

Common Good Funds

The Council administers the Common Good Funds which consist of bequests made to the former Town Councils for the good of the residents. These funds were transferred to Moray District Council in 1975 and then to The Moray Council in 1996 as the successor Council under the reorganisation of Local Government.

These funds do not represent a charge to Council Tax payers but form part of the statutory reporting requirements of the Council. They represent funds set up for the benefit of the community or organisations within the Moray area.

The Accounts for Common Good have been prepared according to the LAASAC Guidance *Accounting for Common Good (December 2007)* which is consistent with proper accounting required by the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

Accounting Policies

Accounting Policies adopted for the Common Good are the same as those adopted for the Moray Council with the exception of the application of IAS 16 and IAS 40. IAS 16 requires that assets be depreciated and that the charge for depreciation be set against any surplus in the Income and Expenditure Account. IAS 40 requires any movement in the fair value of investment properties to be recognised in the surplus or deficit in the Income and Expenditure Account.

Common Good Funds Income and Expenditure Account

31 March 2013 £000			31 March 2014 £000
	Income		
(10)	Property		(13)
(112)	Investment Income		(85)
(10)	Movement in Fair Value of Investment Property		(4,388)
<u>(132)</u>	Total Income		<u>(4,486)</u>
	Expenditure		
5	Property Costs		2
15	Administrative Costs		15
75	Donations, Grants etc		51
6	Other Costs		18
121	Depreciation	Note 1	118
-	Movement on Held for Sale Asset	Note 2	108
<u>222</u>	Total Expenditure		<u>312</u>
<u>90</u>	(Surplus)/Deficit for the Year		<u>(4,174)</u>
-	Deficit on revaluation of Non-current Assets		6
<u>90</u>	Total Comprehensive Net (Income)/Expenditure		<u>(4,168)</u>

Common Good Funds Balance Sheet

31 March 2013
£000

31 March 2014
£000

6,339	Property, Plant & Equipment	Note 1	5,459
210	Heritage Assets	Note 3	204
1,658	Investment Property	Note 4	6,700
8,207	Long Term Assets		12,363
-	Debtors		12
1	Inventories		1
5	Feu duties		3
3,298	Loans Fund Balance		3,290
3,304	Current Assets		3,306
(24)	Creditors		(14)
(24)	Current Liabilities		(14)
11,487	Net Assets		15,655
6,539	Revaluation Reserve		5,761
4,948	Revenue Reserve		9,894
11,487	Total Reserves		15,655

Summary of Funds

Total Funds £000		Invested In Loans Fund £000	Total Funds £000
2,479	Buckie	1,457	2,451
114	Cullen	30	114
22	Dufftown	10	23
5,426	Elgin	1,583	5,374
3,444	Forres	208	7,691
2	Keith	2	2
11,487	TOTAL	3,290	15,655

Notes to the Common Good Accounts

Note 1 Property, Plant and Equipment

Property, plant and equipment is valued on the basis recommended by CIPFA and the valuation report is produced by the Council's Estates Manager who is a Member of the Royal Institute of Chartered Surveyors. The assets are valued on a 5 year rolling programme and have been prepared in accordance with the provisions of the Royal Institution of Chartered Surveyors Valuations Standards 6th Edition.

Property, plant and equipment is classified into groupings required by the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

Assets have been valued on the following basis:-

Other Land & Buildings	- Existing Use Value (EUV) or Depreciated Replacement Cost (DRC)
Community Assets	- Historic Cost where available.
Surplus Assets	- Market value

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:-

Other Land & Buildings - Buildings up to 60 years, land is not depreciated

Surplus Assets - land is not depreciated

Movements of Fixed Assets were as follows:

2012/13

	Other Land & Buildings	Surplus Assets	Total
	£000	£000	£000
Gross Book Value at 1 April 2012	5,455	615	6,070
Revaluations	176	-	176
Restatements	461	-	461
Gross Book Value at 31 March 2013	6,092	615	6,707
Accumulated Depreciation at 1 April 2012	367	-	367
Revaluations	(138)	-	(138)
Restatements	18	-	18
Charge for the Year	121	-	121
Depreciation at 31 March 2013	368	-	368
Net Book Value at 31 March 2013	5,724	615	6,339
Net Book Value at 31 March 2012	5,088	615	5,703

2013/14

	Other Land & Buildings	Surplus Assets	Total
	£000	£000	£000
Gross Book Value at 1 April 2013	6,092	615	6,707
Reclassifications	(151)	(615)	(766)
Gross Book Value at 31 March 2014	5,941	-	5,941
Accumulated Depreciation at 1 April 2013	368	-	368
Reclassifications	(4)	-	(4)
Charge for the Year	118	-	118
Depreciation at 31 March 2014	482	-	482
Net Book Value at 31 March 2014	5,459	-	5,459
Net Book Value at 31 March 2013	5,724	615	6,339

Restatements (2012/13) relate to assets previously held on the General Services Account now identified as Common Good.

Note 2 Assets Held for Sale	2012/13	Current Assets
	£000	2013/14
		£000
Balance outstanding at 1 April	-	-
Assets newly classified as held for sale:		
Property, Plant and Equipment	-	108
Revaluation gains/(losses)	-	(108)
Balance outstanding at 31 March	<u>-</u>	<u>-</u>

Note 3 Heritage Assets

This note details the movement in Heritage Assets during the years 2012/13 and 2013/14.

	Fine Art	Chains of Office	Total Heritage Assets
	£000	£000	£000
Valuation at 1 April 2012	125	-	125
Revaluations	-	85	85
At 31 March 2013	<u>125</u>	<u>85</u>	<u>210</u>
Valuation at 1 April 2013	125	85	210
Revaluations	-	(6)	(6)
At 31 March 2014	<u>125</u>	<u>79</u>	<u>204</u>

The revaluation of the Chains of Office in 2013/14 included an estimated value for four Chains of Office. These chains were independently valued during 2013/14 by William Windwick, PJDip FGA FNAG MIRV, a member of the Institute of Registered Valuers

The following table shows assets that may be regarded as Heritage Assets, but which have not been included in the Balance Sheet as the Council considers that obtaining valuations would involve disproportionate cost and that reliable cost or valuation information cannot be obtained for these items. The Code therefore permits such assets to be excluded from the Balance Sheet.

Assets excluded from Heritage Assets	Estimated number of assets
	31 March 2014
Monuments and Fountains	3
Nelsons Tower	1

Note 4 Investment Properties

The following items of income and expense have been accounted for in Investment Income in the Income and Expenditure Account:-

	2012/13 £000	2013/14 £000
Rental income from investment property	41	62
Net gain/ (loss)	<u>41</u>	<u>62</u>

There are some restrictions from the original benefactors on the Common Good's ability to realise the value inherent in its investment property. The Common Good has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

	2012/13 £000	2013/14 £000
Balance at start of the year	1,648	1,658
Net gains/(losses) from fair value adjustments	10	4,388
Transfers from Property, Plant and Equipment	-	654
Balance at end of the year	<u>1,658</u>	<u>6,700</u>

