

FIXED ASSET DEPRECIATION POLICY

Notre École defines 'Fixed Assets as 'assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably'.

The purpose of this Fixed Asset Policy is to ensure that the balance sheet correctly reflects the assets and liabilities of Notre École.

The policy defines the treatment of the Fixed Assets.

A Fixed Assets Register is maintained and reconciled to the financial statements of the school.

1. Fixed Asset Record

- The Fixed Asset consists of a list of items (or specific groups of items purchased within the accounting period) valued over \$2,000 that are considered to have a life longer than the financial year they were purchased in.
- The Fixed Assets are recorded at historical cost (purchased price). Donated assets are recorded at estimated fair value at the date of donation. Direct costs related to the acquisition of the Fixed Asset will be capitalized.
- Capitalised assets are not necessarily bought on one order; so long as a group of items is purchased within the same accounting period they will be capitalised.
- Fixed Assets are categorised as follows:
 - Land and Buildings
 - Equipment
 - Furniture and Fittings
 - Computer Equipment
 - Assets under construction
- The appropriate accounting transactions are processed for all capitalised assets and recorded as Fixed Asset. Transactions will be recorded within the Fixed Asset account in addition to the transaction Balance Sheet.
- All items that have been included as Fixed Asset are security marked, where practicable, as the property of Notre École and have an asset number allocated.
- Physical counts are undertaken against the Fixed Asset Register annually for Furniture and Equipment and termly for IT equipment.
- Discrepancies between the physical count and accounting records should be promptly investigated by the School Co-coordinators.

- All disposals of assets are recorded in Fixed Assets account and the appropriate transactions recorded through the financial statements.
- All paperwork for the purchase of Assets, including invoices, should be kept electronically and/or physically for a period of seven (7) years.
- Any equipment that falls below the capitalisation limit of \$2,000 should be expenses.

2. Depreciation

- Non-current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.
- The depreciation will be calculated on an annual basis for preparation of the year end accounts.
- Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Finance Committee will discuss these items on an individual basis.

| ASSET GROUP | DEPRECIATION METHOD |
|------------------------------------|---|
| Buildings & Building Modifications | 2% over 50 years (Straight line zero residual) |
| Plant and Machinery | 10% over 10 years (Straight line zero residual) |
| Vehicle | 15% over 6 years (diminishing balance) |
| Furniture and Equipment | 10% over 10 years (Straight line zero residual) |
| Computer Equipment/Software | 33% over 3 years (Straight line zero residual) |

The expected useful life of all assets will be assessed prior to depreciation calculations and recorded as Fixed Assets.