

## APPENDIX TWELVE: DEPRECIATION

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

Estimated useful lives are:

Classroom Furniture	10 years
Office Furniture	10 years
Office Equipment	5 years
Other Equipment	5 years
Computers	4 years
Plant & Machinery	5 years
Buildings	40 years
Playground equipment/grounds improvements	10 years

Library books are depreciated on a diminishing value basis at 12.5% per annum.

Leased equipment is depreciated over the lease term. (When classified as a finance lease under S SAP- 1 8)

### GAIN/LOSS ON DISPOSAL

Where a fixed asset is disposed of, the gain or loss recognized in the Statement of Financial Performance is calculated as the difference between the sales price and the carrying amount of the fixed asset.

When a fixed asset is written off because it is now obsolete or beyond repair the gain or loss recognized in the Statement of Financial performance is the carrying amount of the fixed asset.

### REVIEW

The school undertakes a review of the useful life and method of depreciation for each category of fixed assets to ensure they are appropriate each year.

The school performs a physical stock-take of fixed assets at regular intervals to verify the physical existence and ensure that the true cost of fixed assets is reflected in the school's financial statements.

DRAFTED: January 2003.

Reviewed 16 June 2009. Next review 2012

Signed \_\_\_\_\_ (Chairperson)