

**Saint Robert Lawrence Catholic Academy Trust**  
**Tangible Fixed Assets and Depreciation Policy**

**1 Capitalisation of Expenditure**

- 1.1 Tangible fixed assets acquired are included in the financial statements at cost.
- 1.2 Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful lives. The related grants are credited to the restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet) and the depreciation on the appropriate assets is charged to this fund such that the remaining carrying value of the grants at each year-end is represented by the net book value of the funded assets.
- 1.3 Assets under construction are accounted for at cost based on architects' certificates and other direct costs, incurred to 31 August. They are not depreciated until they are brought into use.
- 1.4 The asset register will show how the purchase was funded.
- 1.5 All fixed assets gifted to the Academy are recorded as income in the period in which the fixed asset was given to the Academy. The value placed on gifts in kind will be a reasonable estimate of the market value or the amount the Academy would have been prepared to pay to purchase the asset.
- 1.6 A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.
- 1.7 Individual items costing over £5,000 will be capitalised.

**2 Depreciation**

- 2.1 Depreciation is provided on a straight line basis to write down assets to their estimated residual values over their expected useful lives. The principal annual rates used are:

2.1.1 Land	No Depreciation
2.1.2 Buildings	50 Years
2.1.3 Long Leasehold Property	Over the remaining lease term
2.1.4 Improvement to Property	10 Years
2.1.5 Furniture and equipment	10 Years
2.1.6 Motor Vehicles	4 Years
2.1.7 Computer Equipment and software	3 Years

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#### **3 Monitoring of Assets**

- 3.1 A detailed register of fixed assets is maintained and updated on a regular basis.
- 3.2 All items included in the fixed asset register are permanently marked.
- 3.3 An annual physical count of assets is undertaken. Any discrepancies are investigated immediately and if appropriate, reported to the governing body.
- 3.4 Assets are secured and safeguarded by being locked in the school building/grounds.

#### **4 Asset Disposals**

- 4.1 Assets with a disposal value of £250 are authorised for disposal or write off by the Headteacher, ensuring that the asset is no longer in use by the academy. The disposal of assets in excess of £250 requires the authorisation of the Governing Body who will determine the procedures for disposal.
- 4.2 When considering disposing of assets to a third party, procedures must be followed to ensure that best value is obtained.
- 4.3 Any disposal for which grants of over £20,000 were made has to be approved by the Secretary of State with the exception of land and buildings which will need the approval of the Diocese.
- 4.4 The Department for Education must be informed if within one year, assets are disposed of which in total were purchased using grants of £20,000 or over.
- 4.5 Proceeds from assets that were originally supported by a capital grant must be reinvested in capital. Otherwise, an element of the proceeds must be repaid to the Secretary of State.

#### **5 Review**

- 5.1 This policy will be reviewed by the Academy Trust every three years.

Approved by the Directors of the Academy Trust: 25<sup>th</sup> June 2013

Reviewed: 7<sup>th</sup> December 2015

Date for Next Review: December 2018