

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 2014/15.

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 2014 £000		31 March 2015 £000
	Income	
(13)	Property	(5)
(85)	Investment Income	(117)
-	Other Income	(42)
(4,388)	Movement in Fair Value of Investment Property	(1,928)
<u>(4,486)</u>	Total Income	<u>(2,092)</u>
	Expenditure	
2	Property Costs	-
15	Administrative Costs	16
51	Donations, Grants etc	24
18	Other Costs	39
118	Depreciation	348
108	Movement on Held for Sale Asset	-
<u>312</u>	Total Expenditure	<u>427</u>
<u>(4,174)</u>	(Surplus) for the Year	<u>(1,665)</u>
6	Deficit (Surplus) on revaluation of Non-current Assets	(4,765)
<u>(4,168)</u>	Total Comprehensive Net (Income)	<u>(6,430)</u>

Common Good Funds Balance Sheet

31 March 2014
£000

31 March 2015
£000

5,459	Property, Plant & Equipment	Note 1	9,821
204	Heritage Assets	Note 3	204
6,700	Investment Property	Note 4	8,582
12,363	Long Term Assets		18,607
12	Debtors		84
1	Inventories		1
3	Feu duties		-
3,290	Loans Fund Balance		3,396
3,306	Current Assets		3,481
(14)	Creditors		(3)
(14)	Current Liabilities		(3)
15,655	Net Assets		22,085
5,761	Revaluation Reserve		10,015
9,894	Revenue Reserve		12,070
15,655	Total Reserves		22,085

Summary of Funds

Total Funds £000		Invested In Loans Fund £000	Total Funds £000
2,451	Buckie	1,474	2,652
114	Cullen	33	118
23	Dufftown	12	24
5,374	Elgin	1,622	9,634
7,691	Forres	203	9,605
-	Portknockie	50	50
2	Keith	2	2
15,655	TOTAL	3,396	22,085

Notes to the Common Good Accounts

Note 1 Property, Plant & 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 Valuation - Professional Standards January 2014.

Property, plant and equipment is classified into groupings required by the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

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 Property Plant & Equipment were as follows:

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

2014/15

	Other Land & Buildings	Surplus Assets	Total
	£000	£000	£000
Gross Book Value at 1 April 2014	5,941	-	5,941
Revaluations	3,435	-	3,435
Restatements	911	-	911
Disposal	(45)	-	(45)
Gross Book Value at 31 March 2015	10,242	-	10,242
Accumulated Depreciation at 1 April 2014	482	-	482
Revaluations	(408)	-	(408)
Restatements	(1)	-	(1)
Charge for the Year	348	-	348
Depreciation at 31 March 2015	421	-	421
Net Book Value at 31 March 2015	9,821	-	9,821
Net Book Value at 31 March 2014	5,459	-	5,459

Restatements (2014/15) relate to assets previously held on the General Services Account now identified as Common Good and assets previously held as Common Good now identified as Trust Fund.

Note 2 Assets Held for Sale

	2013/14	Current Assets
	£000	2014/15
		£000
Balance outstanding at 1 April	-	-
Assets newly classified as held for sale:		
Property, Plant and Equipment	108	-
Revaluation (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 2013/14 and 2014/15.

	Fine Art	Chains of Office	Total Heritage Assets
	£000	£000	£000
Valuation at 1 April 2013	125	85	210
Revaluations	-	(6)	(6)
At 31 March 2014	<u>125</u>	<u>79</u>	<u>204</u>
Valuation at 1 April 2014	125	79	204
Revaluations	-	-	-
At 31 March 2015	<u>125</u>	<u>79</u>	<u>204</u>

The Chains of Office were independently valued during 2012/13 and 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 2015
Monuments and Fountains	1
Nelsons Tower	1

Note 4 Investment Property

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

	2013/14 £000	2014/15 £000
Rental income from investment property	62	64
Net gain	<u>62</u>	<u>64</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:

	2013/14 £000	2014/15 £000
Balance at start of the year	1,658	6,700
Net gains from fair value adjustments	4,388	1,928
Transfers from Property, Plant and Equipment	654	-
Disposals	-	(46)
Balance at end of the year	<u>6,700</u>	<u>8,582</u>

