

Thame Town Council

Fixed Asset Depreciation Policy

1. Fixed Asset De-Minimus Levels

The Council has adopted £1,000 de minimus levels for the inclusion of fixed assets on the balance sheet relating to operational land and buildings, vehicles and equipment and infrastructure assets.

2. Tangible Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accrual basis, provided the asset benefits the Council and its services for more than one year. The Council reviews the value of its fixed assets at regular intervals (at least every five years).

3. Depreciation

a) Depreciation is calculated on a straight-line basis as below:

- Buildings over the shorter of 50 years or the anticipated remaining useful life.
- Vehicles, plant, equipment and furniture over 4 to 10 years.
- Play equipment over 10 years at 10% per annum.
- Infrastructure assets – over 10 years at 10% per annum.

Certain community assets are the subject of restrictive covenants as to their use and/or future disposal. Such assets are considered to have no appreciable realisable value and are included in the Fixed Asset Register at a nominal value only. The assets are therefore not depreciated.

b) Depreciation is applied in the year of acquisition.

c) Depreciation is not provided for in the year of disposal.

d) New single item purchases or group of similar items, over £1,000 will be added to the asset register and depreciated accordingly.