

Eastwood Park Academy Trust (EPAT)

EPAT

Believe Succeed Together

Fixed Asset Depreciation Policy

Date Reviewed	June 2024
Date Ratified by the Trust	June 2024

Contents

1.0 Definition of a Fixed Asset	3
2.0 Recording of Fixed Assets	3
3.0 Tagging of Fixed Assets	3
4.0 Policy	3
5.0 Depreciation.....	3

1.0 Definition of a Fixed Asset

An asset is an item that the Trust/Academy owns and uses while providing education to pupils and the associated administration with that provision.

A fixed asset is an asset that is retained for more than a year. Some common examples are:

- Technology equipment
- Music equipment
- Office equipment, e.g. photocopiers
- Furniture
- Machinery
- Vehicles
- Land and Buildings

It does not include consumable and stock items.

2.0 Recording of Fixed Assets

The Trust/Academy records its fixed assets for several reasons:

- To allow the cost of the asset to be spread (in accounting terms) over its deemed working life.
- To comply with the requirements of the Trust's Financial Regulations.
- To allow details of assets to be kept, their location known and the identity of the employee who is responsible for the asset.
- To provide an insurance listing.

3.0 Tagging of Fixed Assets

Asset identification tags are to be affixed to each asset unless it is not physically practicable. The number will be recorded against the asset on the fixed asset register.

4.0 Policy

The Trust's policy is to recognise fixed assets that individually, or as a group, cost over £2,000.00 (excluding VAT). Items valued at less than £2,000.00 will not be depreciated. Instead they will be charged to the Income & Expenditure account in full during the year of purchase.

5.0 Depreciation

The cost of the fixed asset is capitalised and transferred to the Trust's Balance Sheet from the Income and Expenditure Account.

In each accounting period a depreciation charge is levied on the Income & Expenditure Account to write off the cost.

The costs of these assets are therefore split over a number of years to reflect the contribution they make to the service provided in future years.

Depreciation on such assets is charged on a straight-line basis over the expected useful life of the asset as follows:

Freehold Land	No depreciation
Leasehold Land	125 years
Leasehold Building	125 years

Freehold Buildings and Leasehold Improvements:

Roofs	25 or 40 years
Structure	80 years
Plant	30 years
External Works	30 years
ICT Equipment	3 years
Fixtures, fittings, furniture and other equipment	5 years
Motor vehicles	5 years