

Capital Policy

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V1	September 2013	Jeff Davies	Initial Issue
V2	June 2022	Louise Beale / Richard Griffiths	Review and updated
V2.1	June 2023	Sarah-Jane Anderson	Reviewed no changes
V2.2	June 2024	Louise Beale / Sarah-Jane Anderson	Reviewed and updated to agree to asset register procedure
V2.3	November 2025	CFO	Minor wording updates

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The electronic version is the definitive version of this document.

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1. Introduction

- 1.1 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”.
- 1.2 The purpose of this Capital Policy is to ensure that the Diocese of Coventry Multi Academy Trust’s (The Trust’s) balance sheet correctly reflects the assets and liabilities of the Trust.
- 1.3 Fixed Asset Registers are maintained within the Trust’s Accounting Systems and for each Academy within the Trust.
- 1.4 This policy is written in accordance with Accounting Standard FRS102.

2. Fixed Asset Register

- 2.1 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 in which they were purchased (including IT equipment).
- 2.2 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.
- 2.3 Fixed Assets are categorised as follows:
 - a. Motor Vehicles
 - b. Fixtures & Equipment
 - c. Computer Equipment
 - d. Leasehold Land & Buildings
- 2.4 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 monthly basis.
- 2.5 The appropriate accounting transactions are processed for all capitalised assets and recorded in the Trust Accounting Systems and the Fixed Asset Register.
- 2.7 Physical existencechecks should be undertaken against the Fixed Asset Register periodically. Completion of this should be recorded in the Fixed Asset Register.
- 2.8 Discrepancies between the physical existencecheck and the registers are investigated promptly. Any discrepancies or losses are reported to

the Trust Board in accordance with the limits in the Scheme of Delegation.

- 2.9 All disposals of assets are recorded in the Fixed Asset Register and the appropriate transactions recorded through the financial statements.
- 2.10 Portable items of equipment that fall below the capitalisation limit of £1,000 excluding VAT but over £100 excluding VAT are recorded via a separate IT Inventory.
- 2.11 All assets must be labelled with a unique number.

3. Depreciation and impairment

- 3.1 Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.
- 3.2 Depreciation is calculated annually based on the Fixed Asset Register.
- 3.3 Groups of assets will use the same method of depreciation.

ASSET GROUP	DEPRECIATION METHOD
Motor Vehicles	20%
Fixtures & Equipment	10-15%
Computer Equipment	33.33%
Leasehold Land & Buildings	2%

- 3.4 A reconciliation will be completed between the Fixed Asset Register and the balance sheet at least annually.
- 3.5 Assets in the course of construction are included at cost and these assets are not depreciated until they are brought into use.
- 3.6 A review for impairment 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.

4. Disposal of Fixed Assets

- 4.1 The Trust will seek and obtain prior written approval from the DfE in accordance with the Academies Trust Handbook (ATH) including for the following transactions:

- Disposing of a leasehold or freehold on land or buildings; and
- Disposing of heritage assets, beyond the limits set out in the Trust's funding agreement in respect of the disposal of assets generally. 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.

4.2 The Trust may dispose of any other allowable fixed asset (i.e. other than those laid out in the ATH, including land, buildings and heritage assets as described above) without the approval of the DfE.

4.3 The Trust must ensure that any disposal maintains the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value.

4.4 Some property transactions may be novel or contentious and so require the consent of the Secretary of State on that basis in line with the ATH.

4.5 Disposal of assets must be authorised in accordance with the limits in the Scheme of Delegation.