitlement, or otherwise- any significant residual interest in the asset at the end of the term of the arrangement

Such arrangements must contractually oblige the operator (coming from the private sector) to provide the services to the public on behalf of the grantor (the Republic of Cyprus), by using, if necessary, the relevant infrastructure. Examples of infrastructure asset for public services in Cyprus are the Larnaca International airport, the Paphos International airport and the Desalinations Plants.

Accounting policy on Service Concession arrangements is therefore applicable.

Any other arrangements that do not involve the transfer or creation of an infrastructure asset (i.e. airport, hospital, prison, school etc) and do not fulfil the recognition criteria are not covered by this policy on Service Concession arrangements as a Public-Private-Partnership.

2.4.3 Leased Assets

Assets under lease agreements are recognised and classified following the rules of Accounting Policy on "Leases".

2.4.4 Investment property

Land or buildings, or part of a building or both, which is held to earn rental income or capital appreciation or both is considered to an investment property and is therefore classified under this category.

Classification of an asset as an Investment Property:

In order to classify an asset as an Investment Property it must:

- Meet the definition of an asset (as defined in section 1.4) and
- Be a non-monetary asset and
- Have a physical substance (be a tangible asset) and
- Be held for capital appreciation or rental to others
- Not be occupied by the owner of the building, meaning:
    - It should not be used in the production or supply of goods or services or for administrative purposes; or
    - It should not be held for Sale in the ordinary course of the busines; or
    - The asset is held to deliver a **social service** that also generates cash inflows (i.e. rent to vulnerable individuals and groups).

Initial recognition and measurement

An investment property shall be initially recognised at cost when the recognition criteria defined in section 1.4 above are met.

Where an investment property is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Subsequent Measurement

The cost model for measuring Investment Property shall be followed, in accordance with the requirements of this accounting policy, as indicated in section 2.5 below.

The Fair Value of those assets should be disclosed in the notes of the financial statements.

Depreciation

Depreciation method to be followed shall be the same as for all other items of Property, Plant and Equipment, defined in section 3 below. Depreciation method to be followed on Freehold and Leasehold land, is described in accounting policy for “Leases”.

2.4.5 Assets held for sale

An entity should classify an asset as non-current assets held for sale when the assets' carrying amount will be recovered principally through a sale transaction rather than through continuing use.

In order to classify an asset under this category it should meet the following conditions[2]:

[2] In order to set the required conditions for the classification of an asset as “Assets held for sale” the IFRS 5 was utilized.

a) Asset must be available for immediate sale in its present condition, and
b) The sale must be highly probable

Those assets are measured at the lower of the currying amount and fair value, less any cost to sell the asset.

Assets held for sale are not subject to depreciation.

2.4.6 Heritage Assets

Heritage assets are assets because of their cultural, environmental, or historical significance. Examples of heritage assets include historical buildings and monuments, archaeological sites, conservation areas and nature reserves, works of art etc.

No measurement of these assets shall be applied.

In situations where heritage assets have service potential other than their heritage value, for example, a historic building being used for office accommodation, then, they are recognized and measured on the same basis as other items of property, plant and equipment. On top of the disclosure requirements mentioned in Section 7, a disclosure regarding the status of the asset shall be made (i.e. it is a heritage asset recorded by the Department of Antiquities).

2.4.7 Ownership of Government Asset on Third Party Land

Government assets sitting on a third party land can be accounted for as Property, Plant and Equipment if control over the assets can be demonstrated under the following circumstances:

- Formal agreement / lease arrangement with the land owner that gives to the Republic of Cyprus the right to control / use the land for a specific period of time.
- Control empowered by a legal stature that gives the government the right to control / use the land.

Assets sitting on a third party land which are accounted for as PPE should be disclosed in the notes to the financial statements.

Examples where this policy may apply, include the assets that sit on Turkish Cypriot individuals' land, land under requisition and any other land that is not legally owned by the Republic of Cyprus.

2.4.8 Assets obtained through non-exchange transaction

When an asset is acquired through a non-exchange transaction, it shall be measured at its fair value as at the date of acquisition.

Assets contributed to the government at no or at nominal consideration, are measured at their fair value. Such items may include the developers' contribution to the development of roads, paths or public parks etc.

Assets acquired through non-exchange transaction are depreciated and are subject to impairment review on the same basis as for all other assets, in accordance to the provisions of this accounting policy.

Revenue gained as a result of the donated assets is recognized following the accounting policy regarding "Revenues from non-exchange transactions".

2.4.9 Military Assets

Military equipment will normally meet the definition of Property, Plant and Equipment and should be recognized as an asset in accordance with the provisions of this accounting policy.

2.4.10 Transfer of Assets to third parties under conditions

When an asset is transferred to a third party under conditions, it remains at the PPE category until the asset is controlled by the third party; a disclosure in the notes of the Financial Statements should be made regarding the conditions. The Asset is derecognized from the PPE category when the asset is no longer controlled by the public sector entity. .

Accounting policies regarding Grants and/or contingent assets are therefore applicable.

2.5 Measurement after recognition

The cost model for all classes of Property, Plant and Equipment shall be applied.

