

# Aylesford School

and Sixth Form College



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## Asset Capitalisation and Depreciation Policy

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Via: Finance and Premises

**'from potential to reality'**

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**Head teacher: Tim Hodgson**

## **Asset Capitalisation and Depreciation Policy**

In accordance with the requirements of the Academies Financial handbook and the EFA's Academies Accounts Direction the governors have agreed the following:-

Assets costing £5,000 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 life, as follows:-

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

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.