



*Achieving together in faith*

# **Holy Cross Catholic Multi-Academy Company Asset Management Policy 2022 - 2025**

This policy (and the procedure outlined within) applies across all schools in Holy Cross Catholic Multi Academy Company (HCCMAC). It is available on the HCC MAC website and is accessible from our schools' websites.

Responsible for Policy	Martyn Alcott
Resources Committee Approval Date	12/10/2022
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## **1. Introduction / Overview**

1.1 This policy provides a framework for the management of the Company's 'fixed assets' (defined by International Accounting Standard (IAS) 16 as 'assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably'). It aims to ensure that the Company's balance sheet accurately reflects its assets and liabilities in order to support the effective functioning of the Company. Furthermore, it outlines the systems of control to ensure that assets are recorded and adequately safeguarded against loss or theft and that obsolete equipment is dealt with appropriately and sales of assets are handled to the clear benefit of the Company and its schools.

## 2. Fixed Asset Register

2.1 Holy Cross MAC partner schools have a Fixed Asset Register (FAR), with separate sections for each partner school. The FAR comprises a list of items (or specific groups of items purchased within an accounting period) valued over £2,000, that are considered to have a life that is longer than the financial year in which they were bought.

2.2 Fixed assets include:

- plant and machinery;
- furniture and equipment; and
- ICT: hardware and software;

2.3 The FAR does not include:

- current assets – cash and bank balances (which are controlled through regular reconciliation); and
- stock – including stationery, fuel and other temporary provisions.

2.4 Where practicable, items included on the FAR are 'security marked' as the property of the school.

2.5 The FAR details the following:

- a description of the asset;
- an identification number;

- where the asset is located;
- the date of acquisition
- the amount of depreciation so far;
- the expected useful 'life';
- the current value.

2.6 Physical counts are undertaken against the FAR on an annual basis and the evidence is presented, by the Chief Finance and Operating Officer (CFOO), to the Company's Audit Committee. Any discrepancies between the physical count and the FAR are investigated thoroughly and promptly by the Headteacher (or nominated senior leader. Discrepancies over the value of £500 must be reported clearly and specifically to the Company's Audit Committee.

2.7 In relation to disposal of assets (see Section 4), all disposals are recorded in the FAR and the related transactions are recorded in the financial management system.

2.8 Purchases of fixed assets with a value of £2,000 or more are entered into the FAR.

2.9 Fixed assets that are given to the school, or Company, are recorded in the accounts as income for the period in which they were given. The value placed on the gift should be the amount that the school/Company would have been prepared to pay to purchase the asset. Gifted assets are recorded in the FAR in the same way as purchased assets.

2.10 Items of less than £2,000 in value that are both portable and 'attractive', e.g. an expensive digital camera, should be recorded in the school's Equipment Inventory.

### **3. Depreciation of fixed assets**

3.1 Non-current assets are depreciated over their useful 'life', in the Company's financial statements to reflect the amount that is recoverable. The depreciation is calculated on an annual basis.

3.2 Assets in the same category (see below) are depreciated on the same basis. Where an asset seems not to fit into a group, or is deemed exceptional in some other way, the basis for depreciation is determined by the Company's Audit Committee.

<b><i>Asset Category</i></b>	<b><i>Depreciation Methodology</i></b>
Plant and machinery	33% (3 yrs.) – straight line / no residual value
Furniture and equipment	33% (3 yrs.) – straight line / no residual value
ICT: hardware and software	33% (3 yrs.) – straight line / no residual value
Motor vehicles	20% – reducing balance.

3.3 A reconciliation is completed, at the end of March and again at the end of the financial year, between the FAR and the carrying balances held on the financial management system.

#### **4. Disposal of fixed assets**

4.1 An asset may be disposed of because:

- it is beyond economical repair;
- it no longer complies with Health and Safety requirements;
- it is no longer required, due to changed procedures, or functions; or
- it is no longer compatible with other equipment / software.

- 4.2 Requests for disposal of fixed assets with a market value of up to £5,000 are made by the Headteacher and, following consultation with the CFOO, are approved by the Local Governing Body. Disposal of assets with a value of more than £5,000 requires approval by the Company's Audit Committee. Disposal of assets of a value of more than £50,000 during one reporting period needs authorisation from the DfE.
- 4.3 Disposal authorisation includes justification that the asset has become obsolete. Assets judged to be obsolete are sold for maximum value or, where no residual value remains, destroyed or donated to charity. Disposal of equipment to staff is not encouraged, as it is difficult to demonstrate that the school/Company has achieved best value.

## **5. Loan of assets**

- 5.1 Equipment must not be taken off school premises without the authority of the head of department / team leader. A record of the loan should be made and the item should be 'booked in' on its return.