



Penrith Town Council

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ASSET VALUATION POLICY

This policy has been formulated by the Town Council to meet the requirements of statutory proper practice as issued under the Accounts and Audit Regulations 2015. The Council maintains an up to date register of its fixed assets and long-term investments. The register includes a description of each asset, date of acquisition, purchase price or proxy value and insurance value. The register provides the basis for the asset values reported in statutory returns.

Small value assets up to a value of £100 are considered de minimis and not included in the register. IT software is an intangible asset and is not treated as a fixed asset. A newly acquired asset is added to the register at the date of acquisition. It is assigned to a particular category which both groups similar assets and determines the basis of their valuation:

- a. The following categories of asset have a nominal proxy value of £1:
 - i. Community Assets, i.e. assets that do not have a functional purpose or any intrinsic resale value;
 - ii. Gifted assets; and
 - iii. Assets transferred from other authorities, eg under a devolution scheme.
- b. Leased assets are included in the register for management purposes only, with no value attached.
- c. All other categories of asset are valued at their actual purchase cost, unless this is not known, in which case a proxy cost is applied. This proxy value is taken to be the insurance value of the asset at the date of acquisition.

Where the acquisition date of an asset is not known, it is included in the asset register at the earliest opportunity, recording the date of its recognition. The value of an asset is not altered unless, in the case of assets recorded at actual purchase cost or at a proxy insurance value, there has been subsequent expenditure which materially enhances the asset or substantially increases its life. On the disposal of an asset, its register value is reduced to nil at the date of the disposal.

Approved: 20 May 2019

Reviewed: 25 March 2024

Review: Annual