

POLICY

FIXED ASSETS

Part of Finance Policy

RATIONALE

Schools are required to comply with FRS-3 for their annual Financial Statements.

PURPOSE

To ensure the value of fixed assets recorded in the Statement of Financial Position is materially correct and that the annual depreciation charge recorded by the school fairly represents the use of the assets over their lives.

GUIDELINES

1. For items of property, plant and equipment with an individual value in excess of \$1,000 are capitalized on purchase.
2. Items purchased in quantity with an individual value of less than \$1,000 will be capitalized where the total value of the purchase exceeds \$1,000.
Textbooks and minor teaching equipment even when purchased in quantity are not capitalized on purchase.
3. The following items will be capitalized regardless of amount:
 - School Furniture
4. Other items with an individual value below \$1,000 are expensed.
5. The land and buildings are owned by the Crown and are occupied on the basis of a property occupancy agreement.
6. Fixed assets are valued at historical costs and are not revalued. The initial cost of a fixed asset includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended use. Bequeathed or gifted assets will be recorded at their fair value. Subsequent expenditure that increases or extends an assets service potential is capitalized.
7. Review:
 - The school undertakes a review of the useful life and method of depreciation for each category of fixed assets each year, to ensure they are appropriate.
 - The school performs a physical stock take of fixed assets at regular intervals to verify the physical existence and ensure that the trust cost of fixed assets is reflected in the school's financial statements.

8. Depreciation

Fixed assets are depreciated on a systematic basis. Fixed assets, except for the library, are depreciated so as to charge their cost or value over the estimated useful life on a straight-line basis.

Estimated useful lives are:

Buildings	10-40 years
A/V Equipment	5-6 years
Furniture & Fittings	6-7 years
Office Equipment	6-10 years
Electronic & Resource Equipment	5-7 years
Computer Equipment	4-10 years
Plant & Machinery	5-6 years
Library is depreciated on a diminishing value basis at 12.5% pa	

Formulated: November 2002 (B Duckworth & L Wilson)

Adopted: 19 November 2002

Reviewed: February 2014

Next Review: February 2016