



## WENSLEY FOLD CE PRIMARY ACADEMY

### **FIXED ASSETS & DEPRECIATION POLICY**

#### **MISSION STATEMENT**

*The school values and recognises the uniqueness of each individual child and acknowledge their fundamental right to be educated to their full potential in a safe, secure and caring environment. The school, which has a Christian heritage, will, in partnership with parents and the extended community, aim to make each day count for all.*

#### **Asset Register**

Tangible fixed assets acquired since the Academy was established with a value over the Academy's capitalisation limit must be entered in an asset register. For the the capitalisation limit has been set at £2000 per item. The asset register includes the following information:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding (% of original cost funded from DfE grant and % funded from other sources)
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

The Asset Register will:

- ensure that staff take responsibility for the safe custody of assets;
- enable independent checks on the safe custody of assets, as a deterrent against theft or
- misuse;
- manage the effective utilisation of assets and to plan for their replacement;
- help the external auditors to draw conclusions on the annual accounts and the Academy's financial system and;
- support insurance claims in the event of fire, theft, vandalism or other disasters.

#### **Security of Assets**

Stores and equipment must be secured by means of physical and other security devices. Only authorised staff may access the stores.

All the items in the register should be permanently and visibly marked as the Academy's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and, where significant, reported to the Governing Body. Inventories of Academy property should be kept up to date and reviewed regularly. Where items are used by the academy but do not belong to it this should be noted.

### **Disposals**

Items which are to be disposed of by sale or destruction must be authorised for disposal by the Headteacher and, where the residual value of the asset is greater than £2000, should be reported to the Governing Body. Assets inherited on establishment of the Academy are assumed to be fully depreciated and are not included in the accounts. The Academy must seek the approval of the DfE in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the Academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy would need to ensure licences for software programmes have been legally transferred to a new owner. The Academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other Academy assets. If the sale proceeds are not reinvested then the Academy must repay to the DfE a proportion of the sale proceeds.

All disposals of land must be agreed in advance with the Secretary of State.

### **Loan of Assets**

Items of Academy property must not be removed from Academy premises without the authority of the Headteacher. A record of the loan must be recorded and booked back in to the Academy when it is returned.

If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Academy's auditors

### **Depreciation**

All individual items costing more than £2000 and with an expected useful life exceeding one year are capitalised.

Depreciation is charged on a straight line basis beginning in the year in which the

asset is brought into use, at the following annual rates:

- ◆ Furniture and equipment 25% p.a.
- ◆ Computer equipment and software 33% p.a.
- ◆ Land and buildings no depreciation
- ◆ Building refurbishments 10%
- ◆ Motor vehicles 25% p.a.

Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (on the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Grants provided to acquire fixed assets may be paid either to the Academy or directly to meet the cost of the fixed asset. Where costs have been paid directly and are part of the capital project, they have been recognised as restricted fixed asset funding.

**Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

*Approved by the Governing Body November 2018*

*Signed.....*  
*.....Chair of Governors*