

Aylesford School

and Sixth Form College



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Asset Capitalisation and Depreciation Policy

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Lead: Finance Manager
Via: Finance and Premises

'from potential to reality'

Tapping Way, Warwick, Warwickshire, CV34 6XR

Tel: 01926 747100 **Fax:** 01926 494194 **Email:** office@aylesford-elearning.net **Web:** www.aylesfordschool.org.uk

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Headteacher: Steven Hall BSc MA

Asset Capitalisation and Depreciation Policy

In accordance with the requirements of the Academies Financial handbook (DfE 2019) and the Academies Accounts Direction EFA 2018/19 the governors have agreed the following:-

Assets costing £5000 or more are capitalised as tangible fixed assets and are carried at a cost, net of depreciation and any provision for impairment.

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.

Depreciation is provided on all tangible assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, as follows:-

Long Freehold buildings	2% per annum (50 years)
Long Leasehold land	0.8% per annum (over life of the lease)
Fixtures and fittings	20% per annum (5 years)
ICT equipment	33.3% per annum (3 years)
Motor Vehicles	20% per annum (5 years)

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

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 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.