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WELSH STATUTORY INSTRUMENTS

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**2022 No. 1254**

**The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022**

**Infrastructure assets**

2. In the 2003 Regulations, after regulation 24K insert—

**“Infrastructure assets**

**24L.—**(1) In this regulation—

“carrying amount” means the amount at which an asset is recognised after deducting any accumulated depreciation and impairment losses;

“derecognised” means that all or part of an asset or liability is removed from an authority’s balance sheet;

“infrastructure asset” means an asset owned by a local authority, which there is no prospect of the authority selling or using for any purpose other than that for which it was created, and which forms part of the infrastructure of the authority’s area, such as—

- (a) a highway,
- (b) a footpath,
- (c) a bridge,
- (d) a permanent way,
- (e) a coastal defence, or
- (f) a water supply and drainage system;

“prior period adjustment” means a correction of a material accounting error within a local authority’s statement of accounts for a previous financial year.

(2) Paragraph (3) applies in relation to the accounts of a local authority—

- (a) where the local authority is required to prepare a statement of accounts in accordance with regulation 8 of the Accounts and Audit (Wales) Regulations 2014(1), and
- (b) the local authority has replaced a component of an infrastructure asset.

(3) Where this paragraph applies the local authority, for the purposes of determining the carrying amount to be derecognised in respect of the component that has been replaced (“the relevant amount”), must—

- (a) determine the relevant amount as nil, or
- (b) calculate the relevant amount in accordance with the accounting practices identified in regulation 25.

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(1) *S.I. 2014/3362 (W. 337)*, amended by *S.I. 2018/91 (W. 22)*; there are other amending instruments but none is relevant to these Regulations.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(4) If a local authority determines the relevant amount in accordance with paragraph (3) (a) it must include a note to that effect in its statement of accounts for the year in relation to which that determination is made.

(5) When preparing a statement of accounts to which this regulation applies, a local authority is not required to make any prior period adjustment to the balances of that statement of accounts in respect of infrastructure assets.

(6) This regulation applies in relation to accounts prepared for financial years falling within the periods beginning with 1 April 2021 and ending with 31 March 2025.”