Policy Document

Policy Name: Assets Policy
Date of Last Review: Summer 2018
Date of Next Review: Spring 2019
SLT Responsible: Business Manager
Introduction
This policy defines the treatment of Fixed Assets.
The policy will be reviewed annually by the Resources: Finance & Site Committee.

Fixed Assets
Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Where a fixed asset has been gifted or donated the initial carrying amount should be the fair (open market) value at the date of receipt as determined by the Business Manager.

Assets costing less than £5,000 (Five thousand pounds) are written off in the year of acquisition. All other assets are capitalised.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 economic life. The related grants are credited to a restricted fixed asset fund (in 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.

Depreciation
Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use. The number of years over which an asset is depreciated is as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>no depreciation</td>
</tr>
<tr>
<td>Buildings</td>
<td>50 years</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>4 years</td>
</tr>
<tr>
<td>Computer equipment and software</td>
<td>3 years</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Assets inherited on establishment of the academy are assumed to be fully depreciated and are not included in the accounts.

Disposals
Where circumstances indicate that the carrying value of an individual asset may not be recoverable then an impairment review will be undertaken. If following this review an asset has a recoverable amount (the higher of value in use and net realisable value) that is significantly below the carrying value, then an impairment loss should be recognised and the asset’s carrying value reduced to the recoverable amount.