



Fixed Asset Depreciation Policy

BASE Academy Trust

Policy Reviewed:	September 2025
Next Review:	September 2026
Signature of Chair of Trust Board: Craig Graham	Signature of Executive Headteacher: Lisa Whittaker



Fixed Asset & Depreciation Policy

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1. Introduction

International Accounting Standard (IAS) 16 defines Fixed Assets as “assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably”.

The purpose of this Fixed Asset Policy is to ensure that the Academy’s balance sheet correctly reflects the assets and liabilities of schools within BASE Multi Academy Trust.

The policy defines the treatment of Non-Current, Tangible and intangible Fixed Assets. Procedures are attached as annexes to the policy.

A Fixed Asset Register is maintained for each school and reconciled to the financial statements of the Academy.

The Policy will be reviewed by the Resources Committee annually.

2. Fixed Asset Register

- The fixed asset register consists of a list of items (or specific group of items purchased within the accounting period) valued over £2000 that are considered to have a life longer than the financial year they were purchased in.
- Capital assets are not necessarily bought on one order; so long as a group of items are purchased within the same accounting period they will be capitalised.
- Fixed assets are categorised as follow:-
 - Leased Land and Buildings
 - Furniture, Fittings & Equipment
 - Computer Equipment
 - Motor Vehicles
 - Assets under construction
- Assets excluded from the fixed asset register are current assets and stock. Current assets include cash and bank balances which are controlled through reconciliation to control accounts on a regular basis.
- The appropriate accounting transactions are processed for all capitalised assets and recorded on the fixed asset register. Transactions will be recorded within the Academy FMS financial management system at the appropriate school.
- Physical counts are under taken against the Fixed Asset Register annually for furniture and equipment and termly for ICT equipment and the evidence presented to the Resources Committee.
- Discrepancies between the physical count and the registers are investigated promptly by Heads of School. Any discrepancies over the value of £2000 are reported to the Resources Committee.
- All disposals of assets are recorded in the Fixed Asset Register/Inventory.
- All working papers for the purchase of assets, including orders and invoices are kept electronically through the finance management system.

- All resources and portable items of equipment that fall below the capitalisation limit of £2000 and over £100.00 are recorded on the school's Inventory. Asset control is for the assets held on the Fixed Asset Register.

3. Depreciation

- Non-current assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.
- The depreciation will be calculated on an annual basis for preparation of the year-end accounts.
- A budget can be set within the fixed asset fund to provide an indicative charge for depreciation for the year.
- Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Resources Committee will discuss these items on an individual basis.

Asset Group	Depreciation Method
Leased Land & buildings	0.8% (125 yrs) straight line
Fixtures, Fittings & Equipment	20% (5yrs) straight line with nil residual value
Computer Equipment & software	33% (3yrs) straight line with nil residual value
Motor Vehicles	25%
Assets Under Construction	These are not depreciated until the asset is brought into use

3.2 The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the fixed asset register.

Appendix A to Fixed Asset & Depreciation Policy – Write Off/Asset Disposal

Potential Risks

- No independent record of assets held within the schools leading to loss from theft, permanent loan or failure to include in an insurance claim.
- Failure to include electrical items in health and safety checks
- Lack of identification detail reduces chance of recovery.
- Failure to credit income from sale of asset to delegated budget.
- Failure to keep a record of loans to staff invalidates insurance requirements of equipment taken off school premises
- Lack of control over stocks of materials and other consumables results in loss and waste as well as stock being unavailable when needed.

Controlling the Risks

- Resources are identified at the time of purchase (however funded) recorded by location and held securely.
- All staff are clear about the items for which they have responsibility in their location.
- A designated member of staff has responsibility for the inventory system. This person holds copies of the location inventory, ensures they are up-to-date and carries out an independent annual/termly check.
- A copy of the inventory is stored on the School Server which is regularly backed up off site and a hard copy is in the Business Continuity File.
- Designated members of staff have overall responsibility for ordering and controlling stocks. This includes ensuring stocks are securely held, access is limited, usage is recorded and regular checks are made to ensure stock in hand is reasonable and agrees to stock records.

