



Fixed asset valuation policy

Introduction

The Joint Panel on Accountability and Governance Practitioners' Guide March 2020 states that the value of the cell at Line 9 in Section 2 (Accounting Statements) in the Annual Governance and Accountability Return (AGAR) is taken from the authority's asset register which is up to date at 31 March and includes all capital acquisition and disposal transactions recorded in the cash-book during the year.

A particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach to be applied consistently from year to year. This document sets out Hennock Parish Council's Fixed Asset Valuation Policy.

Method of asset valuation

The asset should be recorded at acquisition cost on first registration on the asset register.

Once recorded in the asset register, the recorded value of the asset will not change from year to year until disposal.

Commercial concepts of depreciation, impairment adjustments, and revaluation are not required.

For reporting purposes, the original value of fixed assets will stay constant throughout their life until disposal.

Historical valuations where the acquisition cost is not known

The Chairman's Chain of Office and Filing cabinets & documents: 2013/14 figures have been used as a proxy for the baseline valuation in line with the advice of the internal auditor at that time.

Play Parks: 2013/14 figures have been used as a proxy for the baseline valuation with new additions of equipment included at acquisition cost in line with the advice of the internal auditor at that time.

Community assets

Community assets with a previous value of £0 were changed to a nominal value of £1 value as proxy in the year ended 31 March 2017.

Summary

This policy will be reviewed annually in line with the latest/updated Practitioners' Guide.

Approved by Hennock Parish Council at its meeting on 4th May 2021.