



7 Depreciation of Assets – Policy

As a Not for Profit Incorporated organisation the SpringDale Neighbourhood Centre has an income Tax exemption and as such all our assets are bought and immediately applied to the Profit Loss for the year. Most of our assets are purchased with grants which needed to be expensed in the year in which the grant was received and the item purchased.

SpringDale has been depreciating it's assets on the Balance Sheet since 2007 applying accounting depreciation standards best practice.

When assets over \$1,000 for any individual item are purchased they are placed into the asset register and depreciated annually using the standard Accounting Depreciation rates.

Each year in June, the depreciation table is adjusted to take into account each item's progress through the depreciation cycle and allows an annual figure to be calculated with 1/12th of this to be used as the monthly depreciation estimate (adjusting for purchases and sales) for the coming financial year.

The monthly depreciation figure is used in the annual budget and adhered to during the year. This figure is included in the Profit and Loss for each month to ensure that at the end of the Financial Year there are no material surprises when the actual appropriate depreciation for the entire financial year is calculated included.