

<b>Llangoedmor Community Council</b>	
Meeting Date:	February 2025
Report Title:	Depreciation and Asset Valuation
Agenda Item Number	6.3.3
Paper Reference	Feb 2025-3
Presented By	Clerk

## **Introduction**

It was suggested at the Council meeting on 2<sup>nd</sup> September 2024 that the Council look at the accounting treatment of its asset register so that it was insuring assets for the appropriate value.

One methodology to be looked at was applying annual depreciation to assets and the Finance Committee was tasked with looking at this area.

Since the Finance Committee has yet to meet this paper proposes a way forwards in this area in dealing with the Council's assets.

## **Depreciation and Asset Values**

Since the Council operates a cash method of accounting and not accruals accounts it would not seem appropriate operate a system of depreciation as this would merely constitute a paper exercise.

It recommended instead that the Council's land and building and specialist equipment be valued by a specialist on a tri-annual basis to establish their valuation for insurance purposes.

All other equipment will be reviewed annually by the Council for reasonableness.

## **Recommendations to the Council**

It is proposed that the Council adopts the above approach to the management of its asset register.