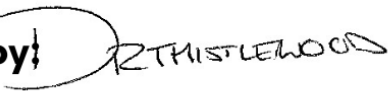
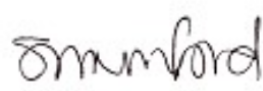


NORTHWOOD PRIMARY SCHOOL

Asset Control & Accounting Policy

Approval Date: 23rd October 2024

Approved by:  **Chair of Governors**

Approved by:  **Headteacher**

Date of next review: Autumn Term 2025



1 Introduction

The Governing Body recognises the need to establish and review, at least annually, an Asset Control and Accounting Policy in order to ensure that the Academy's balance sheet reflects the assets and liabilities of the Academy. This policy must be detailed and approved by the Full Governing Body, or as delegated to an appropriate committee. It defines the treatment of non-current, current, tangible and intangible assets (group of assets) including depreciation, capitalisation and other accounting treatments. The Accounting Standard FRS15 Tangible Fixed Assets should be applied when determining this Policy.

A Fixed Asset Register must be maintained and should be reconciled to the financial statements of the academy. Details of what is to be included in the register are defined below.

2 Asset Control and Fixed Asset Register

The assets (group of assets) to be included on the fixed asset register are as follows:

- ☐ Any items (or specific group of items) valued over £1,000 that are considered to have a life longer than the financial year they were purchased in;
- ☐ Capitalised assets are not necessarily bought on one order, so long as the group of items are purchased within the accounting period they can be capitalised;
- ☐ Fixed Assets to be included:
 - Land and Buildings
 - Plant and Machinery
 - Furniture and Equipment
 - Computer Equipment and Software
 - 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. Stock includes stationery which is monitored regularly;
- ☐ The appropriate accounting transactions should be processed for all assets capitalised and recorded on the fixed asset register; the transaction must be recorded within the fixed asset fund account in addition to the transaction to the Balance Sheet;
- ☐ Discrepancies between any physical count and the registers will be investigated promptly and any discrepancies over the value of £500 will be reported to the Governing Body;
- ☐ All assets disposed of will be recorded in the Fixed Asset Register and the appropriate transactions recorded through the financial statements on SAGE;
- ☐ Attractive and portable items of equipment that fall below the capitalisation limit will be security marked, as far as this is practical, and recorded on the Equipment Inventory, and follow the same asset control as the assets held on the Fixed Asset Register (example digital camera purchased singularly for £250);
- ☐ All working papers for the purchase of the Asset(s) must be kept, including copy invoices, with the Fixed Asset Register.

3 Depreciation

- ☐ It is acknowledged that non-current assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset;
- ☐ The two standard methods of depreciation are recognised as Straight Line and Reducing Balance;
- ☐ 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 to the fixed asset fund account;
- ☐ Groups of assets will use the same method of depreciation:

Recommended Depreciation Methods and Rates:

There may very occasionally be an asset that does not completely fit into one of the categories below and the Governors should discuss these items on an individual basis. Depreciation should be calculated on a pro rata basis in months in year of purchase.

Asset Group	Depreciation Method
Land and Buildings (buildings element only)	2% (50yrs) Straight Line
Plant and Machinery	20% (5yrs) Straight line with nil residual value.
Furniture and Equipment	20% (5yrs) Reducing balance with nil residual value.
Computer Equipment and Software	20% (5yrs) Straight line with nil residual value.
Assets Under Construction	These are not depreciated until the asset is brought into use.

The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.

The best possible value should be obtained from the disposal of assets. Assets disposed of with a carrying amount (Cost less accumulated depreciation) above **£500** must be approved by the Governing Body, and a Disposal of Equipment Form completed (Annex A). The form will confirm the asset is no longer of use to the Academy (obsolete) and that all obsolete stocks are destroyed to ensure they are not illegitimately procured and then resold. The academy will take appropriate steps to ensure all data and hardware is completely cleared of sensitive data, and considerations are given to the Waste Electrical & Electronic Equipment (WEEE) directive that is now law. The Academy's Data Security Policy will detail full guidelines for the disposal of electrical equipment and the considerations to be given as approved by the Governors.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in the sale or scrapping of the equipment. There are also 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. Pecuniary Interests must also be considered at all times.

Items purchased via Capital Grant

Under the 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.

The Academy agrees to reinvest the proceeds from all asset sales for which capital grant was received, hence all efforts will be made to maximise the sale of assets.

Governors agree that if the proceeds are not reinvested the Academy will repay to the DfE the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State (i.e. if Secretary of State purchased 50% of the original cost of the asset then the Academy agrees to reimburse with 50% of the proceeds.)

The proceeds from the sale of assets acquired with grant from the Secretary of State cannot be used as the Academy's contribution to further named grant aided projects or purchases.

4 Opening Balances and Gifted Assets

It is agreed that Assets Gifted on conversion should be valued at 'Fair Value' and subject to the same Depreciation Process as detailed in the Asset Control & Accounting Policy from the first year of conversion. Gifted Assets will impact Voluntary Income in the Statement of Financial Activities and should also be entered on the Fixed Asset Register.

Opening balances of Fixed Assets on conversion will accumulate depreciation in the same manner at the end of the first year.

DISPOSAL OF EQUIPMENT FROM FIXED ASSET REGISTER**With residual value of £500 or more****Section 1. Finance use only**

Item to be disposed of	
Reason for disposal	☐ Broken ☐ Surplus to requirements ☐ Irreparable ☐ Beyond economic repair ☐ Obsolete ☐ Other
Nominal code	
Fund	
Original cost	
Accumulated depreciation	
Residual value	£
Value obtained	£
Grant received for original purchase	Yes/No
Reinvested grant	Yes/No
Repayment to Secretary of State	Yes/No
Value repaid	£ if applicable
Removed from Fixed Asset register	Date

**Section 2. Governor approval for items with a residual value of *£500 or more
(*Cost less accumulated depreciation)**

Residual value	£
Action to be taken	Sale/Disposal
By whom	Headteacher/Business Manager/Other-specify
Signed	
Designation	Chair of Governors
Date minuted	