

## **APPENDIX ELEVEN: FIXED ASSETS POLICY**

The Objective of this policy is to ensure the value of fixed assets recorded in the School's Annual Financial Statements is materially correct and that the annual depreciation charge recorded by the school fairly represents the use of the assets over their lives.

### **DEFINITION**

Fixed assets are property, plant and equipment used by the school for more than 12 months, over which the school has control.

### **COST (Valuation)**

Land and buildings that are owned by the Crown are occupied on the basis of a property occupancy agreement.

Fixed assets that were transferred to the Board of Trustees on 1 October 1989 are recorded at valuation as at that date and have since been depreciated.

All other fixed assets are initially recorded at cost or, in the case of donated assets, initially recorded at their fair value at the date of receipt.

Fixed assets are valued at historical cost and are not re-valued. Subsequent expenditure that increases or extends an asset's potential is capitalised.

Where assets have been re-valued in past periods the asset has been recorded at the last valuation. The school has now ceased to revalue assets with additions since that date recorded at cost.

### **RECOGNITION**

Items of property, plant and equipment with an individual value in excess of \$400 are capitalized on purchase.

Other items with an individual value below \$400 are expensed with the exception of furniture and fittings that are purchased in quantity where the total value exceeds \$400, such as classroom sets of desks and chairs. This is to reflect their significant total value as a percentage of the total assets held by the school.

Textbooks even when purchased in quantity, are recorded as a learning resource expense and not capitalised on purchase. This reflects the high usage and frequent curriculum changes that make textbooks obsolete.

Minor sports and teaching equipment even when purchased in quantity, are recorded as a learning resource expense and not capitalised on purchase. This reflects the need for regular replacement of these items and their overall low total value when compared to the total fixed asset holding.

Reviewed 16<sup>th</sup> June 2009    Next review: 2012    Signed \_\_\_\_\_ Chairperson