West Horsley Parish Council

FIXED ASSET CAPITALISATION POLICY

Introduction
Local councils must maintain an asset register to ensure fixed assets are appropriately safeguarded. Once recorded on the asset register at acquisition cost, the value of assets must not change from year to year until disposal. Concepts of depreciation and impairment adjustments are not appropriate for local councils.

The Register is confirmed by the Council at the end of each financial year but is a working document over the following financial year, during which Council Officers will update and amend details as necessary.

The definition of fixed assets are property, plant and equipment with a useful life of more than one year, used by the Council to deliver its services.

Purpose
A Fixed Asset Register has four main purposes. It:

1) forms a basis for completion of box 9 in the 'Annual Return.'
2) forms a basis for decisions on risk and insurance issues.
3) provides information on the age and potential lifespan of certain items.
4) provides assurance of the continued existence of Council's property.

Items for Inclusion
To ensure transparency and reasonableness, the following items are included in the Council's asset register, whether purchased, gifted or otherwise acquired, together with their holding location:

a) land and buildings held freehold or on long term lease in the name of the Council
b) community assets
c) vehicles, plant and machinery
d) assets considered to be portable, attractive or of community significance
e) other assets estimated or known to have a minimum purchase or resale value of £500
f) long term investments, shares and loans made by the Council
g) assets held on trust (e.g. monies held on behalf of the Chairman's charity, if applicable)

Any fixed asset with an acquisition cost of less than £500 will be entered on the Council's inventory list maintained by the RFO; this document will also be confirmed by the Council at the end of the financial year.

Adopted by Council on: 12 April 22
Reviewed: 10 December 2024 and 17 November 2026

Next scheduled review November 2028