

Felsted Parish Council – Asset Valuation Policy



ASSET VALUATION POLICY

Felsted Parish Council (FPC) treats Fixed Assets in line with the requirements of the current edition of the Smaller Authorities Proper Practices Panel Practitioners' Guide (The Guide).

As such:

- FPC maintains a formal Asset Register and updates it routinely to record new assets at cost price, net of VAT and removes any disposed of/no longer serviceable assets
- FPC physically verifies the existence and condition of high value, high risk assets annually
- FPC keeps addition and disposal records which allow year-to-year tracking
- The Asset Register contains in the date of acquisition, cost of acquisition and location.
- The Asset Register shows both the acquisition value and the insurance value
- The Asset Register is compared with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by FPC.

Valuation of Assets

FPC's Asset Valuation Policy is that:

- assets that are either under construction or have not been brought into use are included on the Register only once complete and in use
- for first registration the asset valuation will be recorded at acquisition cost (where known) or at a reasonable valuation as determined by the Council
- assets received as a gift at zero cost are included with a nominal one-pound (£1) value
- assets that do not have a functional purpose or any intrinsic resale value are recorded in the Register in the same way as gifted assets with a one-pound (£1) value
- the recorded value of the asset will not change from year to year until disposal or unless the asset is materially enhanced
- once disposed of, the asset will remain on the Register as a 'disposed asset' with a displayed value of nil; it will remain on the Register for two years after disposal and then be deleted
- the commercial concepts of depreciation, impairment adjustment and re-evaluation are not required nor appropriate for this method of asset valuation.
- obsolete assets that are no longer in use or are awaiting disposal are clearly recorded as such in the Register

Recommended by Finance Committee – 25/02/26 – Minute ref F25/73

Approved by Full Council – 04/03/26 – Minute ref 26/62.6