Asset Disposal Procedure

1. The best possible value will be obtained from the disposal of assets. For items below £2000 the authorisation form should be signed and dated by the member of staff requesting write off/disposal and then passed to the Head of School who should be satisfied that the items are to be written off/disposed and then seek authorisation from the Executive Headteacher. Assets disposed with a carrying amount (cost less accumulated depreciation) above £2000 must be approved by the Resources Committee before disposal. This should be recorded in the minutes of the trust board meeting and a copy of the authorisation form attached.
2. Once authorised the form should be returned to the Finance Manager for recording on the Asset Register/Inventory and filed. The Insurance should be updated accordingly and the items disposed of.
3. Equipment is not normally disposed of to staff because it is difficult to provide evidence that the Academy obtained value for money in the sale or scrapping of the equipment. If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner. Pecuniary interests must also be considered at all times.
4. Any item which is deemed to be obsolete or damaged beyond repair and is not appropriate for sale may be written off by the Head of School. All IT equipment which is deemed obsolete will be fully cleaned of information prior to disposal.

5. Under the Academy funding Agreement the approval of the Secretary of State is required before the sale, or disposal by other means, or reinvestment of proceeds from the disposal, of an asset (or specific group of assets) for which a capital grant in excess of £20,000 was originally paid.
6. The Academy agrees to reinvest the proceeds from all asset sales for which capital grant was received and therefore every effort will be made to maximise the sale of such assets.
7. If such proceeds are not reinvested, the Academy will repay to the DfE the same proportion of the proceeds of the sale or disposal as equates to the proportion of the original cost met by the Secretary of State (i.e. if the Secretary of State purchased 50% of the original cost of the asset the Academy agrees to repay 50% of the proceeds).
8. The proceeds from the sale of assets acquired with a grant from the Secretary of State cannot be used to contribute to further named grant-aided projects or purchases.

Date of next review: September 2026

Fixed Asset Disposal Form

BASE Multi Academy Trust

School: _____

Disposal/Transfer/Gifted/Sale (delete as appropriate) – for gifted/sale complete parts 1&2

Part 1 Details:

- Description of item(s): _____
- Inventory Page Number: _____
- Date of Purchase: _____
- Cost Price: _____
- Reason for Disposal: _____
- Method of Disposal: _____
- Suggested Disposal Value: _____
- Health, Safety & Environmental issues: It is the responsibility of the disposer to ensure that any equipment gifted or sold must be to a person competent to receive and fully complies with the H&S provision and use of work equipment regulations. All transfers must be documented by completing part 2 of this form.
- Have all health, safety & environmental requirements been complied with? Including, if applicable, items covered by the WEEE (Waste Electrical and Electronic Equipment) Directives. If applicable gifted or sold equipment must be covered by a current portable appliance test certificate (must be logged in PAT records).

Approval:

Member of staff responsible for Disposal Signed: _____

Print: _____

Head of School Approve/Not Approve Signed: _____

(Delete as necessary) Print: _____

Resources Committee confirm their Signed: _____

agreement to the Disposal (LGB Chair) Print: _____

Date of Disposal: _____

Part 2 Gifted/Sold (delete as appropriate)

- Description of Item(s):

- Inventory Page Number

I confirm the following: -

1. The equipment is second hand and that the price has been reduced accordingly;
2. I accept the equipment as it is and BASE Multi Academy Trust is not providing me with any warranty that the equipment functions properly or at all or that it is fit for any particular purpose (even if I have informed them of this purpose), that the equipment might not comply with the specification printed on it or that components may have been added or removed;
3. The manufacturer's warranty may have expired already;
4. I am over 18 and a person competent to receive the equipment;
5. I will comply with all health, safety & environmental and other issues relevant to the equipment and that, in transferring such equipment to me, the Trust has no liability for the disposal, recycling or destruction of such equipment and that I will dispose of or recycle such equipment responsibly when I have finished with it.

Recipient/Buyers Signature:

Name of Recipient/Buyer _____
(Please Print)

Address: _____

Signature: _____

Position: _____

Date: _____

Appendix B to Fixed Asset & Depreciation Policy - Checklist for Purchasing Procedure and Capitalisation

1. Is the Asset Purchased above the Capitalisation Value Approved YES / NO

- If **NO**: normal purchase procedure is followed to record the transaction on the FMS within the General Annual Grant and the Bank Account.
- If **YES**: process journal entries on the FMS to record the capitalisation transaction on the balance sheet and the restricted fixed asset fund.

2. Check the fixed asset policy for the approved depreciation method.

3. Establish with the Executive Headteacher and/or Head of School the expected useful life of the asset and any expected residual value.

4. Record the purchase order and invoice in the fixed asset register/inventory.

5. Fixed Asset Register to include: -

- I. Type and description of asset
- II. Cost of asset
- III. Amount and date of any grant
- IV. Proportion of grant used to finance the acquisition
- V. Expected useful life of the asset
- VI. Date of disposal or change of use
- VII. Proceeds of disposal
- VIII. Amount returned to the Secretary of State on disposal/change of use
- IX. Date of receipt of disposal proceeds or date of an approval to change the use