



Fixed Assets & Disposals

Approved by: Trust Board

Last reviewed: July 2026

Next review due: July 2027

FIXED ASSETS & DISPOSALS

1. Scope

This policy is written and approved at board level, but applies to all employees, trustees and governors of schools, settings, and services, hereafter the 'organisations,' within The Claxton Trust.

It has been created using a model policy created by Price Bailey and has therefore been produced in consultation with external advisors and the professional associations/trade unions.

2. Introduction

International Accounting Standard (IAS)16 defines fixed assets as "assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably".

The purpose of this policy is to ensure that the school's balance sheet correctly reflects the assets and liabilities of The Claxton Trust.

The policy defines the treatment of non-current, current, tangible, and intangible fixed assets. Procedures are attached as annexes to the policy.

A fixed asset register is maintained and reconciled to the financial statements of the school.

The policy is written in accordance with Accounting Standard FRS15 Tangible Fixed Assets.

The policy will be reviewed by the board annually.

3. Fixed asset register

The fixed asset register consists of a list of items (or specific group of items purchased within the accounting period) 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 a group of items is purchased within the same accounting period they will be capitalised.

Fixed assets are categorised as follows:

- a. land and buildings
- b. furniture and fittings
- c. computer and other equipment
- d. 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.

The appropriate accounting transactions are processed for all capitalised assets and recorded on the fixed asset register. Transactions will be recorded within the fixed asset fund account in addition to the transaction to the balance sheet.

All items that have been included on the fixed asset register are security marked, where practicable, as the property of the trust and have an asset number.

Physical counts are undertaken against the fixed asset register annually for furniture, equipment, and ICT (Information Communication Technology) equipment and the evidence presented to the local governing bodies.

Discrepancies between the physical count and the registers are investigated promptly by the school business manager. Any discrepancies over the value of £500 are reported to the local governing body.

All disposals of assets are recorded in the fixed asset register and the appropriate transactions recorded through the financial statements on Sage.

4. Depreciation

Non-current assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

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. There may very occasionally be an asset that does not completely fit into one of the categories below and the local governing body will discuss these items on an individual basis.

Depreciation of buildings is based on the expected useful life, as determined by a professional with adequate skills and experience. Buildings will always be revalued when they have a remaining expected useful life of 10 years. The board can also decide to revalue one or more buildings at any time.

Building modifications will either be depreciated in line with the expected useful life of the building or on a 10% straight line (10 years) depending on the expected useful life of the modification. This will be agreed by the local governing body when the asset is purchased.

The expected useful life of all other assets will be re-assessed prior to depreciation calculations and recorded in the fixed asset register.

ASSET GROUP	DEPRECIATION METHOD
Long leasehold property	0.8% Straight line (125 Years Lease)
Buildings	Expected useful life - straight line with zero residual value
Building modifications	Either in line with the expected useful life of the building or 10% straight line with zero residual value (10 years) - to be determined at the time of purchase
Furniture and fittings	10% Straight line with zero residual value (10 years)
Computer equipment and other equipment	20% Straight line with zero residual value (5 years)
Motor vehicles	20% Straight line with zero residual value (5 years)
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.

An annual reconciliation will be completed between the independent fixed asset register and the carrying balances held on Sage.

Appendix A to Fixed Asset Policy

Asset disposal procedure

The school business manager shall identify surplus assets and shall recommend disposal to the headteacher.

The headteacher is authorised to dispose of assets up to £500.

The headteacher shall seek written authorisation from the chair of the local governing body before agreeing disposal of assets more than £500.

The chair of the local governing body shall seek written authorisation from the board before agreeing disposal of assets more than £5,000.

Disposal of equipment to staff is not normally approved because it is difficult to provide evidence that the school obtained value for money in the sale or scrapping of the equipment. If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner. Pecuniary interests must also be considered.

The trust will seek and obtain prior written approval from ESFA (Education Skills and Funding Agency) for the following transactions:

- acquiring a freehold of land or buildings
- disposing of a freehold of land or buildings
- dispose of an asset for which capital grant more than £20,000 was paid
- disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets. Heritage assets are assets with historical, artistic, scientific, technological, geophysical, or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards

The school agrees to reinvest the proceeds from all asset sales for which capital grant was received and therefore every effort will be made to maximise the sale of such assets.

If such proceeds are not reinvested, the school will repay to the DfE (Department for Education) the same proportion of the proceeds of the sale or disposal as equates to the proportion of the original cost met by the Secretary of State (i.e. if the Secretary of State purchased 50% of the original cost of the asset the school agrees to repay 50% of the proceeds.)

The proceeds from the sale of assets acquired with a grant from the Secretary of State cannot be used to contribute to further named grant-aided projects or purchases.

Appendix B to Fixed Asset Policy

Checklist for Purchasing Procedure and Capitalisation

1. Is the asset purchased above the capitalisation value approved? YES /NO

NO: Normal purchase procedure is followed to record the transaction on Sage within the general annual grant and the bank account.

YES: Process journal entries Sage to record the capitalisation transaction on the balance sheet and the restricted fixed asset fund

2. Check the fixed asset policy for the approved depreciation method.
3. Establish with the school business manager the expected useful life of the asset and any expected residual value.
4. Record the asset on the fixed asset register.
5. Fixed asset register is to include:
 - i. type and description of asset
 - ii. cost of asset
 - iii. budget holder for the asset.
 - iv. amount and date of any grant
 - v. proportion of grant used to finance the acquisition
 - vi. expected useful life of the asset
 - vii. date of disposal or change of use
 - viii. proceeds of disposal
 - ix. amount returned to the Secretary of State on disposal / change of use.
 - x. date of receipt of disposal proceeds or date of an approval to change the use.
6. Security-mark the asset where practicable.