

MUSIC BROADCASTING SOCIETY OF SA INC
BOARD POLICY
CAPITALISATION AND DEPRECIATION OF FIXED ASSETS

- 1 In this policy the cost of an item (a fixed asset) includes any costs (eg advertising, transport, installation) necessarily incurred in bringing the asset to readiness for operational use. It may include a number of separate purchases of individual components comprising the asset.

Capitalisation of Assets

- 2 An item will only be capitalised as a fixed asset where its cost, as determined in accordance with paragraph 1, is equal to or exceeds \$500 – the capitalisation threshold.
- 3 Items that do not reach the capitalisation threshold will be expensed against the appropriate expenditure line in the year of purchase.

Depreciation of fixed assets

- 4 On acquisition a fixed asset will be allocated to one of the categories of fixed assets set out in the table below. The balance, net of depreciation, of each asset category will be depreciated by the percentage indicated in the table. Where a new asset is acquired during the year, the amount of depreciation for the year of acquisition will be determined by applying the relevant percentage and charging an amount pro rata to the number of days in that year that the asset was held.

Asset category	Depreciation rate (%)
Computing equipment	40
Furniture and fittings	20
Kitchen equipment (not including furniture and fittings)	50
Other office equipment (not including furniture and fittings)	30
Other studio equipment (not including furniture and fittings)	30
Transmission equipment	30
Recording equipment	30
Leasehold improvements	20