شركة شبكة الخدمات الآلية
Automated Services Network Co.

Fixed Asset Policy – eNet

Version: 2.0

Date: 16/7/2026

1. Purpose

To establish consistent guidelines for acquiring, managing, depreciating, and disposing of fixed assets, ensuring compliance with accounting standards and safeguarding company resources.

2. Scope

This policy applies to all employees of eNet involved in purchasing, managing, or recording fixed assets, including IT equipment, office furniture, vehicles, and property.

3. Definition

Fixed assets are tangible items with:

- Useful life greater than one year
- Intended for business use, not resale

Examples: computers, servers, office furniture, vehicles, buildings, and equipment.

4. Acquisition

- All purchases must be approved by department heads and finance.
- Assets must be recorded in the Fixed Asset Register upon receipt.
- Vendor invoices must clearly identify the asset type.

5. Capitalization

5.1 Capitalization Threshold
The capitalization threshold is KWD 150 per item. Any individual asset with a cost of KWD 150 or more and an expected useful life exceeding one year is recorded as a fixed asset and depreciated in accordance with this policy. Items costing less than KWD 150 are expensed as incurred.

5.2 Grouped Assets
Where multiple low-value items are acquired together and function as a single asset (for example, the

components of one workstation), they are assessed as a group against the threshold rather than individually.

5.3 Cost of an Asset

The capitalized cost of a fixed asset includes its purchase price and all costs necessary to bring the asset to its working condition and location for its intended use, including delivery, installation, and applicable non-refundable taxes and duties.

5.4 Subsequent Costs

Minor repairs and routine maintenance are expensed as incurred. Major improvements that extend an asset's useful life, increase its capacity, or enhance its performance are capitalized and added to the carrying amount of the related asset.

6. Depreciation

- Straight-line method is applied unless otherwise justified.
- Useful life examples:
  - Computers/IT equipment: 2 years
  - Furniture: 4 years
  - Vehicles: 4 years
  - Buildings: 20 years
  - Equipment: 2 years

7. Asset Register

- Finance maintains a detailed register including asset ID, description, location, cost, depreciation, and custodian.
- Annual physical verification is required.

8. Disposal

- Disposal must be approved by finance and management.
- Methods: sale, donation, or scrapping.
- Any proceeds are recorded, and the asset is removed from the register.

9. Security

- Custodians are responsible for safeguarding assigned assets.
- IT assets must comply with eNet's cybersecurity standards.
- Lost or stolen assets must be reported immediately.

10. Compliance

This policy aligns with International Financial Reporting Standards (IFRS) and local regulations. Non-compliance may result in disciplinary action.

Approval Signatures

Role	Name	Signature & Date
General Manager	**Jamal Kubeer**	
Financial Manager	**Abdul Rahman Al Rotel**	
Risk Department	Elsayed Thabet	
Internal Audit	Jinto Joy	