

The purpose of the policy is:

- To provide guidance when dealing with capital expenditure and the purchase and disposal of fixed assets;
- To provide guidance on other aspects of fixed asset accounting such as depreciation and revaluations; and
- To provide guidance on maintaining the “asset register”.

AASB 116 Property, Plant and Equipment prescribes the accounting treatment for property, plant and equipment so that users of the financial statements can discern information about our investment in and any changes to property, plant and equipment.

### Categories of assets

The list describes the types of assets most commonly used by Triathlon WA.

Type	Examples
<b>Fixtures and fittings</b>	Items such as office fit-out costs and other fixtures and fittings included in the office.
<b>Plant and equipment</b>	Items such as free-standing furniture, signage, triathlon equipment and other tangible items of property.
<b>Intangible assets</b>	Items such as software and other non-tangible assets.
<b>Computers and Electronic equipment</b>	Computers and all electronic equipment

### Additions

Board approval and completion of the Capex Request and Justification form is required for all asset purchases (both tangible and intangible) with a purchase price over **\$1000**. All assets are to be placed in the asset register and recognised in the balance sheet. The cost of assets will include any other costs directly attributable to bringing the asset to the condition where TWA can use it (e.g. installation and set-up costs).

### Disposals

When an asset is sold or otherwise disposed (including scrapped, gifted or destroyed), a profit and loss may arise. This is the difference between the total sales proceeds, less the cost of disposing the asset, and the net carrying amount of the asset (i.e. cost minus accumulated depreciation).

The profit or loss on disposal should be recognised in the statement of financial performance and the asset should no longer be recognised in the balance sheet.

### **Depreciation**

Depreciation is charged against assets over the expected useful life of the asset to reflect the usage of the asset over time. TWA uses the straight line method of depreciation where the asset costs is written down in equal annual amounts over its expected useful life which is guided by the current ATO recommendations. The same policy will apply to assets acquired both in the ordinary course of business and assets acquired via government grants.

### **Maintenance of an “asset register”**

An asset register will be maintained on an ongoing basis for all assets currently on hand. The purpose of the asset register is to maintain records of all asset acquisitions, disposals, depreciation and revaluations of all assets on hand for both accounting and insurance purposes. Assets with a net carrying value of nil will be maintained on the asset register until they are sold or otherwise disposed of. Board approval will be required for all asset acquisitions and disposals via consensus at monthly board meetings.

The asset register and carrying amount of property, plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset’s employment and subsequent disposal.

### **Board policy**

Asset planning, budgeting, performance evaluation, operations and maintenance, accountability and disposal will be given due consideration on an annual basis during the budget review process.

### **Version Control**

Version	Date	Revised by	Comments
1.0	2002		Policy Approved
2.0	2007		Amendments
3.0	July 2014	H. Lethlean	Remove computers from plant and equipment in table Amend asset listing for depreciation from \$500 to \$750
3.1	June 2016	P. Minchin	Reviewed – no updates made.
4	June 2021	A.Apps	Amend Board approval from \$750 to \$1000. Include Accounting standards