

All Saints Schools Trust



ASST Fixed Asset Policy 2023-24

Category:	Financial Management
Authorised By:	Finance and Audit Committee, ASST Board
Status:	Approved
Chair of Board Signature	
Date Approved:	Dec 2023
Next Review Date:	Dec 2024

Background

The purpose of this policy and associated procedures is to ensure that All Saints Schools Trust ("the Trust") maintains and develops systems of financial control, which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the Trust's Funding Agreement with the Department for Education (DfE).

This policy relates to all of the Trust's academies. Adherence to the principles and procedures contained in this policy is mandatory for all staff.

This policy is designed to be consistent with:

- ESFA Financial Trust Handbook
- Trust Articles of Association / Constitution
- Master and Supplemental Funding Agreements
- HM Treasury's "Regularity, Propriety and Value for Money".

Fixed Assets

Asset register

All items of a capital nature purchased with a value over the Trust's capitalisation limit of £2500 must be capitalised. Assets below this value will be charged to the Statement of Financial Activities in the year of purchase.

All fixed asset additions, as identified in paragraph 2.3, must be approved by the CEO/CFO.

The following assets should be entered into the Asset Register:

- Any item (or group of items) with a value in excess of the capitalisation limit defined above.
- Examples of assets to be included:
 - land and buildings
 - plant and machinery
 - furniture and equipment
 - computer equipment and software
 - assets under construction.

The Trust CFO maintains a consolidated Fixed Asset Register containing all the fixed assets of all the academies. The Fixed Asset Register is reviewed on a yearly basis to ensure completeness and identify any discrepancies.

The Fixed Asset Register helps:

- ensures responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- the external auditors to draw conclusions on the annual accounts and the Trust's financial systems
- support insurance claims in the event of fire, theft, vandalism or other disaster.

Capitalisation

Tangible & Intangible Fixed Assets costing more than the capitalisation limit are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

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 Fixed Asset Register should be permanently marked as the Trust's property and there should be a regular (at least annual) count by someone other than the person maintaining the register. This annual review should also be completed by each academy on the general inventory register. Discrepancies between the physical count and the number recorded in the register should be investigated promptly and, where significant reported to the CFO/CEO.

Loan of Assets

Items of Trust property, except laptops or tablets loaned to staff and students, must not be removed from academy premises without the authority of each academy Executive Headteacher or Headteacher.

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 Trust's auditors.

ESFA Approval

The Trust must seek and obtain prior written approval from the ESFA for those transactions identified in the Academies Trust Handbook, being the acquisition and disposal of land or buildings and the disposal of heritage assets.

Disposals

All assets disposed of will be recorded in the Fixed Asset Register and the appropriate transactions recorded through the finance system.

The Trust must ensure that any disposal achieves the best price that can reasonably be obtained.

Disposal of equipment to staff is not permitted unless approved by the Executive Headteacher/Headteacher, as it may be more difficult to show that the Trust obtained value for money in any sale or scrapping of equipment.

The Trust is expected to reinvest the proceeds from all asset sales, for which capital grant was paid, in other Trust assets. If the sale proceeds are not reinvested then the Trust must repay to the ESFA a proportion of the sale proceeds.

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

Leases

The Trust is able to enter into operational leases as outlined in the Academies Trust Handbook.

Finance leases are classed as borrowings and can only be entered into with the specific authority of the ESFA.

All leases must be approved by the CFO/CEO.

Rentals under operating leases are charged on a straight-line basis over the lease term.

Depreciation Policy

The Trust will depreciate fixed assets in line with recognised accounting standards, best practice and DfE guidelines.

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset less any residual value on a straight-line basis over its expected useful life, as follows:

ASSET GROUP	EXPECTED USEFUL LIFE	DEPRECIATION METHOD
Land and Buildings <ul style="list-style-type: none"> • FREEHOLD BUILDINGS • LEASEHOLD BUILDINGS • STR LEASEHOLD LAND • STR LEASEHOLD LAND • EYE ROOF 	50 YEARS 125 YEARS 25 YEARS 20 YEARS 25 YEARS	0.8% Straight line 0.8% Straight line 4% Straight line 5% Straight line 4% Straight line
Plant and Machinery	5 YEARS	20% Straight line
Furniture and Equipment	10 YEARS	10% Straight line
Computer Equipment and Software	5 YEARS	20% Straight line
Assets Under Construction		These are not depreciated until the asset is brought into use
Motor Vehicles/Minibuses	10 YEARS	40% year one then 10% straight line thereafter

Where tangible or intangible fixed assets have been acquired with the aid of specific grants or donations, 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. Where the related income requires the asset to be held for a specific purpose, the income is credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward as a fund on the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may be overstated. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities. Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or charges in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Any software licences that extend beyond one year and have been capitalised as fixed with be classified as ‘intangible’ rather than ‘tangible’.