After initial recognition and classification of an asset as a Property, Plant and Equipment item, it must be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Cost Model
Cost – Accumulated depreciation – Accumulated Impairment losses

3. DEPRECIATION

Depreciation is a systematic allocation of a depreciable amount of an asset over its useful life of usage.

Each part of an item of Property, Plant and Equipment with a significant cost regarding to the total cost of the item and has a useful life that differs from that of the principal asset, shall be depreciated separately (see paragraph 2.1, 1.Componentisation of assets, above).

Items of Property, Plant and Equipment that have the same useful life and depreciation method with other parts of the asset, may be grouped in determining the depreciation charge.

A full year depreciation is charged at the year of acquisition (at any time within the year) whereas no depreciation is charged during the year of disposal.

The depreciation charge for each accounting period shall be recognised in surplus or deficit, unless it is included in the carrying amount of another asset (i.e. accounting treatment for Assets Under Construction, recognises the depreciation charge of equipment and machinery used for the production of the item, into its cost).

<u>Depreciation Amount and Depreciation Period</u>

An item of Property, Plant and Equipment shall be depreciated on a systematic basis over its useful life.

The depreciable amount of an asset is determined after deducting its residual value.

"Depreciable amount = Cost – Residual Value"

The useful life and the residual value of an asset shall be reviewed annually. In cases where current expectations (over its useful life and residual value) differ from previous estimates, then the entity shall proceed to the appropriate change(s). Any change(s) shall be accounted for as an accounting estimation change(s), according to the provisions of the relevant accounting policy.

Depreciation Method

Depreciation on assets is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life.

$$\text{“Depreciation} = \frac{(\text{Cost} - \text{Residual Value})}{\text{Asset's useful life”}}$$

P,P & E	Useful life	Depreciation rate
Land	---	0%
Buildings	33 years	3%
Infrastructure Assets	25 to100 years	1%-4 %
Assets Under Construction	---	0%
Motor Vehicles	5 to15 years	6%-20%
Plant and machinery	10 to 20 years	5%-10%
Military and Police Equipment	Up to 35 years	At least 3%
Other Assets:		
Office Furniture & Fittings	10 years	10%
Computer Hardware	5 years	20%

4. REVALUATION

Where the current accounting policy of an item is changed, an item of Property, Plant and Equipment whose fair value can be measured reliably, shall be carried at a revalued amount being its fair value. The entire class of the assets should be revised as well. Revaluations shall then be made with sufficient regularity, within a period of maximum three to five years.

The fair value of an asset is usually determined from market based evidence by appraisal, undertaken by a member of the valuation profession, holding a relevant and recognised professional qualification. In cases where no fair value and market value are available, due to the absence of market transaction for those items, then the fair value of such items may be established by reference to other items with similar characteristics, in similar circumstances and on the same location.

For specialised assets where fair value or market value cannot be easily obtained, then a depreciated replacement cost approach is applicable.[3]

[3] This mainly relates to infrastructure assets.

The provisions of section 4 of this accounting policy, will remain inactive, until further notification.

5. IMPAIRMENT

Where an asset's recoverable service amount or recoverable amount is less than its carrying amount, it is reported at its recoverable service amount or recoverable amount and an impairment loss is recognised.

Any compensation received for impaired assets are recognised on Income Statement when the compensation amount is receivable, unless otherwise stated by another accounting policy (such as revenue recognition) or, the compensation is subject to conditions.

For impairment of cash generating and non-cash generating assets, accounting policy for impairment of assets is applicable.

6. DE-RECOGNITION

An item of any class/category of Property, Plant and Equipment shall be derecognized from financial statements:

A. On disposal (either by sale, donating, entering into a finance lease or any other reasons).
B. When the recognition criterion for future economic benefits or service potential is no longer met.

Gain/Loss

Gain or Loss arises when an item of Property, Plant and Equipment is derecognized, and it shall be included on Income Statement when it is occurred. Gains on derecognition are classified as proceeds from sale of an asset.

The gain or loss arising from derecognition of an asset shall be determined as the difference of the net disposal proceeds, *if any,* and the carrying amount of the asset.

"Gain / Loss = Net Disposal Proceeds – Carrying amount"

"Carrying amount = Cost / Fair Value – Accumulated depreciation – Accumulated Impairment Loss"

In order to determine the date of disposal so as to recognize the disposal amount on revenues, the rules on accounting policy for "Revenue from exchange transaction" or the accounting policy on "Leases" are applicable.

Partial Derecognition

In cases where an entity recognizes in the carrying amount of an item of Property, Plant and Equipment the cost of the replacement part of the item, as indicated in paragraph 2.1, “3. Spare parts and servicing equipment”, above, then it shall derecognize the carrying amount of the replaced part of the item. If it is not possible to determine the carrying amount of that particular part of the item, then it may use the cost of the replacement as an indication of what the cost of the replaced part was at the date of acquisition or construction.

Consideration given

Any consideration received on disposal of an asset is recognized initially at its fair value. When payment is deferred then the consideration is recognized at the cash price equivalent. Any difference between the nominal value and the cash price equivalent of the consideration received is recognized as an interest receivable. Accounting policy on “Reporting and Presentation” regarding the effective yield rate, is applicable.

7. DISCLOSURES

The financial statements shall disclose for each category of Property, Plant and Equipment the following information:

- The measurement based used in determining the carrying amount of the items of Property, Plant and Equipment (i.e. historic cost or fair value, OR deemed cost when first time adoption of accrual accounting),
- The Depreciation method used (i.e. straight line depreciation),
- The useful life of the assets or the depreciation rate used to calculate the depreciation of the year,
- The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period,
- A reconciliation of the carrying amount at the beginning and end of the period including movement of the year. A Reconciliation Table Template is presented in Appendix 3.
- Key contractual information on items of Property, Plant and Equipment (i.e. restrictions on title, any conditions imposed on items etc.)
- The fair value of the Investment Property assets. .

8. TRANSITIONAL PROVISIONS

At first time adoption of accruals accounting, Property, Plant and Equipment (PPE) items may be measured at their fair value (as a deemed cost of PPE) when reliable historic cost information is not available.

Any subsequent depreciation is based on the fair value determined at that date and starts from the date that the deemed cost has been determined.

Where deemed cost is used, neither revaluation nor the application of the fair value model for subsequent measurement in accordance with other Accounting Policies is considered.

Fair Value as deemed cost will be used for the initial recognition and measurement of both the road network and water network. Depreciated replacement cost will be used as a proxy to approximate fair value, by calculating the length of the kilometres they cover multiplied by a predefined rate. The rate will consider both the replacement cost and the actual state of consumption of the assets at the time the assets is recognised. There might be two or more sub-categories for each of the road network and the water network, depending on the different parameters of each one of them. The land associated will be measured separately.

"Road/Water Network valuation = Network in Kilometers X Rate per Kilometer"

Relevant disclosures shall be made, according to Section 7 "Disclosures", above.

9. EFFECTIVE DATE

This rule shall be effective for annual financial statements covering periods beginning on or after 1 January 2023.

10. REFERENCES

This accounting policy is based on the following IPSAS standards:

IPSAS 17 Property Plant and Equipment

IPSAS 16 Investment Property

IPSAS 5 Borrowing costs

11. APPENDICES

Appendix 1: Capitalization Thresholds

Land	≥	0
Buildings	≥	0
Roads	≥	0
Infrastructure projects	≥	0
Machinery	≥	0
Equipment	≥	0
Office furniture	≥	0
Medical equpment	≥	0
Equipment tools	≥	0
Motor Vehicles	≥	0
Motor cycles	≥	0
Aircrafts / sea crafts	≥	0
Office equipment (computers, fax, printers, laptops, copy machines etc)	≥	0

Appendix 2: Examples of PPE by Category

1. **Land**

1.1 Biological Assets

1.2 Government land

1.3 Turkish Cypriot Land

1.4 Forest and other forest land

1.5 Plots, arable, plantations and other land

2. **Buildings**

2.1 Government Buildings

2.2 Houses

2.3 Turkish Cypriot Buildings

2.4 Buildings acquired under a lease agreement

3. **Heritage assets**

3.1 Land (with or without archeological assets/findings)

3.2 Historical building

3.3 Works of Art

3.4 Other heritage assets

4. **Infrastructure assets**

4.1 Road network

4.2 Water network

4.3 Other Water infrastructure projects (dams, water tanks, aqueducts e.t.c.)

4.4 Infrastructure projects (breakwaters, marine, ports e.t.c.)

4.5 Other infrastructure projects (parks and squares, forest recreation areas e.t.c.)

5. **Assets Under Construction**

5.1 Government building and houses under construction

5.2 Infrastructure assets under construction

5.3 Other

6. Transport equipment

6.1 Motor Vehicles

6.2 Volatiles and marine instruments

6.3 Other motor vehicles

7. Plant and machinery

7.1 Medical equipment and machinery

7.2 Other Plant and Machinery

8. Military Equipment and police equipment

8.1 Military Equipment

8.1.1 Motor Vehicles

8.1.2 Floats, volatile and marine instruments

8.1.3 Missile systems

8.1.4 Other military equipment

8.2 Police equipment

8.2.1 Motor Vehicles and volatile instruments

8.2.2 Other police equipment

9. Other Equipment

9.1 Electrical and Mechanical equipment

9.2 Furniture and Fittings

9.3 Other equipment

Appendix 3: Property, Plant and Equipment Reconciliation

	Land	Building	Heritage Assets	Infrastructure Assets	Motor Vehicles and other	Plant and Machinery	Military and Police Equipment	Other Equipment	Assets Under Construction	Total
Cost of Assets										
1 January 2020										
Additions										
Disposals										
Transfers /adjustments*										
31 December 2020										
Depreciation and Impairment										
1 January 2020										
Depreciation										
Impairment										
Disposals										
Reversals										
Transfers /adjustments*										
31 December 2021										
Net Book Values										
At 01 January 2020										
At 31 December 2020										

*The Transfers and Adjustments column relates to reclassification of different classes and categories of assets.